

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

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

Date of Report:

October 16, 2002

Commission file number

1-5805

J.P. MORGAN CHASE & CO.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-2624428

(I.R.S. Employer Identification No.)

270 Park Avenue, New York, NY

(Address of principal executive offices)

10017

(Zip Code)

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

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Item 5. Other Events

On October 16, 2002, J.P. Morgan Chase & Co. (NYSE: JPM) announced 2002 third quarter reported earnings per share of \$0.01, compared with \$0.50 in the second quarter of 2002 and \$0.22 in the third quarter of 2001. Reported net income was \$40 million in the third quarter compared to \$1,028 million in the second quarter and \$449 million one year ago.

Operating earnings per share, which exclude previously announced merger and restructuring charges and special items, were \$0.16 compared with \$0.58 in the second quarter of 2002 and \$0.55 in the third quarter of 2001. Operating earnings were \$325 million in the third quarter compared to \$1,179 million in the second quarter and \$1,133 million one year ago. Operating earnings for 2001 have been increased by adding back amortization of goodwill to present 2001 results on a basis comparable to the results for 2002 which include the impact of the implementation on January 1, 2002 of SFAS 142. For a reconciliation between Operating and Reported Earnings see the table on page 11 of the press release attached as Exhibit 99.1 hereto.

A copy of J.P. Morgan Chase & Co.'s press release is attached as an exhibit hereto. That press release contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Such risks and uncertainties are described in our Quarterly Report on Form 10-Q for the quarters ended June 30, 2002 and March 31, 2002 and in the 2001 Annual Report on Form 10-K, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (www.sec.gov), to which reference is hereby made.

Item 7. Financial Statements, Pro forma Financial Information and Exhibits

Exhibit Number	Description
12 (a)	Computation of Ratio of Earnings to Fixed Charges
12 (b)	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements
99.1	Press Release – 2002 Third Quarter Earnings
99.2	2002 Third Quarter Financial Supplement
99.3	Investor Presentation Slides

Item 9. Regulation FD Disclosure

Exhibit 99.3 are copies of slides presented at an investors' presentation on October 16, 2002 reviewing 2002 third quarter earnings. Those slides are furnished pursuant to Item 9 and the information contained in Exhibit 99.3 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that Section. Furthermore, the information in Exhibit 99.3 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J.P. MORGAN CHASE & CO.

(Registrant)

By: /s/ Joseph L. Sclafani

Joseph L. Sclafani
Executive Vice President and Controller
[Principal Accounting Officer]

Dated: October 18, 2002

EXHIBIT INDEX

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EXHIBIT 12(a)

J.P. MORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges
(in millions, except ratios)Nine Months Ended
September 30, 2002**Excluding Interest on Deposits**

Income before income taxes	\$ 3,106
----------------------------	----------

Fixed charges:

Interest expense	6,478
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One-third of rents, net of income from subleases (a)	214
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Total fixed charges	6,692
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Less: Equity in undistributed income of affiliates	(73)
--	------

Earnings before taxes and fixed charges, excluding capitalized interest	\$ 9,725
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Fixed charges, as above	\$ 6,692
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Ratio of earnings to fixed charges	1.45
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Including Interest on Deposits

Fixed charges, as above	\$ 6,692
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Add: Interest on deposits	4,077
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Total fixed charges and interest on deposits	\$10,769
--	----------

Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$ 9,725
---	----------

Add: Interest on deposits	4,077
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Total earnings before taxes, fixed charges and interest on deposits	\$13,802
---	----------

Ratio of earnings to fixed charges	1.28
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(a) The proportion deemed representative of the interest factor.

EXHIBIT 12(b)

J.P. MORGAN CHASE & CO.

**Computation of Ratio of Earnings to Fixed Charges
and Preferred Stock Dividend Requirements**
(in millions, except ratios)

Nine Months Ended
September 30, 2002

Excluding Interest on Deposits

Income before income taxes	\$ 3,106
----------------------------	----------

Fixed charges:

Interest expense	6,478
------------------	-------

One-third of rents, net of income from subleases (a)	214
--	-----

Total fixed charges	6,692
---------------------	-------

Less: Equity in undistributed income of affiliates	(73)
--	------

Earnings before taxes and fixed charges, excluding capitalized interest	\$ 9,725
---	----------

Fixed charges, as above	\$ 6,692
-------------------------	----------

Preferred stock dividends	39
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Fixed charges including preferred stock dividends	\$ 6,731
---	----------

Ratio of earnings to fixed charges and preferred stock dividend requirements	1.44
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Including Interest on Deposits

Fixed charges including preferred stock dividends, as above	\$ 6,731
---	----------

Add: Interest on deposits	4,077
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Total fixed charges including preferred stock dividends and interest on deposits	\$10,808
--	----------

Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$ 9,725
---	----------

Add: Interest on deposits	4,077
---------------------------	-------

Total earnings before taxes, fixed charges and interest on deposits	\$13,802
---	----------

Ratio of earnings to fixed charges and preferred stock dividend requirements	1.28
--	------

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

J.P. Morgan Chase & Co.
270 Park Avenue, New York, NY 10017-2070
NYSE symbol: JPM
www.jpmorganchase.com



News release: IMMEDIATE RELEASE

JPMORGAN CHASE REPORTS 2002 THIRD QUARTER RESULTS

New York, October 16, 2002 – J.P. Morgan Chase & Co. (NYSE: JPM) today reported 2002 third quarter earnings per share, inclusive of all restructuring charges and special items, of \$0.01, compared with \$0.50 in the second quarter of 2002 and \$0.22 in the third quarter of 2001. Net income was \$40 million in the third quarter compared to \$1,028 million in the second quarter and \$449 million one year ago.

Operating earnings per share, which exclude previously announced merger and restructuring charges and special items, were \$0.16 compared with \$0.58 in the second quarter of 2002 and \$0.55 in the third quarter of 2001. Operating earnings were \$325 million in the third quarter compared to \$1,179 million in the second quarter and \$1,133 million one year ago. For a reconciliation between operating earnings and net income see the table on page 11.

As previously announced, earnings performance this quarter was affected by higher credit costs and lower trading results.

“While the strength reflected in our Retail and Operating Services businesses is a major positive, our performance in the aggregate is very disappointing,” said William B. Harrison, Jr., Chairman and Chief Executive Officer. “In the Investment Bank, we will work through these difficult market conditions by balancing competitive advantages and actions with near-term tactical initiatives,” Mr. Harrison said. “As a management team and as shareholders, we are committed to this firm realizing its earnings potential over the longer term.”

The Investment Bank has completed a review of all major businesses. Our conclusions underscore the value of the firm’s integrated business model, the breadth of our product offering and the strength of our client franchise. To improve financial performance under current market conditions, the Investment Bank is undertaking a series of initiatives to improve efficiency as well as enable selective strategic investments. These initiatives, which will begin in the fourth quarter, are expected to generate approximately \$700 million of savings and result in a reduction in staffing levels of over 2,000 as well as a reduction in consultants employed by the firm. Severance and other restructuring costs related to these initiatives are estimated to be approximately \$450 million with approximately \$300 million to be incurred in the fourth quarter of 2002 and the remainder in 2003. Below is a brief description of the major initiatives:

- Align the cost of our equities business with the near-term revenue outlook.
- Improve the productivity of our client coverage teams and origination functions.
- Scale our businesses in Asia and Latin America in line with market opportunities.
- Continue to improve the efficiency and effectiveness of our infrastructure support groups.

Investor Contact: John Borden
(212) 270-7318

Media Contact: Joe Evangelisti
(212) 270-7438

Business segment results

Retail & Middle Market Financial Services had a third consecutive quarter of record revenues and operating earnings. Operating earnings of \$807 million were up 16% from the second quarter and up 92% from the third quarter of 2001. Operating ROE for the third quarter was 30% compared to 27% last quarter and 18% for the third quarter of 2001.

Operating revenues of \$3.73 billion were up 8% from the second quarter and 31% from the third quarter of 2001 driven by continued high production volumes across all consumer credit businesses and low interest rates. Home Finance revenues were up 108% over the prior year and were driven by strong mortgage originations and gains realized on hedging mortgage-servicing rights. In Cardmember Services, managed credit card outstandings increased 31% from September 30, 2001 to \$51.1 billion due to the Provident acquisition in the first quarter of 2002 and organic growth. There were close to 900,000 new accounts originated during the quarter, the eighth consecutive quarter of additions at this level. Total average deposits grew 14% from the third quarter of 2001.

Operating expenses of \$1.65 billion increased by 2% from the second quarter and by 14% from the third quarter of 2001. The increases reflected the impact of higher business volumes. Savings generated by Six Sigma productivity programs continued to partially offset the growth in expenses.

Managed (retained and securitized) credit costs of \$823 million were 12% higher than the second quarter and were 14% higher than the third quarter of 2001. The year-on-year increase reflects a 15% increase in managed consumer loans and, within the managed credit card portfolio, increased charge-offs related primarily to the impact of the Provident credit card portfolio. During the quarter Cardmember Services complied with new FFIEC draft guidelines resulting in \$189 million in reserves allocated against interest and fee receivables for managed delinquent accounts.

The Investment Bank had an operating loss of \$256 million in the third quarter, compared to operating earnings of \$486 million in the second quarter and \$702 million in the third quarter of 2001. The operating loss for the quarter was driven by significantly higher credit costs and lower revenues compared to prior quarters.

Operating revenues of \$2.43 billion were 21% lower than last quarter and down 31% from the third quarter of 2001.

Investment Banking fees of \$533 million decreased 32% from the second quarter and were down 34% from the third quarter of 2001. The decrease reflects industry-wide weakness in both M&A activity and underwriting volumes in the equity and debt markets. Advisory revenues were down 28% and 58% from the second quarter of 2002 and the third quarter of 2001, respectively. For the first nine months of 2002, the Investment Bank improved its ranking to #4 in global announced M&A with a market share of 16%, including a #1 ranking in European announced M&A.¹

Underwriting revenues and other fees were down 34% from the second quarter and down 18% from the third quarter of 2001, driven by weakness in equity underwriting activity. The firm maintained its #2 ranking in underwriting U.S. investment grade bonds.¹

¹ Derived from Thomson Financial Securities Data

Trading revenues (including related net interest income) of \$370 million declined from \$1.12 billion in the second quarter of 2002 and from \$1.50 billion in the third quarter of 2001. Fixed income results decreased 39% from the second quarter and 51% from the third quarter of 2001 due to weakness in interest rate trading and seasonally lower client flow compared to the second quarter. The decline in equities was due to lower portfolio management results in equity derivatives, convertibles and cash securities.

Partially offsetting the decline in trading revenues were investment securities gains of \$465 million. These gains resulted from the strong performance of global treasury, which manages the firm's interest rate exposures and investment securities activities. Global treasury's activities complement and offer a strategic balance and diversification benefit to the firm's trading activities. Global treasury manages interest rate risk of the firm on a "total return" basis, which measures both realized income (securities gains or losses and net interest income) and unrealized gains or losses on assets and liabilities of the firm. The total return from these activities was \$363 million in the third quarter, up 70% from the second quarter.

Credit costs were \$1.32 billion for the quarter, up from \$306 million in the second quarter and \$268 million in the third quarter of 2001. The increase includes significantly higher charge-offs, primarily in the telecommunication and cable sectors, and a provision in excess of charge-offs for loans and off-balance sheet commitments.

Operating expenses for the third quarter of \$1.65 billion decreased by 19% from the second quarter and by 23% from the third quarter of 2001. The decline reflects lower incentive compensation expense as a result of the weak operating performance. Operating expenses in the third quarter included severance and related costs of \$79 million compared to \$123 million in the second quarter and none in the third quarter of last year. Including these severance and related costs, the overhead ratio for the third quarter was 68% compared to 65% in the second quarter and 61% in the third quarter of 2001. Excluding these costs the overhead ratio for the quarter was 64% compared to 61% in both the second quarter of 2002 and the third quarter of 2001.

Treasury & Securities Services, our wholesale operating services business, had record operating earnings of \$212 million, an increase of 22% from the second quarter and 23% from the third quarter of 2001. Operating ROE for the quarter was 28% compared to 23% in the second quarter of 2002 and the third quarter of 2001.

Operating revenues were \$1.02 billion in the third quarter of 2002, up 4% from the second quarter and up 5% from the third quarter of 2001, substantially due to a \$50 million gain on the sale of an investment in an overseas securities clearing firm. Institutional Trust revenues were marginally below the second quarter of 2002 and 16% higher than the third quarter of 2001. The increase from the prior year reflected the impact of acquisitions and new business wins partially offset by the effect of slower fixed income activity. Investor Services revenues were down 8% from the second quarter of 2002 due to seasonal dividend activity in global markets in the earlier period. Revenues were down 9% from the third quarter of 2001 primarily due to the surge in deposit balances in 2001 following September 11 events. Also contributing to the decline were lower spreads on foreign exchange and securities lending resulting from the weak market environment. Revenues in Treasury Services were up 8% from the second quarter and 3% from the third quarter of last year despite considerably lower revenues on free balances in today's low interest rate environment.

Operating expenses decreased 3% from the second quarter of 2002 and 1% from the third quarter of 2001. The overhead ratio for the third quarter was 68% compared to 73% in the second quarter of 2002 and the third quarter of 2001.

Investment Management & Private Banking had operating earnings of \$98 million, down 12% from the second quarter and 21% from the third quarter of 2001. Pre-tax margin in the third quarter was 17%, compared with 19% last quarter and 22% in the third quarter of 2001.

Operating revenues of \$691 million in the third quarter were 5% below the second quarter and 9% lower than the third quarter of 2001. Declines in global equity valuations and lower investor activity levels accounted for most of the decreases. Additionally, reductions in the Private Bank's credit portfolio reduced net interest earnings from the year ago quarter. During the third quarter, Brown & Co., the specialty online brokerage unit of JPMorgan Chase that was previously part of the firm's retail business, was transferred to this unit as part of a strategy to grow the retail asset management business. Operating expenses of \$551 million for the quarter were 3% below the second quarter and down 7% from the third quarter of 2001.

Total assets under management at quarter-end of \$492 billion were 9% lower than the second quarter and down 15% from the third quarter of 2001. Market depreciation and institutional outflows accounted for the year-on-year decline. These effects outweighed the positive flows and increased assets under management for retail mutual funds. Including the 45% interest in American Century, assets under management were \$524 billion at quarter-end, \$577 billion as of the second quarter 2002 and \$619 billion as of the third quarter 2001.

JPMorgan Partners had an operating loss of \$284 million for the quarter compared to an operating loss of \$169 million in the second quarter and an operating loss of \$153 million in the third quarter of 2001.

Total net private equity gains were negative \$299 million, as compared to negative \$125 million in the second quarter and negative \$102 million in the third quarter of 2001. The third quarter 2002 results were driven by write-downs and write-offs on private holdings. Net mark-to-market losses on public securities of \$120 million were partially offset by net realized gains of \$111 million. Losses on the private portfolio and public portfolio were concentrated in telecommunications and technology investments. Book value, as of September 30, 2002, of the telecommunications, media and technology public and private portfolios was \$1.4 billion, including \$386 million in telecommunications, \$257 million in media and \$769 million in technology. The private equity market continues to be unsettled, with limited exit opportunities and constrained financing.

Expenses

Operating expenses were \$4.62 billion, a 7% decline from both the second quarter of this year and the third quarter of 2001. Third quarter operating expenses included \$122 million in severance and other costs associated with current restructuring programs. This compared with \$162 million of these expenses in the second quarter. The third quarter of 2002 also included a \$67 million reversal of previously accrued expenses associated with restricted stock issued under employee benefit plans that contained stock price targets, which now appear unlikely to be attained. These reversals totaled \$120 million year to date.

Credit

Commercial net charge-offs in the third quarter of 2002 were \$834 million, compared to \$293 million in the previous quarter and \$189 million in the third quarter of 2001. The increase was primarily attributable to companies in the telecommunications and related sectors and, to a lesser extent, the cable sector. The charge-off ratio for commercial loans was 3.53% for the third quarter of 2002, 1.17% for the second quarter of 2002 and 0.65% for the third quarter of 2001.

Consumer net charge-offs on a managed basis were \$786 million, down from \$862 million in the prior quarter and an increase from \$626 million in the third quarter of 2001. The year-over-year increase was due to the inclusion of the Provident portfolio acquired during the first quarter of this year. On a managed basis, the credit card net charge-off ratio was 5.51%, compared to 6.42% for the second quarter and 5.64% for the third quarter of 2001. The improvement from the second quarter reflects lower bankruptcies and higher balances. Overall, consumer delinquency statistics remain relatively stable.

Provision for Credit Losses of \$1.84 billion was \$570 million in excess of charge-offs. The provision includes \$292 million for losses in lending-related commitments. The loan loss provision in excess of loan charge-offs was \$200 million in the third quarter of 2001.

Total Nonperforming Assets were \$5.54 billion at September 30, 2002, which includes \$1.13 billion related to the Enron surety receivables and letter of credit. Excluding this amount, which is the subject of litigation with creditworthy entities, nonperforming assets totaled \$4.41 billion. This compares to \$3.25 billion last quarter and \$2.65 billion as of September 30, 2001. The increase from the second quarter of 2002 relates primarily to nonperforming telecommunications-related and cable loans.

Total assets and capital

Total assets as of September 30, 2002 were \$742 billion, compared with \$741 billion as of June 30, 2002 and \$799 billion as of September 30, 2001. Commercial loans were down 7% or \$7.2 billion from the second quarter and decreased 16% or \$19.1 billion from the third quarter of 2001. Managed consumer loans increased 7% from the second quarter and increased 15% from the third quarter of 2001. The Tier 1 capital ratio was 8.6% at September 30, compared to 8.8% at June 30, 2002 and 8.2% at September 30, 2001.

Other financial information

Special Items in the third quarter of 2002 included \$333 million (pre-tax) in merger and restructuring costs and \$98 million (pre-tax) in real estate reserves for excess capacity related to facilities, compared to \$229 million (pre-tax) in merger and restructuring costs in the second quarter of 2002. Special items in the third quarter of 2001 included merger and restructuring costs (pre-tax) of \$876 million. Special items through the first three quarters of 2002 were \$915 million and are in line with our full year targeted non-operating expenses of \$1.2 billion.

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of \$742 billion and operations in more than 50 countries. The firm is a leader in investment banking, asset management, private banking, private equity, custody and transaction services and retail and middle market financial services. A component of the Dow Jones Industrial Average, JPMorgan Chase is headquartered in New York and serves more than 30 million consumer customers and the world's most prominent corporate, institutional and government clients. Information about JPMorgan Chase is available on the internet at www.jpmorganchase.com.

JPMorgan Chase will hold a conference call for the investment community on Wednesday, October 16, 2002 at 11:00 a.m. (Eastern Daylight Time) to review third quarter 2002 financial results. The dial in number is (973) 321-1040. A live audio webcast of the call will be available on www.jpmorganchase.com. Slides for the call are also available on www.jpmorganchase.com. A telephone replay of the presentation will be available beginning at 1:30 p.m. (EDT) on October 16, 2002 and continuing through 6:00 p.m. (EDT) on October 23, 2002 at (973) 341-3080 pin #3484961. The replay also will be available on www.jpmorganchase.com. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available on the JPMorgan Chase web site (www.jpmorganchase.com).

This press release contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Such risks and uncertainties are described in our Quarterly Report on Form 10-Q for the quarters ended June 30, 2002 and March 31, 2002 and in the 2001 Annual Report on Form 10-K, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (www.sec.gov), to which reference is hereby made.

J.P. MORGAN CHASE & CO.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	3QTR 2001	3QTR 2002 Over (Under)	
				2Q 2002	3Q 2001
OPERATING INCOME STATEMENT (a)(b)					
OPERATING REVENUE:					
Investment Banking Fees	\$ 545	\$ 785	\$ 811	(31)%	(33)%
Trading-Related Revenue (Incl. Trading NII)	365	1,136	1,614	(68)	(77)
Fees and Commissions	2,768	2,745	2,297	1	21
Private Equity — Realized Gains (Losses)	(40)	(10)	204	NM	NM
Private Equity — Unrealized Gains (Losses)	(275)	(115)	(311)	NM	12
Securities Gains	578	124	142	366	307
Other Revenue (c)	409	273	209	50	96
Net Interest Income (Excl. Trading NII)	2,951	2,970	2,725	(1)	8
TOTAL OPERATING REVENUE	7,301	7,908	7,691	(8)	(5)
OPERATING EXPENSE:					
Compensation Expense	2,367	2,761	2,860	(14)	(17)
Noncompensation Expense	2,253	2,204	2,125	2	6
TOTAL OPERATING EXPENSE	4,620	4,965	4,985	(7)	(7)
Credit Costs (c)	2,190	1,155	1,015	90	116
Operating Income before Taxes	491	1,788	1,691	(73)	(71)
Income Taxes	166	609	558	(73)	(70)
OPERATING EARNINGS	\$ 325	\$ 1,179	\$ 1,133	(72)	(71)
Special Items & Change in Acctng Principle	(285)	(151)	(587)	(89)	51
Amortization of Goodwill, Net of Taxes (d)	—	—	(97)	NM	NM
NET INCOME	\$ 40	\$ 1,028	\$ 449	(96)	(91)
OPERATING BASIS					
Diluted Earnings per Share	\$ 0.16	\$ 0.58	\$ 0.55	(72)	(71)
Shareholder Value Added	(964)	(57)	(136)	NM	NM
Return on Managed Assets	0.17%	0.62%	0.59%	(45) bp	(42) bp
Return on Common Equity	2.9	11.4	10.7	(850)	(780)
Overhead Ratio	63	63	65	—	(200)
Common Dividend Payout Ratio	222	59	61	NM	NM
Compensation Exp. as a % of Revenue	32	35	37	(300)	(500)
Noncompensation Exp. as a % of Revenue	31	28	28	300	300
NET INCOME PER COMMON SHARE					
Basic	\$ 0.01	\$ 0.51	\$ 0.22	(98)%	(95)%
Diluted	0.01	0.50	0.22	(98)	(95)
COMMON SHARES OUTSTANDING					
Basic Average Shares Outstanding	1,986.0	1,982.6	1,975.3	—	1
Diluted Average Shares Outstanding	2,005.8	2,016.0	2,020.9	(1)	(1)
Common Shares Outstanding — Period End	1,995.9	1,993.4	1,972.9	—	1
CASH DIVIDENDS DECLARED PER SHARE	\$ 0.34	\$ 0.34	\$ 0.34	—	—
BOOK VALUE PER SHARE	21.26	20.93	21.15	2	1
CAPITAL RATIOS					
Tier I Capital Ratio	8.6%(e)	8.8%	8.2%	(20) bp	40 bp
Total Capital Ratio	12.3(e)	12.7	11.6	(40)	70
Tier I Leverage Ratio	5.4(e)	5.4	5.3	—	10

[Additional columns below]

[Continued from above table, first column(s) repeated]

	YEAR TO DATE		YTD 2002 Over (Under) 2001
	2002	2001	
OPERATING INCOME STATEMENT (a)(b)			
OPERATING REVENUE:			

Investment Banking Fees	\$ 2,085	\$ 2,681	(22)%
Trading-Related Revenue (Incl. Trading NII)	3,221	5,375	(40)
Fees and Commissions	8,006	6,801	18
Private Equity — Realized Gains (Losses)	(60)	570	NM
Private Equity — Unrealized Gains (Losses)	(618)	(1,379)	55
Securities Gains	816	664	23
Other Revenue (c)	819	743	10
Net Interest Income (Excl. Trading NII)	8,859	8,021	10
TOTAL OPERATING REVENUE	23,128	23,476	(1)
OPERATING EXPENSE:			
Compensation Expense	7,951	9,222	(14)
Noncompensation Expense	6,737	6,506	4
TOTAL OPERATING EXPENSE	14,688	15,728	(7)
Credit Costs (c)	4,419	2,498	77
Operating Income before Taxes	4,021	5,250	(23)
Income Taxes	1,367	1,804	(24)
OPERATING EARNINGS	\$ 2,654	\$ 3,446	(23)
Special Items & Change in Acctng Principle	(604)	(1,136)	47
Amortization of Goodwill, Net of Taxes (d)	—	(284)	NM
NET INCOME	\$ 2,050	\$ 2,026	1
OPERATING BASIS			
Diluted Earnings per Share	\$ 1.30	\$ 1.67	(22)
Shareholder Value Added	(1,080)	(332)	NM
Return on Managed Assets	0.47%	0.61%	(14) bp
Return on Common Equity	8.5	10.9	(240)
Overhead Ratio	64	67	(300)
Common Dividend Payout Ratio	79	60	1,900
Compensation Exp. as a % of Revenue	34	39	(500)
Noncompensation Exp. as a % of Revenue	29	28	100
NET INCOME PER COMMON SHARE			
Basic	\$ 1.01	\$ 1.00	1%
Diluted	1.00	0.97	3
COMMON SHARES OUTSTANDING			
Basic Average Shares Outstanding	1,982.3	1,973.5	—
Diluted Average Shares Outstanding	2,009.3	2,028.9	(1)
Common Shares Outstanding — Period End	1,995.9	1,972.9	1
CASH DIVIDENDS DECLARED PER SHARE	\$ 1.02	\$ 1.02	—

Note: Prior periods have been restated to conform with current methodologies.

- (a) See page 11 for a reconciliation between reported results and operating results.
- (b) In the first quarter of 2002, the Firm implemented EITF 01-14, “Income Statement Characterization of Reimbursements Received for ‘Out-of-Pocket’ Expenses Incurred (Formerly EITF Abstracts, Topic D-103).” Prior period amounts have been restated.
- (c) In the third quarter of 2002, the provision for lending-related commitments was re-classified from “Other Revenue” to the “Provision for Credit Losses” category. Therefore, “Credit Costs” includes the aggregate amount of the provision for loan losses, provision for lending-related commitments and credit card securitizations. Prior period amounts have been restated.
- (d) Reported net income for 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Prior period operating earnings for 2001 have been adjusted by adding back amortization of goodwill to report 2001 results on a basis comparable with 2002.
- (e) Estimated

bp — Denotes basis points; 100 bp equals 1%

NM — Not meaningful

J.P. MORGAN CHASE & CO.
LINE OF BUSINESS FINANCIAL HIGHLIGHTS SUMMARY
(in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	3QTR 2001	3QTR 2002 Over (Under)	
				2Q 2002	3Q 2001
OPERATING REVENUE					
Investment Bank	\$2,433	\$3,098	\$3,541	(21)%	(31)%
Treasury & Securities Services	1,022	983	972	4	5
Investment Management & Private Banking	691	729	757	(5)	(9)
Retail & Middle Market Financial Services	3,732	3,468	2,843	8	31
Corporate (a)	(216)	(186)	(247)	(16)	13
OPERATING REVENUE EXCL. JPMP	7,662	8,092	7,866	(5)	(3)
JPMorgan Partners	(361)	(184)	(175)	(96)	NM
OPERATING REVENUE (b)	\$7,301	\$7,908	\$7,691	(8)	(5)
EARNINGS					
Investment Bank	\$ (256)	\$ 486	\$ 702	NM	NM
Treasury & Securities Services	212	174	172	22	23
Investment Management & Private Banking	98	111	124	(12)	(21)
Retail & Middle Market Financial Services	807	694	421	16	92
Corporate (a)	(252)	(117)	(133)	NM	(89)
OPERATING EARNINGS EXCL. JPMP	609	1,348	1,286	(55)	(53)
JPMorgan Partners	(284)	(169)	(153)	(68)	(86)
OPERATING EARNINGS (b)	325	1,179	1,133	(72)	(71)
Special Items & Change in Acctng Principle	(285)	(151)	(587)	(89)	51
Amortization of Goodwill, Net of Taxes	—	—	(97)	NM	NM
NET INCOME (b)	\$ 40	\$1,028	\$ 449	(96)	(91)
EARNINGS PER SHARE — DILUTED					
OPERATING EARNINGS EXCL. JPMP	\$ 0.30	\$ 0.66	\$ 0.63	(55)	(52)
Impact of JPMP	(0.14)	(0.08)	(0.08)	75	75
OPERATING EARNINGS (b)	0.16	0.58	0.55	(72)	(71)
Special Items & Change in Acctng Principle	(0.15)	(0.08)	(0.29)	(88)	48
Amortization of Goodwill, Net of Taxes	—	—	(0.04)	NM	NM
NET INCOME (b)	\$ 0.01	\$ 0.50	\$ 0.22	(98)	(95)
OPERATING RETURN ON COMMON EQUITY					
Investment Bank	NM	10.4%	15.1%	NM	NM
Treasury & Securities Services	28.3%	22.9	23.3	540 bp	500 bp
Investment Management & Private Banking	6.4	7.1	7.9	(70)	(150)
Retail & Middle Market Financial Services	30.4	26.6	17.8	380	1,260
OPERATING RETURN ON COMMON EQUITY (b)	2.9	11.4	10.7	(850)	(780)

[Additional columns below]

[Continued from above table, first column(s) repeated]

	YEAR TO DATE		YTD 2002 Over (Under) 2001
	2002	2001	
OPERATING REVENUE			
Investment Bank	\$ 9,141	\$11,584	(21)%
Treasury & Securities Services	2,938	2,885	2
Investment Management & Private Banking	2,183	2,436	(10)
Retail & Middle Market Financial Services	10,319	8,194	26
Corporate (a)	(607)	(649)	6

OPERATING REVENUE EXCL. JPMP	23,974	24,450	(2)
JPMorgan Partners	(846)	(974)	13
OPERATING REVENUE (b)	\$23,128	\$23,476	(1)
EARNINGS			
Investment Bank	\$ 983	\$ 2,510	(61)
Treasury & Securities Services	528	485	9
Investment Management & Private Banking	335	366	(8)
Retail & Middle Market Financial Services	2,030	1,249	63
Corporate (a)	(523)	(397)	(32)
OPERATING EARNINGS EXCL. JPMP	3,353	4,213	(20)
JPMorgan Partners	(699)	(767)	9
OPERATING EARNINGS (b)	2,654	3,446	(23)
Special Items & Change in Acctng Principle	(604)	(1,136)	47
Amortization of Goodwill, Net of Taxes	—	(284)	NM
NET INCOME (b)	\$ 2,050	\$ 2,026	1
EARNINGS PER SHARE — DILUTED			
OPERATING EARNINGS EXCL. JPMP	\$ 1.65	\$ 2.05	(20)
Impact of JPMP	(0.35)	(0.38)	(8)
OPERATING EARNINGS (b)	1.30	1.67	(22)
Special Items & Change in Acctng Principle	(0.30)	(0.56)	46
Amortization of Goodwill, Net of Taxes	—	(0.14)	NM
NET INCOME (b)	\$ 1.00	\$ 0.97	3
OPERATING RETURN ON COMMON EQUITY			
Investment Bank	7.0%	17.5%	(1,050) bp
Treasury & Securities Services	23.6	21.8	180
Investment Management & Private Banking	7.2	7.6	(40)
Retail & Middle Market Financial Services	26.1	18.3	780
OPERATING RETURN ON COMMON EQUITY (b)	8.5	10.9	(240)

(a) Includes Support Units and the effect remaining at the corporate level after the implementation of management accounting policies.

(b) Represents consolidated JPMorgan Chase.

J.P. MORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEET
(in millions)



	Sep 30th 2002	Jun 30th 2002	Sep 30th 2001	Sep 30, 2002 Over (Under)	
				Jun 30, 02	Sep 30, 01
ASSETS					
Cash and Due from Banks	\$ 18,159	\$ 21,878	\$ 22,299	(17)%	(19)%
Deposits with Banks	13,447	10,517	9,341	28	44
Federal Funds Sold and Securities Purchased under Resale Agreements	63,748	71,740	78,997	(11)	(19)
Securities Borrowed	35,283	48,429	37,499	(27)	(6)
Trading Assets:					
Debt and Equity Instruments	151,264	159,746	165,143	(5)	(8)
Derivative Receivables	87,518	69,858	85,407	25	2
Securities	79,768	64,526	66,468	24	20
Loans (Net of Allowance for Loan Losses)	206,215	207,080	219,411	—	(6)
Private Equity Investments	8,013	8,229	9,628	(3)	(17)
Goodwill	8,108	8,089	8,477	—	(4)
Other Intangibles:					
Mortgage Servicing Rights	3,606	5,689	5,731	(37)	(37)
Purchased Credit Card Relationships	1,337	1,426	542	(6)	147
All Other Intangibles	311	313	64	(1)	386
Other Assets	64,982	63,026	90,293	3	(28)
TOTAL ASSETS	\$741,759	\$740,546	\$799,300	—	(7)
LIABILITIES					
Deposits	\$292,171	\$293,829	\$281,604	(1)	4
Federal Funds Purchased and Securities Sold under Repurchase Agreements	154,745	162,656	181,775	(5)	(15)
Commercial Paper	13,775	14,561	19,299	(5)	(29)
Other Borrowed Funds	12,646	17,352	21,941	(27)	(42)
Trading Liabilities:					
Debt and Equity Instruments	71,607	67,952	58,594	5	22
Derivative Payables	70,593	55,575	70,817	27	—
Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for Lending-Related Commitments)	38,233	38,083	75,231	—	(49)
Long-Term Debt	39,113	42,363	42,315	(8)	(8)
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated					
Deferrable Interest Debentures	5,439	5,439	4,439	—	23
TOTAL LIABILITIES	698,322	697,810	756,015	—	(8)
PREFERRED STOCK OF SUBSIDIARY	—	—	550	NM	NM
STOCKHOLDERS' EQUITY					
Preferred Stock	1,009	1,009	1,009	—	—
Common Stock	2,023	2,020	1,993	—	2
Capital Surplus	13,113	13,111	12,244	—	7
Retained Earnings	26,940	27,605	28,021	(2)	(4)
Accumulated Other Comprehensive Income	1,465	79	267	NM	NM
Treasury Stock, at Cost	(1,113)	(1,088)	(799)	(2)	(39)
TOTAL STOCKHOLDERS' EQUITY	43,437	42,736	42,735	2	2
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$741,759	\$740,546	\$799,300	—	(7)

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions, except ratios)



	Sep 30th 2002	Jun 30th 2002	Sep 30th 2001	Sep 30, 2002 Over (Under)	
				Jun 30, 02	Sep 30, 01
CREDIT-RELATED ASSETS:					
Commercial Loans	\$ 97,486	\$104,701	\$116,578	(7)%	(16)%
Derivative and FX Contracts	87,518	69,858	85,407	25	2
Total Commercial Credit-Related Assets (a)	185,004	174,559	201,985	6	(8)
Managed Consumer Loans (b)	143,835	134,884	125,431	7	15
Total Managed Credit-Related Assets	\$328,839	\$309,443	\$327,416	6	—
NET CHARGE-OFFS: (c)					
Commercial Loans	\$ 834	\$ 293	\$ 189	185	341
Credit Card — Managed (b)	687	767	534	(10)	29
All Other Consumer	99	95	92	4	8
Managed Consumer Loans	786	862	626	(9)	26
Total Managed Net Charge-offs	\$ 1,620	\$ 1,155	\$ 815	40	99
NET CHARGE-OFF RATES — ANNUALIZED:					
Total Commercial Loans	3.53%	1.17%	0.65%	236bp	288bp
Credit Card — Managed	5.51	6.42	5.64	(91)	(13)
Total Managed Loans	2.75	1.96	1.33	79	142
NONPERFORMING ASSETS:					
Commercial Loans	\$ 3,596	\$ 2,512	\$ 2,018	43%	78%
Derivative and FX Contracts	169	144	46	17	267
Consumer Loans	507	450	459	13	10
Assets Acquired in Loan Satisfaction	140	142	123	(1)	14
Total	4,412	3,248	2,646	36	67
Other Receivables (d)	1,130	1,130	—	—	NM
Total Nonperforming Assets	\$ 5,542(e)	\$ 4,378	\$ 2,646	27	109
SELECTED COUNTRY TOTAL EXPOSURE					
(in billions)					
Argentina	\$ 0.3(f)	\$ 0.4	\$ 0.9	(25)	(67)
Brazil	1.7(f)	2.1	3.5	(19)	(51)
Turkey	0.1(f)	0.1	0.2	—	(50)
Venezuela	0.3(f)	0.3	0.3	—	—

- (a) Excludes unfunded commercial lending-related commitments totaling \$240 billion at September 30, 2002, \$241 billion at June 30, 2002 and \$248 billion at September 30, 2001. Unused advised lines of credit totaling \$18 billion at September 30, 2002 and June 30, 2002, and \$20 billion at September 30, 2001 are included within these unfunded commercial lending-related commitments.
- (b) Includes credit card receivables that have been securitized.
- (c) Net charge-offs are presented for the quarter ended as of the date indicated.
- (d) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities. These receivables are classified in Other Assets at September 30, 2002 and June 30, 2002.
- (e) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) relating to nonperforming counterparties in amounts aggregating \$49 million. Nonperforming assets exclude nonaccrual loans held for sale ("HFS") of \$38 million. HFS loans are carried at the lower of cost or market and declines in value are recorded in Other Revenue.
- (f) Estimated

J.P. MORGAN CHASE & CO.
RECONCILIATION OF REPORTED TO OPERATING RESULTS
(in millions, except per share data)



	THIRD QUARTER 2002				THIRD QUARTER 2001				
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	AMORTIZATION OF GOODWILL (d)	OPERATING BASIS
INCOME STATEMENT									
Revenue	\$6,947	\$354	\$ —	\$7,301	\$7,421	\$270	\$ —	\$ —	\$7,691
Expense	4,638	—	(98)	4,540	4,949	—	—	—	4,949
Amortization of Intangibles	80	—	—	80	182	—	—	(146)	36
Operating Margin	2,229	354	98	2,681	2,290	270	—	146	2,706
Credit Costs	1,836	354	—	2,190	745	270	—	—	1,015
Income before Merger and Restructuring Costs	393	—	98	491	1,545	—	—	146	1,691
Merger and Restructuring Costs	333	—	(333)	—	876	—	(876)	—	—
Income before Tax Expense	60	—	431	491	669	—	876	146	1,691
Tax Expense	20	—	146	166	220	—	289	49	558
Net Income	\$ 40	\$ —	\$ 285	\$ 325	\$ 449	\$ —	\$ 587	\$ 97	\$1,133
NET INCOME PER SHARE									
Basic	\$ 0.01			\$ 0.16	\$ 0.22				\$ 0.57
Diluted	0.01			0.16	0.22				0.55
	YEAR TO DATE 2002				YEAR TO DATE 2001				
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	AMORTIZATION OF GOODWILL (d)	OPERATING BASIS
INCOME STATEMENT									
Revenue	\$22,119	\$1,009	\$ —	\$23,128	\$22,692	\$784	\$ —	\$ —	\$23,476
Expense	14,545	—	(98)	14,447	15,620	—	—	—	15,620
Amortization of Intangibles	241	—	—	241	542	—	—	(434)	108
Operating Margin	7,333	1,009	98	8,440	6,530	784	—	434	7,748
Credit Costs	3,410	1,009	—	4,419	1,714	784	—	—	2,498
Income before Merger and Restructuring Costs	3,923	—	98	4,021	4,816	—	—	434	5,250
Merger and Restructuring Costs	817	—	(817)	—	1,682	—	(1,682)	—	—
Income before Tax Expense	3,106	—	915	4,021	3,134	—	1,682	434	5,250
Tax Expense	1,056	—	311	1,367	1,083	—	571	150	1,804
Income before Effect of Acctng Change	2,050	—	604	2,654	2,051	—	1,111	284	3,446
Net Effect of Change in Acctng Principle	—	—	—	—	(25)	—	25	—	—
Net Income	\$ 2,050	\$ —	\$ 604	\$ 2,654	\$ 2,026	\$ —	\$ 1,136	\$ 284	\$ 3,446
NET INCOME PER SHARE									
Basic	\$ 1.01			\$ 1.32	\$ 1.00(e)				\$ 1.72
Diluted	1.00			1.30	0.97(e)				1.67

- (a) Represents condensed results as reported in JPMorgan Chase's financial statements.
- (b) This column represents the impact of credit card securitizations. For receivables that have been securitized, amounts that would have been reported as net interest income and as provision for loan losses are instead reported as components of noninterest revenue.
- (c) Includes merger and restructuring costs and special items. The 2002 third quarter and nine months included \$333 million and \$817 million (pre-tax) in merger and restructuring costs, respectively, and \$98 million (pre-tax) in real estate reserves for both periods that were recorded in "Occupancy Expense" in the reported results. The 2001 third quarter and nine months included \$876 million and \$1,682 million (pre-tax) in merger and restructuring costs, respectively.
- (d) Reported net income for 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Prior period operating earnings for 2001 have been adjusted by adding back amortization of goodwill to report 2001 results on a basis comparable with 2002.
- (e) Includes the effect of the accounting change. Excluding the accounting change, basic and diluted net income per share were \$1.01 and \$0.98, respectively.



PRESS RELEASE FINANCIAL SUPPLEMENT
THIRD QUARTER 2002

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J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — REPORTED BASIS
(in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
REVENUE					
Investment Banking Fees	\$ 545	\$ 785	\$ 755	\$ 931	\$ 811
Trading Revenue	(21)	731	1,299	355	1,301
Fees and Commissions	3,005	2,885	2,584	2,493	2,397
Private Equity — Realized Gains (Losses)	(40)	(10)	(10)	81	204
Private Equity — Unrealized Gains (Losses)	(275)	(115)	(228)	(505)	(311)
Securities Gains	578	124	114	202	142
Other Revenue (a)	419	292	157	151	218
Total Noninterest Revenue	4,211	4,692	4,671	3,708	4,762
Interest Income	6,316	6,498	6,286	6,823	7,709
Interest Expense	3,580	3,616	3,359	3,879	5,050
Net Interest Income	2,736	2,882	2,927	2,944	2,659
Revenue before Provision for Credit Losses	6,947	7,574	7,598	6,652	7,421
Provision for Credit Losses (a)	1,836	821	753	1,468	745
TOTAL NET REVENUE	5,111	6,753	6,845	5,184	6,676
EXPENSE					
Compensation Expense	2,367	2,761	2,823	2,622	2,860
Occupancy Expense (b)	478	365	338	334	339
Technology and Communications Expense	625	629	665	640	663
Merger and Restructuring Costs	333	229	255	841	876
Amortization of Intangibles	80	92	69	187	182
Other Expense	1,168	1,118	1,208	1,128	1,087
TOTAL NONINTEREST EXPENSE	5,051	5,194	5,358	5,752	6,007
Income (Loss) before Income Tax Expense and Effect of Accounting Change	60	1,559	1,487	(568)	669
Income Tax Expense (Benefit)	20	531	505	(236)	220
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	40	1,028	982	(332)	449
Net Effect of Change in Accounting Principle	—	—	—	—	—
NET INCOME (LOSS)	\$ 40	\$ 1,028	\$ 982	\$ (332)	\$ 449
NET INCOME (LOSS) PER SHARE (c)					
Basic	\$ 0.01	\$ 0.51	\$ 0.49	\$ (0.18)	\$ 0.22
Diluted	0.01	0.50	0.48	(0.18)	0.22
PERFORMANCE RATIOS					
Return on Average Assets	0.02%	0.56%	0.55%	NM	0.24%
Return on Average Common Equity	0.3	10.0	9.7	NM	4.2
FULL-TIME EQUIVALENT EMPLOYEES (d)	95,637	95,878	96,938	95,812	96,633

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
REVENUE					
Investment Banking Fees	(31)%	(33)%	\$ 2,085	\$ 2,681	(22)%
Trading Revenue	NM	NM	2,009	4,563	(56)
Fees and Commissions	4	25	8,474	6,988	21
Private Equity — Realized Gains (Losses)	NM	NM	(60)	570	NM
Private Equity — Unrealized Gains (Losses)	NM	12	(618)	(1,379)	55
Securities Gains	366	307	816	664	23

Other Revenue (a)	43	92	868	747	16
Total Noninterest Revenue	(10)	(12)	13,574	14,834	(8)
Interest Income	(3)	(18)	19,100	25,358	(25)
Interest Expense	(1)	(29)	10,555	17,500	(40)
Net Interest Income	(5)	3	8,545	7,858	9
Revenue before Provision for Credit Losses	(8)	(6)	22,119	22,692	(3)
Provision for Credit Losses (a)	124	146	3,410	1,714	99
TOTAL NET REVENUE	(24)	(23)	18,709	20,978	(11)
EXPENSE					
Compensation Expense	(14)	(17)	7,951	9,222	(14)
Occupancy Expense (b)	31	41	1,181	1,014	16
Technology and Communications Expense	(1)	(6)	1,919	1,991	(4)
Merger and Restructuring Costs	45	(62)	817	1,682	(51)
Amortization of Intangibles	(13)	(56)	241	542	(56)
Other Expense	4	7	3,494	3,393	3
TOTAL NONINTEREST EXPENSE	(3)	(16)	15,603	17,844	(13)
Income (Loss) before Income Tax Expense and Effect of Accounting Change	(96)	(91)	3,106	3,134	(1)
Income Tax Expense (Benefit)	(96)	(91)	1,056	1,083	(2)
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	(96)	(91)	2,050	2,051	—
Net Effect of Change in Accounting Principle	NM	NM	—	(25)	NM
NET INCOME (LOSS)	(96)	(91)	\$ 2,050	\$ 2,026	1
NET INCOME (LOSS) PER SHARE (c)					
Basic	(98)	(95)	\$ 1.01	\$ 1.00	1
Diluted	(98)	(95)	1.00	0.97	3
PERFORMANCE RATIOS					
Return on Average Assets	(54)bp	(22)bp	0.38%	0.37%	1bp
Return on Average Common Equity	(970)	(390)	6.5	6.4	10
FULL-TIME EQUIVALENT EMPLOYEES (d)	—%	(1)%			

Note: Prior periods have been restated to conform with current methodologies.

- (a) In the third quarter of 2002, the “Provision for Loan Losses” was re-named “Provision for Credit Losses” and now includes the aggregate amount of the provision for loan losses and provision for lending-related commitments. The prior period provision for lending-related commitments was re-classified from “Other Revenue” to the “Provision for Credit Losses” category.
- (b) In the third quarter of 2002, \$98 million (pre-tax) in real estate reserves were recorded in “Occupancy Expense” on a reported basis and treated as a special item on an operating basis.
- (c) Basic and diluted earnings per share have been reduced by \$0.01 in the first nine months of 2001 due to the impact of the adoption of SFAS 133 relating to the accounting for derivative instruments and hedging activities.
- (d) Represents actual period end amount for each respective quarter.

J.P. MORGAN CHASE & CO.
LINE OF BUSINESS FINANCIAL HIGHLIGHTS SUMMARY
(in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
OPERATING REVENUE					
Investment Bank	\$2,433	\$3,098	\$3,610	\$3,083	\$3,541
Treasury & Securities Services	1,022	983	933	936	972
Investment Management & Private Banking	691	729	763	746	757
Retail & Middle Market Financial Services	3,732	3,468	3,119	2,923	2,843
Corporate (a)	(216)	(186)	(205)	(321)	(247)
OPERATING REVENUE EXCLUDING JPMP	7,662	8,092	8,220	7,367	7,866
JPMorgan Partners	(361)	(184)	(301)	(451)	(175)
OPERATING REVENUE (b)	\$7,301	\$7,908	\$7,919	\$6,916	\$7,691
EARNINGS					
Investment Bank	\$ (256)	\$ 486	\$ 753	\$ 369	\$ 702
Treasury & Securities Services	212	174	142	157	172
Investment Management & Private Banking	98	111	126	97	124
Retail & Middle Market Financial Services	807	694	529	334	421
Corporate (a)	(252)	(117)	(154)	(257)	(133)
OPERATING EARNINGS EXCLUDING JPMP	609	1,348	1,396	700	1,286
JPMorgan Partners	(284)	(169)	(246)	(344)	(153)
OPERATING EARNINGS (b)	325	1,179	1,150	356	1,133
Special Items & Net Effect of Change in Acctng Principle	(285)	(151)	(168)	(579)	(587)
Amortization of Goodwill, Net of Taxes	—	—	—	(109)	(97)
NET INCOME (LOSS) (b)	\$ 40	\$1,028	\$ 982	\$ (332)	\$ 449
EARNINGS PER SHARE — DILUTED					
OPERATING EARNINGS EXCLUDING JPMP	\$ 0.30	\$ 0.66	\$ 0.69	\$ 0.34	\$ 0.63
Impact of JPMP	(0.14)	(0.08)	(0.12)	(0.17)	(0.08)
OPERATING EARNINGS (b)	0.16	0.58	0.57	0.17	0.55
Special Items & Net Effect of Change in Acctng Principle	(0.15)	(0.08)	(0.09)	(0.29)	(0.29)
Amortization of Goodwill, Net of Taxes	—	—	—	(0.05)	(0.04)
NET INCOME (LOSS) (b)	\$ 0.01	\$ 0.50	\$ 0.48	\$ (0.18)(c)	\$ 0.22
OPERATING RETURN ON COMMON EQUITY					
Investment Bank	NM	10.4%	16.0%	7.7%	15.1%
Treasury & Securities Services	28.3%	22.9	19.4	21.5	23.3
Investment Management & Private Banking	6.4	7.1	8.3	6.2	7.9
Retail & Middle Market Financial Services	30.4	26.6	21.0	13.8	17.8
OPERATING RETURN ON COMMON EQUITY (b)	2.9	11.4	11.4	3.3	10.7

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
OPERATING REVENUE					
Investment Bank	(21)%	(31)%	\$ 9,141	\$11,584	(21)%
Treasury & Securities Services	4	5	2,938	2,885	2
Investment Management & Private Banking	(5)	(9)	2,183	2,436	(10)
Retail & Middle Market Financial Services	8	31	10,319	8,194	26
Corporate (a)	(16)	13	(607)	(649)	6
OPERATING REVENUE EXCLUDING JPMP	(5)	(3)	23,974	24,450	(2)
JPMorgan Partners	(96)	NM	(846)	(974)	13

OPERATING REVENUE (b)	(8)	(5)	\$23,128	\$23,476	(1)
EARNINGS					
Investment Bank	NM	NM	\$ 983	\$ 2,510	(61)
Treasury & Securities Services	22	23	528	485	9
Investment Management & Private Banking	(12)	(21)	335	366	(8)
Retail & Middle Market Financial Services	16	92	2,030	1,249	63
Corporate (a)	NM	(89)	(523)	(397)	(32)
OPERATING EARNINGS EXCLUDING JPMP	(55)	(53)	3,353	4,213	(20)
JPMorgan Partners	(68)	(86)	(699)	(767)	9
OPERATING EARNINGS (b)	(72)	(71)	2,654	3,446	(23)
Special Items & Net Effect of Change in Acctng Principle	(89)	51	(604)	(1,136)	47
Amortization of Goodwill, Net of Taxes	NM	NM	—	(284)	NM
NET INCOME (LOSS) (b)	(96)	(91)	\$ 2,050	\$ 2,026	1
EARNINGS PER SHARE — DILUTED					
OPERATING EARNINGS EXCLUDING JPMP	(55)	(52)	\$ 1.65	\$ 2.05	(20)
Impact of JPMP	75	75	(0.35)	(0.38)	(8)
OPERATING EARNINGS (b)	(72)	(71)	1.30	1.67	(22)
Special Items & Net Effect of Change in Acctng Principle	(88)	48	(0.30)	(0.56)	46
Amortization of Goodwill, Net of Taxes	NM	NM	—	(0.14)	NM
NET INCOME (LOSS) (b)	(98)	(95)	\$ 1.00	\$ 0.97	3
OPERATING RETURN ON COMMON EQUITY					
Investment Bank	NM	NM	7.0%	17.5%	(1,050)bp
Treasury & Securities Services	540bp	500bp	23.6	21.8	180
Investment Management & Private Banking	(70)	(150)	7.2	7.6	(40)
Retail & Middle Market Financial Services	380	1,260	26.1	18.3	780
OPERATING RETURN ON COMMON EQUITY (b)	(850)	(780)	8.5	10.9	(240)

- (a) Includes Support Units and the effect remaining at the corporate level after the implementation of management accounting policies.
- (b) Represents consolidated JPMorgan Chase.
- (c) Diluted EPS is reported as \$(0.18) which is the same as basic EPS, instead of \$(0.17), since using diluted average shares outstanding would cause antidilution. As a result, the net loss earnings per share does not foot by \$(0.01).

J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — OPERATING BASIS EXCLUDING JPMORGAN
PARTNERS (in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
OPERATING REVENUE					
Investment Banking Fees	\$ 545	\$ 785	\$ 755	\$ 932	\$ 812
Trading-Related Revenue (Including Trading NII)	363	1,123	1,710	896	1,608
Fees and Commissions	2,749	2,725	2,466	2,297	2,289
Private Equity — Realized Gains (Losses)	1	1	3	(26)	—
Private Equity — Unrealized Gains (Losses)	(17)	(1)	14	—	(5)
Securities Gains	578	124	114	202	142
Other Revenue	416	278	133	158	206
Net Interest Income (Excluding Trading NII)	3,027	3,057	3,025	2,908	2,814
TOTAL OPERATING REVENUE	7,662	8,092	8,220	7,367	7,866
OPERATING EXPENSE					
Compensation Expense	2,330	2,724	2,782	2,583	2,825
Noncompensation Expense	2,202	2,157	2,233	2,085	2,092
TOTAL OPERATING EXPENSE	4,532	4,881	5,015	4,668	4,917
Credit Costs	2,190	1,155	1,074	1,732	1,015
Operating Income before Taxes	940	2,056	2,131	967	1,934
Income Taxes	331	708	735	267	648
OPERATING EARNINGS	\$ 609	\$1,348	\$1,396	\$ 700	\$1,286

OPERATING BASIS

Diluted Earnings per Share	\$ 0.30	\$ 0.66	\$ 0.69	\$ 0.34	\$ 0.63
Return on Common Equity	6.4%	15.2%	16.2%	7.7%	14.3%
Overhead Ratio	59	60	61	63	63
Compensation Expense as a % of Operating Revenue	30	34	34	35	36
Noncompensation Expense as a % of Operating Revenue	29	27	27	28	27

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
OPERATING REVENUE					
Investment Banking Fees	(31)%	(33)%	\$ 2,085	\$ 2,682	(22)%
Trading-Related Revenue (Including Trading NII)	(68)	(77)	3,196	5,343	(40)
Fees and Commissions	1	20	7,940	6,761	17
Private Equity — Realized Gains (Losses)	—	NM	5	2	150
Private Equity — Unrealized Gains (Losses)	NM	NM	(4)	(26)	85
Securities Gains	366	307	816	664	23
Other Revenue	50	102	827	737	12
Net Interest Income (Excluding Trading NII)	(1)	8	9,109	8,287	10
TOTAL OPERATING REVENUE	(5)	(3)	23,974	24,450	(2)
OPERATING EXPENSE					
Compensation Expense	(14)	(18)	7,836	9,110	(14)
Noncompensation Expense	2	5	6,592	6,380	3
TOTAL OPERATING EXPENSE	(7)	(8)	14,428	15,490	(7)
Credit Costs	90	116	4,419	2,498	77
Operating Income before Taxes	(54)	(51)	5,127	6,462	(21)

Income Taxes	(53)	(49)	1,774	2,249	(21)
OPERATING EARNINGS	(55)	(53)	\$ 3,353	\$ 4,213	(20)
OPERATING BASIS					
Diluted Earnings per Share	(55)	(52)	\$ 1.65	\$ 2.05	(20)
Return on Common Equity	(880)bp	(790)bp	12.5%	16.0%	(350)bp
Overhead Ratio	(100)	(400)	60	63	(300)
Compensation Expense as a % of Operating Revenue	(400)	(600)	33	37	(400)
Noncompensation Expense as a % of Operating Revenue	200	200	27	26	100

J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — OPERATING BASIS
(in millions, except per share and ratio data)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
OPERATING REVENUE					
Investment Banking Fees	\$ 545	\$ 785	\$ 755	\$ 931	\$ 811
Trading-Related Revenue (Including Trading NII)	365	1,136	1,720	904	1,614
Fees and Commissions	2,768	2,745	2,493	2,340	2,297
Private Equity — Realized Gains (Losses)	(40)	(10)	(10)	81	204
Private Equity — Unrealized Gains (Losses)	(275)	(115)	(228)	(505)	(311)
Securities Gains	578	124	114	202	142
Other Revenue	409	273	137	138	209
Net Interest Income (Excluding Trading NII)	2,951	2,970	2,938	2,825	2,725
TOTAL OPERATING REVENUE	7,301	7,908	7,919	6,916	7,691
OPERATING EXPENSE					
Compensation Expense	2,367	2,761	2,823	2,622	2,860
Noncompensation Expense	2,253	2,204	2,280	2,138	2,125
TOTAL OPERATING EXPENSE	4,620	4,965	5,103	4,760	4,985
Credit Costs	2,190	1,155	1,074	1,732	1,015
Operating Income before Taxes	491	1,788	1,742	424	1,691
Income Taxes	166	609	592	68	558
OPERATING EARNINGS	\$ 325	\$1,179	\$1,150	\$ 356	\$1,133
OPERATING BASIS					
Diluted Earnings per Share	\$ 0.16	\$ 0.58	\$ 0.57	\$ 0.17	\$ 0.55
SVA	(964)	(57)	(59)	(915)	(136)
Return on Managed Assets	0.17%	0.62%	0.63%	0.19%	0.59%
Return on Common Equity	2.9	11.4	11.4	3.3	10.7
Overhead Ratio	63	63	64	69	65
Common Dividend Payout Ratio	222	59	60	199	61
Effective Tax Rate	34	34	34	16	33
Compensation Expense as a % of Operating Revenue	32	35	36	38	37
Noncompensation Expense as a % of Operating Revenue	31	28	29	31	28

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
OPERATING REVENUE					
Investment Banking Fees	(31)%	(33)%	\$ 2,085	\$ 2,681	(22)%
Trading-Related Revenue (Including Trading NII)	(68)	(77)	3,221	5,375	(40)
Fees and Commissions	1	21	8,006	6,801	18
Private Equity — Realized Gains (Losses)	NM	NM	(60)	570	NM
Private Equity — Unrealized Gains (Losses)	NM	12	(618)	(1,379)	55
Securities Gains	366	307	816	664	23
Other Revenue	50	96	819	743	10
Net Interest Income (Excluding Trading NII)	(1)	8	8,859	8,021	10
TOTAL OPERATING REVENUE	(8)	(5)	23,128	23,476	(1)
OPERATING EXPENSE					
Compensation Expense	(14)	(17)	7,951	9,222	(14)
Noncompensation Expense	2	6	6,737	6,506	4
TOTAL OPERATING EXPENSE	(7)	(7)	14,688	15,728	(7)

Credit Costs	90	116	4,419	2,498	77
Operating Income before Taxes	(73)	(71)	4,021	5,250	(23)
Income Taxes	(73)	(70)	1,367	1,804	(24)
OPERATING EARNINGS	(72)	(71)	\$ 2,654	\$ 3,446	(23)
OPERATING BASIS					
Diluted Earnings per Share	(72)	(71)	\$ 1.30	\$ 1.67	(22)
SVA	NM	NM	(1,080)	(332)	NM
Return on Managed Assets	(45)bp	(42)bp	0.47%	0.61%	(14)bp
Return on Common Equity	(850)	(780)	8.5	10.9	(240)
Overhead Ratio	—	(200)	64	67	(300)
Common Dividend Payout Ratio	NM	NM	79	60	1,900
Effective Tax Rate	—	100	34	34	—
Compensation Expense as a % of Operating Revenue	(300)	(500)	34	39	(500)
Noncompensation Expense as a % of Operating Revenue	300	300	29	28	100

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
RECONCILIATION FROM REPORTED TO OPERATING BASIS
(in millions)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
REVENUE					
TRADING REVENUE					
Reported	\$ (21)	\$ 731	\$1,299	\$ 355	\$1,301
Trading-Related NII	386	405	421	549	313
Operating	\$ 365	\$1,136	\$1,720	\$ 904	\$1,614
CREDIT CARD REVENUE (a)					
Reported	\$ 806	\$ 669	\$ 587	\$ 662	\$ 548
Credit Card Securitizations	(237)	(140)	(91)	(153)	(100)
Operating	\$ 569	\$ 529	\$ 496	\$ 509	\$ 448
OTHER REVENUE					
Reported	\$ 419	\$ 292	\$ 157	\$ 151	\$ 218
Credit Card Securitizations	(10)	(19)	(20)	(13)	(9)
Operating	\$ 409	\$ 273	\$ 137	\$ 138	\$ 209
NET INTEREST INCOME					
Reported	\$2,736	\$2,882	\$2,927	\$2,944	\$2,659
Credit Card Securitizations	601	493	432	430	379
Trading-Related NII	(386)	(405)	(421)	(549)	(313)
Operating	\$2,951	\$2,970	\$2,938	\$2,825	\$2,725
TOTAL REVENUE					
Reported	\$6,947	\$7,574	\$7,598	\$6,652	\$7,421
Credit Card Securitizations	354	334	321	264	270
Total Operating Revenue	\$7,301	\$7,908	\$7,919	\$6,916	\$7,691
EXPENSE					
Reported	\$5,051	\$5,194	\$5,358	\$5,752	\$6,007
Merger and Restructuring Costs	(333)	(229)	(255)	(841)	(876)
Real Estate Reserves	(98)	—	—	—	—
Amortization of Goodwill	—	—	—	(151)	(146)
Operating Expense	\$4,620	\$4,965	\$5,103	\$4,760	\$4,985
CREDIT COSTS					
Provision for Credit Losses — Reported	\$1,836	\$ 821	\$ 753	\$1,468	\$ 745
Credit Card Securitizations	354	334	321	264	270
Credit Costs — Operating	\$2,190	\$1,155	\$1,074	\$1,732	\$1,015

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
REVENUE					
TRADING REVENUE					
Reported	NM	NM	\$ 2,009	\$ 4,563	(56)%
Trading-Related NII	(5)%	23%	1,212	812	49
Operating	(68)	(77)	\$ 3,221	\$ 5,375	(40)

CREDIT CARD REVENUE (a)					
Reported	20	47	\$ 2,062	\$ 1,446	43
Credit Card Securitizations	(69)	NM	(468)	(187)	NM
Operating	8	27	\$ 1,594	\$ 1,259	27
OTHER REVENUE					
Reported	43	92	\$ 868	\$ 747	16
Credit Card Securitizations	(47)	11	(49)	(4)	NM
Operating	50	96	\$ 819	\$ 743	10
NET INTEREST INCOME					
Reported	(5)	3	\$ 8,545	\$ 7,858	9
Credit Card Securitizations	22	59	1,526	975	57
Trading-Related NII	5	(23)	(1,212)	(812)	(49)
Operating	(1)	8	\$ 8,859	\$ 8,021	10
TOTAL REVENUE					
Reported	(8)	(6)	\$22,119	\$22,692	(3)
Credit Card Securitizations	6	31	1,009	784	29
Total Operating Revenue	(8)	(5)	\$23,128	\$23,476	(1)
EXPENSE					
Reported	(3)	(16)	\$15,603	\$17,844	(13)
Merger and Restructuring Costs	45	(62)	(817)	(1,682)	(51)
Real Estate Reserves	NM	NM	(98)	—	NM
Amortization of Goodwill	NM	NM	—	(434)	NM
Operating Expense	(7)	(7)	\$14,688	\$15,728	(7)
CREDIT COSTS					
Provision for Credit Losses — Reported	124	146	\$ 3,410	\$ 1,714	99
Credit Card Securitizations	6	31	1,009	784	29
Credit Costs — Operating	90	116	\$ 4,419	\$ 2,498	77

(a) Included in Fees and Commissions.

SEGMENT DETAIL

J.P. MORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS
(in millions, except ratios)



OPERATING INCOME STATEMENT	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
REVENUE:					
Trading Revenue (Including Trading NII):					
Fixed Income and Other	\$ 624	\$ 1,022	\$ 1,493	\$ 957	\$ 1,262
Equities	(254)	95	201	63	239
	370	1,117	1,694	1,020	1,501
Investment Banking Fees	533	786	741	934	809
Net Interest Income	649	641	717	788	761
Fees and Commissions	418	416	379	362	346
Securities Gains	465	108	127	165	141
All Other Revenue	(2)	30	(48)	(186)	(17)
TOTAL OPERATING REVENUE	2,433	3,098	3,610	3,083	3,541
EXPENSE:					
Compensation Expense	790	1,156	1,179	1,134	1,252
Noncompensation Expense	857	869	932	744	893
TOTAL OPERATING EXPENSE	1,647	2,025	2,111	1,878	2,145
Operating Margin	786	1,073	1,499	1,205	1,396
Credit Costs	1,316	306	282	617	268
Operating Income (Loss) Before Taxes	(530)	767	1,217	588	1,128
Income Taxes (Benefit)	(274)	281	464	219	426
OPERATING EARNINGS (LOSS)	\$ (256)	\$ 486	\$ 753	\$ 369	\$ 702
Average Common Equity	\$ 18,248	\$ 18,574	\$ 19,021	\$ 18,836	\$ 18,335
Average Assets	493,657	503,029	467,160	510,625	513,140
SVA	(812)	(74)	185	(206)	143
Return on Common Equity	NM	10.4 %	16.0 %	7.7 %	15.1 %
Overhead Ratio	68 %	65	58	61	61
Compensation Expense as a % of Operating Revenue	32	37	33	37	35
BUSINESS REVENUE:					
INVESTMENT BANKING FEES					
Advisory	\$ 141	\$ 195	\$ 193	\$ 269	\$ 333
Underwriting and Other Fees	392	591	548	665	476
TOTAL	533	786	741	934	809
CAPITAL MARKETS					
Fixed Income	1,298	1,667	2,043	1,345	1,906
Treasury	610	269	385	487	364
Equities	(8)	376	441	317	462
TOTAL	1,900	2,312	2,869	2,149	2,732
TOTAL OPERATING REVENUE	\$ 2,433	\$ 3,098	\$ 3,610	\$ 3,083	\$ 3,541
MEMO:					
CAPITAL MARKETS TOTAL RETURN					
REVENUE (a)					
Fixed Income	\$ 1,332	\$ 1,739	\$ 2,000	\$ 1,376	\$ 1,893
Treasury	363	214	469	309	(19)
Equities	(8)	376	441	317	462
TOTAL	\$ 1,687	\$ 2,329	\$ 2,910	\$ 2,002	\$ 2,336
MARKET SHARE / RANKINGS: (b)					
Global Syndicated Loans	21.6%/#1	27.9%/#1	21.6%/#1	24.4%/#1	21.7%/#1

U.S. Investment Grade Bonds	14.3%/#2	17.6%/#2	15.9%/#2	13.2%/#2	14.7%/#2
Euro-Denominated Corporate International Bonds	4.8%/#9	5.3%/#7	5.8%/#4	6.1%/#6	9.5%/#1
Global Equity and Equity-Related	1.8%/#12	6.1%/#7	4.8%/#6	5.0%/#8	5.1%/#7
U.S. Equity and Equity-Related	3.9%/#7	8.4%/#6	4.5%/#7	7.7%/#5	5.5%/#7
Global Announced M&A	14.5%/#4	18.6%/#3	13.7%/#8	25.7%/#3	31.2%/#5

[Additional columns below]

[Continued from above table, first column(s) repeated]

OPERATING INCOME STATEMENT	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
REVENUE:					
Trading Revenue (Including Trading NII):					
Fixed Income and Other	(39) %	(51) %	\$ 3,139	\$ 4,020	(22) %
Equities	NM	NM	42	1,127	(96)
	(67)	(75)	3,181	5,147	(38)
Investment Banking Fees	(32)	(34)	2,060	2,667	(23)
Net Interest Income	1	(15)	2,007	2,158	(7)
Fees and Commissions	—	21	1,213	1,123	8
Securities Gains	331	230	700	373	88
All Other Revenue	NM	88	(20)	116	NM
TOTAL OPERATING REVENUE	(21)	(31)	9,141	11,584	(21)
EXPENSE:					
Compensation Expense	(32)	(37)	3,125	4,199	(26)
Noncompensation Expense	(1)	(4)	2,658	2,784	(5)
TOTAL OPERATING EXPENSE	(19)	(23)	5,783	6,983	(17)
Operating Margin	(27)	(44)	3,358	4,601	(27)
Credit Costs	330	391	1,904	530	259
Operating Income (Loss) Before Taxes	NM	NM	1,454	4,071	(64)
Income Taxes (Benefit)	NM	NM	471	1,561	(70)
OPERATING EARNINGS (LOSS)	NM	NM	\$ 983	\$ 2,510	(61)
Average Common Equity	(2)	—	\$ 18,611	\$ 19,043	(2)
Average Assets	(2)	(4)	488,046	510,185	(4)
SVA	NM	NM	(701)	779	NM
Return on Common Equity	NM	NM	7.0 %	17.5 %	(1,050) bp
Overhead Ratio	300 bp	700 bp	63	60	300
Compensation Expense as a % of Operating Revenue	(500)	(300)	34	36	(200)
BUSINESS REVENUE:					
INVESTMENT BANKING FEES					
Advisory	(28) %	(58) %	\$ 529	\$ 979	(46) %
Underwriting and Other Fees	(34)	(18)	1,531	1,688	(9)
TOTAL	(32)	(34)	2,060	2,667	(23)
CAPITAL MARKETS					
Fixed Income	(22)	(32)	5,008	5,961	(16)
Treasury	127	68	1,264	1,034	22
Equities	NM	NM	809	1,922	(58)
TOTAL	(18)	(30)	7,081	8,917	(21)
TOTAL OPERATING REVENUE	(21)	(31)	\$ 9,141	\$ 11,584	(21)
MEMO:					
CAPITAL MARKETS TOTAL RETURN REVENUE (a)					
Fixed Income	(23)	(30)	\$ 5,071	\$ 6,017	(16)
Treasury	70	NM	1,046	641	63
Equities	NM	NM	809	1,922	(58)
TOTAL	(28)	(28)	\$ 6,926	\$ 8,580	(19)

MARKET SHARE / RANKINGS: (b)

Global Syndicated Loans	24.2%/#1	26.7%/#1
U.S. Investment Grade Bonds	16.1%/#2	14.5%/#2
Euro-Denominated Corporate International Bonds	5.4%/#4	7.4%/#2
Global Equity and Equity-Related	4.8%/#8	2.8%/#9
U.S. Equity and Equity-Related	5.9%/#7	2.3%/#8
Global Announced M&A	15.8%/#4	20.8%/#5

Note: Prior periods have been restated to conform with current methodologies.

-
- (a) Total return revenues include operating revenues plus the unrealized gains or losses on assets and liabilities in activities, primarily treasury, which are accounted for under accrual accounting.
- (b) Derived from Thomson Financial Securities Data which reflect subsequent updates to prior period information. Global announced M&A based on rank value; all others based on proceeds, with full credit to each book manager/equal if joint.

J.P. MORGAN CHASE & CO.
TREASURY & SECURITIES SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratios)



OPERATING INCOME STATEMENT	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
REVENUE:					
Fees and Commissions	\$ 595	\$ 608	\$ 586	\$ 564	\$ 554
Net Interest Income	326	322	313	328	355
All Other Revenue	101	53	34	44	63
TOTAL OPERATING REVENUE	1,022	983	933	936	972
EXPENSE:					
Compensation Expense	290	301	304	275	288
Noncompensation Expense	407	414	409	419	418
TOTAL OPERATING EXPENSE	697	715	713	694	706
Operating Margin	325	268	220	242	266
Credit Costs	—	(1)	1	4	1
Operating Income Before Taxes	325	269	219	238	265
Income Taxes	113	95	77	81	93
OPERATING EARNINGS	\$ 212	\$ 174	\$ 142	\$ 157	\$ 172
Average Common Equity	\$ 2,958	\$ 3,033	\$ 2,953	\$ 2,876	\$ 2,910
Average Assets	15,311	18,306	16,281	17,744	18,301
SVA	122	82	54	69	83
Return on Common Equity	28.3 %	22.9 %	19.4 %	21.5 %	23.3 %
Overhead Ratio	68	73	76	74	73
OPERATING REVENUE BY BUSINESS:					
Treasury Services	\$ 356	\$ 329	\$ 333	\$ 349	\$ 344
Investor Services	394	428	392	392	434
Institutional Trust Services	220	221	202	190	189
Other	52	5	6	5	5
Total Treasury & Securities Services	\$ 1,022	\$ 983	\$ 933	\$ 936	\$ 972

[Additional columns below]

[Continued from above table, first column(s) repeated]

OPERATING INCOME STATEMENT	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
REVENUE:					
Fees and Commissions	(2) %	7 %	\$ 1,789	\$ 1,667	7 %
Net Interest Income	1	(8)	961	1,049	(8)
All Other Revenue	91	60	188	169	11
TOTAL OPERATING REVENUE	4	5	2,938	2,885	2
EXPENSE:					
Compensation Expense	(4)	1	895	876	2
Noncompensation Expense	(2)	(3)	1,230	1,257	(2)
TOTAL OPERATING EXPENSE	(3)	(1)	2,125	2,133	—
Operating Margin	21	22	813	752	8
Credit Costs	NM	NM	—	4	NM
Operating Income Before Taxes	21	23	813	748	9

Income Taxes	19	22	285	263	8
OPERATING EARNINGS	22	23	\$ 528	\$ 485	9
Average Common Equity	(2)	2	\$ 2,982	\$ 2,949	1
Average Assets	(16)	(16)	16,629	17,938	(7)
SVA	49	47	258	217	19
Return on Common Equity	540 bp	500 bp	23.6 %	21.8 %	180 bp
Overhead Ratio	(500)	(500)	72	74	(200)
OPERATING REVENUE BY BUSINESS:					
Treasury Services	8 %	3 %	\$ 1,018	\$ 997	2 %
Investor Services	(8)	(9)	1,214	1,296	(6)
Institutional Trust Services	—	16	643	577	11
Other	NM	NM	63	15	320
Total Treasury & Securities Services	4	5	\$ 2,938	\$ 2,885	2

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
INVESTMENT MANAGEMENT & PRIVATE BANKING
FINANCIAL HIGHLIGHTS
(in millions, except ratios)



OPERATING INCOME STATEMENT	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
REVENUE:					
Fees and Commissions	\$ 510	\$ 551	\$ 581	\$ 566	\$ 569
Net Interest Income	124	123	120	143	138
All Other Revenue	57	55	62	37	50
TOTAL OPERATING REVENUE	691	729	763	746	757
EXPENSE:					
Compensation Expense	263	258	283	285	299
Noncompensation Expense	288	311	295	314	292
TOTAL OPERATING EXPENSE	551	569	578	599	591
Operating Margin	140	160	185	147	166
Credit Costs	25	23	23	30	3
Operating Income Before Taxes	115	137	162	117	163
Income Taxes	17	26	36	20	39
OPERATING EARNINGS	\$ 98	\$ 111	\$ 126	\$ 97	\$ 124
Average Common Equity	\$ 6,008	\$ 6,172	\$ 6,095	\$ 6,096	\$ 6,145
Average Assets	34,746	36,285	37,825	36,405	36,658
SVA	(85)	(76)	(56)	(89)	(63)
Return on Common Equity	6.4%	7.1%	8.3%	6.2%	7.9%
Overhead Ratio	80	78	76	80	78
(in billions)					
ASSETS UNDER MANAGEMENT (a) (b)	\$ 492(c)	\$ 541	\$ 581	\$ 602	\$ 582
Private Banking	118(c)	132	139	138	135
Institutional	313(c)	341	373	404	390
Retail	61(c)	68	69	60	57
ASSETS UNDER MANAGEMENT	\$ 492(c)	\$ 541	\$ 581	\$ 602	\$ 582
Americas	343(c)	375	417	438	421
Europe and Asia	149(c)	166	164	164	161
ASSETS UNDER MANAGEMENT	\$ 492(c)	\$ 541	\$ 581	\$ 602	\$ 582
Fixed Income and Cash	283(c)	293	312	328	313
Equities and Other	209(c)	248	269	274	269
CLIENT POSITIONS (b) (d)					
Private Banking	\$ 241(c)	\$ 277	\$ 276	\$ 299	\$ 300

[Additional columns below]

[Continued from above table, first column(s) repeated]

OPERATING INCOME STATEMENT	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
REVENUE:					
Fees and Commissions	(7)%	(10)%	\$ 1,642	\$ 1,794	(8)%
Net Interest Income	1	(10)	367	443	(17)
All Other Revenue	4	14	174	199	(13)
TOTAL OPERATING REVENUE	(5)	(9)	2,183	2,436	(10)
EXPENSE:					
Compensation Expense	2	(12)	804	1,014	(21)
Noncompensation Expense	(7)	(1)	894	940	(5)
TOTAL OPERATING EXPENSE	(3)	(7)	1,698	1,954	(13)

Operating Margin	(13)	(16)	485	482	1
Credit Costs	9	NM	71	5	NM
Operating Income Before Taxes	(16)	(29)	414	477	(13)
Income Taxes	(35)	(56)	79	111	(29)
OPERATING EARNINGS	(12)	(21)	\$ 335	\$ 366	(8)
Average Common Equity	(3)	(2)	\$ 6,091	\$ 6,324	(4)
Average Assets	(4)	(5)	36,274	36,921	(2)
SVA	(12)	(35)	(217)	(210)	(3)
Return on Common Equity	(70)bp	(150)bp	7.2%	7.6%	(40)bp
Overhead Ratio	200	200	78	80	(200)
(in billions)					
ASSETS UNDER MANAGEMENT (a) (b)	(9)%	(15)%			
Private Banking	(11)	(13)			
Institutional	(8)	(20)			
Retail	(10)	7			
ASSETS UNDER MANAGEMENT	(9)	(15)			
Americas	(9)	(19)			
Europe and Asia	(10)	(7)			
ASSETS UNDER MANAGEMENT	(9)	(15)			
Fixed Income and Cash	(3)	(10)			
Equities and Other	(16)	(22)			
CLIENT POSITIONS (b) (d)					
Private Banking	(13)	(20)			

Note: Prior periods have been restated to conform with current methodologies.

-
- (a) Assets under management represent assets actively managed by Investment Management & Private Banking on behalf of institutional and Private Banking clients. Excludes assets managed at American Century Companies Inc.
- (b) Assets under management and client positions restated for transfer of certain clients to RMMFS.
- (c) Estimated
- (d) Client Positions represent assets under management as well as custody, restricted stock, deposit, brokerage and loan accounts.

J.P. MORGAN CHASE & CO.
JPMORGAN PARTNERS
FINANCIAL HIGHLIGHTS
(in millions, except ratios)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
OPERATING INCOME STATEMENT					
REVENUE:					
Private Equity:					
Realized Gains (Losses)	\$ (41)	\$ (11)	\$ (13)	\$ 107	\$ 204
Unrealized Gains (Losses)	(258)	(114)	(242)	(505)	(306)
Total Private Equity Gains (Losses)	(299)	(125)	(255)	(398)	(102)
Net Interest Income (Loss)	(76)	(87)	(87)	(83)	(89)
Fees and Other Revenue	14	28	41	30	16
TOTAL OPERATING REVENUE	(361)	(184)	(301)	(451)	(175)
EXPENSE:					
Compensation Expense	37	37	41	39	35
Noncompensation Expense	51	47	47	53	33
TOTAL OPERATING EXPENSE	88	84	88	92	68
Operating Income (Loss) Before Taxes	(449)	(268)	(389)	(543)	(243)
Income Taxes (Benefit)	(165)	(99)	(143)	(199)	(90)
OPERATING EARNINGS (LOSS)	\$ (284)	\$ (169)	\$ (246)	\$ (344)	\$ (153)
Average Common Equity	\$ 5,389	\$ 5,493	\$ 5,709	\$ 6,131	\$ 6,121
Average Assets	10,095	10,279	10,687	11,734	11,368
SVA	(489)	(376)	(459)	(578)	(386)

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
OPERATING INCOME STATEMENT					
REVENUE:					
Private Equity:					
Realized Gains (Losses)	NM	NM	\$ (65)	\$ 568	NM
Unrealized Gains (Losses)	NM	16 %	(614)	(1,353)	55 %
Total Private Equity Gains (Losses)	NM	NM	(679)	(785)	14
Net Interest Income (Loss)	13 %	15	(250)	(266)	6
Fees and Other Revenue	(50)	(13)	83	77	8
TOTAL OPERATING REVENUE	(96)	NM	(846)	(974)	13
EXPENSE:					
Compensation Expense	—	6	115	112	3
Noncompensation Expense	9	55	145	126	15
TOTAL OPERATING EXPENSE	5	29	260	238	9
Operating Income (Loss) Before Taxes	(68)	(85)	(1,106)	(1,212)	9
Income Taxes (Benefit)	(67)	(83)	(407)	(445)	9
OPERATING EARNINGS (LOSS)	(68)	(86)	\$ (699)	\$ (767)	9
Average Common Equity	(2)	(12)	\$ 5,529	\$ 6,617	(16)
Average Assets	(2)	(11)	10,351	12,410	(17)

SVA	(30)	(27)	(1,324)	(1,517)	13
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Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO
JPMORGAN PARTNERS
INVESTMENT PORTFOLIO — PRIVATE AND PUBLIC SECURITIES
(in millions, except ratios)



	Sep 30th 2002	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001
PORTFOLIO INFORMATION					
Public Securities (110 companies)(a)(b)					
Carrying Value	\$ 488	\$ 695	\$ 705	\$ 998	\$ 1,149
Cost	764	860	809	802	829
Private Direct Securities (960 companies)(b)					
Carrying Value	5,694	5,707	6,054	6,289	6,371
Cost	7,186	7,066	7,317	7,544	7,322
Private Fund Investments (326 funds)(b)					
Carrying Value	1,831	1,827	1,794	1,910	2,108
Cost	2,216	2,164	2,119	2,182	2,217
Total Investment Portfolio — Carrying Value	\$ 8,013	\$ 8,229	\$ 8,553	\$ 9,197	\$ 9,628
Total Investment Portfolio — Cost	\$10,166	\$10,090	\$10,245	\$10,528	\$10,368

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Sep 30, 2002	
	Over (Under)	
	Jun 30, 02	Sep 30, 01
PORTFOLIO INFORMATION		
Public Securities (110 companies)(a)(b)		
Carrying Value	(30)%	(58)%
Cost	(11)	(8)
Private Direct Securities (960 companies)(b)		
Carrying Value	—	(11)
Cost	2	(2)
Private Fund Investments (326 funds)(b)		
Carrying Value	—	(13)
Cost	2	—
Total Investment Portfolio — Carrying Value	(3)	(17)
Total Investment Portfolio — Cost	1	(2)

Public Securities Investments at September 30, 2002
(dollars and shares in millions)

	Symbol	Shares	Quoted Public Value	Cost
JetBlue Airways Corporation	JBLU	3.4	\$139	\$ 20
Encore Acquisition Company	EAC	4.9	81	34
Fisher Scientific International, Inc.	FSH	2.4	72	21
Guitar Center Inc.	GTRC	3.3	61	35
Triton PCS Holdings, Inc.	TPC	16.0	33	70
United Auto Group, Inc.	UAG	2.2	30	25
AT&T Wireless Services, Inc. (c)	AWE	7.0	29	5
1-800-FLOWERS.COM, Inc.	FLWS	3.9	27	14
dj Orthopedics, Inc.	DJO	5.9	23	54
Lin TV Corp	TVL	0.9	21	27
Top Ten Public Securities			\$516	\$305

Other Public Securities (100 companies)	204	459
Total Public Securities (110 companies)	\$720	\$764

-
- (a) Publicly traded positions only.
 - (b) Represents the number of companies and funds at September 30, 2002.
 - (c) Does not include 3.3 million shares held directly by the holding company, received upon distribution from JPMP.

J.P. MORGAN CHASE & CO
RETAIL & MIDDLE MARKET FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratios)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
OPERATING INCOME STATEMENT					
REVENUE:					
Net Interest Income	\$ 2,159	\$ 2,124	\$ 2,032	\$ 1,843	\$ 1,801
Fees and Commissions	1,247	1,150	912	796	807
Securities Gains	112	19	(13)	61	1
All Other Revenue	214	175	188	223	234
TOTAL OPERATING REVENUE	3,732	3,468	3,119	2,923	2,843
EXPENSE:					
Compensation Expense	678	670	646	601	616
Noncompensation Expense	969	951	892	875	831
TOTAL OPERATING EXPENSE	1,647	1,621	1,538	1,476	1,447
Operating Margin	2,085	1,847	1,581	1,447	1,396
Credit Costs	823	736	726	926	722
Operating Income Before Taxes	1,262	1,111	855	521	674
Income Taxes	455	417	326	187	253
OPERATING EARNINGS	\$ 807	\$ 694	\$ 529	\$ 334	\$ 421
Average Common Equity	\$ 10,497	\$ 10,436	\$ 10,149	\$ 9,489	\$ 9,343
Average Managed Assets (a)	179,489	176,176	176,325	166,858	165,118
SVA	487	379	225	44	136
Return on Common Equity	30.4%	26.6%	21.0%	13.8%	17.8%
Overhead Ratio	44	47	49	50	51
RETAIL & MIDDLE MARKET FINANCIAL SERVICES' BUSINESSES					
CARDMEMBER SERVICES:					
Operating Revenues	\$ 1,563	\$ 1,492	\$ 1,358	\$ 1,261	\$ 1,148
Operating Earnings	246	179	151	176	129
HOME FINANCE:					
Operating Revenues	\$ 974	\$ 773	\$ 529	\$ 443	\$ 468
Operating Earnings	393	268	134	89	122
REGIONAL BANKING GROUP:					
Operating Revenues	\$ 689	\$ 702	\$ 719	\$ 734	\$ 766
Operating Earnings	87	103	128	109	123
MIDDLE MARKETS:					
Operating Revenues	\$ 326	\$ 316	\$ 322	\$ 303	\$ 310
Operating Earnings	91	89	79	63	72
AUTO FINANCE:					
Operating Revenues	\$ 167	\$ 167	\$ 172	\$ 164	\$ 140
Operating Earnings	27	82	33	36	33

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
OPERATING INCOME STATEMENT					
REVENUE:					
Net Interest Income	2%	20%	\$ 6,315	\$ 5,189	22%
Fees and Commissions	8	55	3,309	2,145	54
Securities Gains	NM	NM	118	317	(63)
All Other Revenue	22	(9)	577	543	6
TOTAL OPERATING REVENUE	8	31	10,319	8,194	26
EXPENSE:					
Compensation Expense	1	10	1,994	1,771	13
Noncompensation Expense	2	17	2,812	2,461	14
TOTAL OPERATING EXPENSE	2	14	4,806	4,232	14
Operating Margin	13	49	5,513	3,962	39
Credit Costs	12	14	2,285	1,948	17
Operating Income Before Taxes	14	87	3,228	2,014	60
Income Taxes	9	80	1,198	765	57
OPERATING EARNINGS	16	92	\$ 2,030	\$ 1,249	63

Average Common Equity	1	12	\$ 10,362	\$ 9,032	15
Average Managed Assets (a)	2	9	177,342	162,572	9
SVA	28	258	1,091	427	156
Return on Common Equity	380bp	1,260bp	26.1%	18.3%	780bp
Overhead Ratio	(300)	(700)	47	52	(500)
RETAIL & MIDDLE MARKET FINANCIAL SERVICES'					
BUSINESSES					
CARDMEMBER SERVICES:					
Operating Revenues	5%	36%	\$ 4,413	\$ 3,220	37%
Operating Earnings	37	91	576	336	71
HOME FINANCE:					
Operating Revenues	26	108	\$ 2,276	\$ 1,245	83
Operating Earnings	47	222	795	313	154
REGIONAL BANKING GROUP:					
Operating Revenues	(2)	(10)	\$ 2,110	\$ 2,322	(9)
Operating Earnings	(16)	(29)	318	377	(16)
MIDDLE MARKETS:					
Operating Revenues	3	5	\$ 964	\$ 934	3
Operating Earnings	2	26	259	194	34
AUTO FINANCE:					
Operating Revenues	—	19	\$ 506	\$ 388	30
Operating Earnings	(67)	(18)	142	92	54

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- Note: Prior periods have been restated to conform with current methodologies.
- (a) Excludes the impact of credit card securitizations.

J.P. MORGAN CHASE & CO
RETAIL & MIDDLE MARKET FINANCIAL SERVICES
BUSINESS-RELATED METRICS



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
Cardmember Services — Managed Basis					
End-of-Period Outstandings (in billions)	\$ 51.1	\$ 49.5	\$ 48.9	\$ 41.6	\$ 38.9
Total Purchases & Cash Advances (a) (in billions)	23.0	20.9	18.9	20.3	17.9
Total Accounts (in millions)	28.6	28.1	27.7	23.9	23.4
Net Charge-Off Ratio	5.59%	6.41%	5.82%	5.56%	5.74%
Overhead Ratio	34	34	34	34	34
Regional Banking Group					
Total Average Deposits (in billions)	\$ 70.1	\$ 69.9	\$ 69.1	\$ 66.3	\$ 65.6
Total Average Assets Under Management (b) (in billions)	103.1(c)	104.7	104.8	103.5	102.6
Number of Branches	533	533	538	531	533
Number of ATMs	1,884	1,878	1,895	1,907	1,875
Number of Online Customers (in thousands)	1,128	1,066	1,003	937	876
Overhead Ratio	75%	74%	73%	72%	69%
Home Finance					
Originations (in billions)	\$ 35.4	\$ 26.5	\$ 32.7	\$ 50.4	\$ 47.4
Loans Serviced (in billions)	434(c)	436	426	430	427
Total Average Loans Owned (in billions)	54.2	54.1	56.9	57.3	57.0
Number of Customers (in millions)	4.0(c)	4.1	4.0	4.0	4.1
Net Charge-Off Ratio	0.21%	0.30%	0.21%	0.21%	0.20%
Overhead Ratio	31	39	55	63	54
Middle Markets					
Total Average Loans (in billions)	\$ 13.7	\$ 13.5	\$ 13.6	\$ 14.1	\$ 14.3
Total Average Deposits (in billions)	24.0	24.0	22.7	20.1	18.1
Nonperforming Average Loans as a % of Total Average Loans	1.95%	1.89%	2.20%	2.21%	2.19%
Overhead Ratio	49	53	52	58	53
Auto Finance					
Loan and Lease Receivables (in billions)	\$ 33.2	\$ 29.3	\$ 28.8	\$ 28.4	\$ 27.2
Origination Volume (in billions)	7.6	5.2	5.8	5.6	5.2
Market Share	5.8%(c)	4.6%	5.2%	5.2%	4.2%
Net Charge-Off Ratio	0.59	0.38	0.53	0.70	0.49
Overhead Ratio	35	35	34	33	37

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
Cardmember Services — Managed Basis					
End-of-Period Outstandings (in billions)	3%	31%	\$ 51.1	\$ 38.9	31%
Total Purchases & Cash Advances (a) (in billions)	10	28	62.8	51.9	21
Total Accounts (in millions)	2	22	28.6	23.4	22
Net Charge-Off Ratio	(82)bp	(15)bp	5.93%	5.47%	46bp
Overhead Ratio	—	—	34	35	(100)
Regional Banking Group					
Total Average Deposits (in billions)	—%	7%	\$ 69.7	\$ 65.7	6%
Total Average Assets Under Management (b) (in billions)	(2)	—	104.1	102.5	2
Number of Branches	—	—	533	533	—
Number of ATMs	—	—	1,884	1,875	—
Number of Online Customers (in thousands)	6	29	1,128	876	29
Overhead Ratio	100bp	600bp	74%	69%	500bp
Home Finance					
Originations (in billions)	34%	(25)%	\$ 94.6	\$ 132.6	(29)%
Loans Serviced (in billions)	—	2	434	427	2
Total Average Loans Owned (in billions)	—	(5)	55.5	53.8	3
Number of Customers (in millions)	(2)	(2)	4.0	4.1	(2)
Net Charge-Off Ratio	(9)bp	1bp	0.24%	0.17%	7bp
Overhead Ratio	(800)	(2,300)	39	57	(1,800)

Middle Markets					
Total Average Loans (in billions)	1%	(4)%	\$ 13.6	\$ 14.4	(6)%
Total Average Deposits (in billions)	—	33	23.6	17.9	32
Nonperforming Average Loans as a					
% of Total Average Loans	6bp	(24)bp	2.01%	2.39%	(38)bp
Overhead Ratio	(400)	(400)	51	54	(300)
Auto Finance					
Loan and Lease Receivables (in billions)	13%	22%	\$ 33.2	\$ 27.2	22%
Origination Volume (in billions)	46	46	18.6	14.3	30
Market Share	120bp	160bp	5.8%	4.2%	160bp
Net Charge-Off Ratio	21	10	0.50	0.47	3
Overhead Ratio	—	(200)	34	38	(400)

-
- Note: Prior periods have been restated to conform with current methodologies.
- (a) Sum of total customer purchases, cash advances and balance transfers.
- (b) Assets under management includes deposits.
- (c) Estimated

SUPPLEMENTAL DETAIL

NONINTEREST REVENUE AND NONINTEREST EXPENSE DETAIL ON A REPORTED BASIS
 (in millions)

	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
NONINTEREST REVENUE					
Investment Banking Fees:					
Advisory	\$ 143	\$ 189	\$ 191	\$ 271	\$ 329
Underwriting and Other Fees	402	596	564	660	482
Total	\$ 545	\$ 785	\$ 755	\$ 931	\$ 811
Trading-Related Revenue: (a)					
Equities	\$ (211)	\$ 120	\$ 223	\$ 101	\$ 251
Fixed Income and Other	576	1,016	1,497	803	1,363
Total	\$ 365	\$1,136	\$1,720	\$ 904	\$1,614
Fees and Commissions:					
Investment Management, Custody and Processing Services	\$ 923	\$ 981	\$ 992	\$ 987	\$ 960
Credit Card Revenue	806	669	587	662	548
Brokerage and Investment Services	321	333	304	305	268
Mortgage Servicing Fees, Net of Amortization and Writedowns	323	257	48	(81)	9
Other Lending-Related Service Fees	128	128	130	118	125
Deposit Service Charges	288	273	290	277	262
Other Fees	216	244	233	225	225
Total	\$3,005	\$2,885	\$2,584	\$2,493	\$2,397
Other Revenue: (b)					
Residential Mortgage Origination/Sales Activities	\$ 213	\$ 146	\$ 100	\$ 162	\$ 157
All Other Revenue	206	146	57	(11)	61
Total	\$ 419	\$ 292	\$ 157	\$ 151	\$ 218
NONINTEREST EXPENSE					
Other Expense:					
Professional Services	\$ 307	\$ 311	\$ 307	\$ 289	\$ 267
Outside Services	256	240	249	213	232
Marketing	179	144	146	179	137
Travel and Entertainment	102	112	101	78	116
All Other	324	311	405	369	335
Total	\$1,168	\$1,118	\$1,208	\$1,128	\$1,087

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
NONINTEREST REVENUE					
Investment Banking Fees:					
Advisory	(24)%	(57)%	\$ 523	\$ 977	(46)%
Underwriting and Other Fees	(33)	(17)	1,562	1,704	(8)
Total	(31)	(33)	\$2,085	\$2,681	(22)
Trading-Related Revenue: (a)					
Equities	NM	NM	\$ 132	\$1,206	(89)
Fixed Income and Other	(43)	(58)	3,089	4,169	(26)

Total	(68)	(77)	\$3,221	\$5,375	(40)
Fees and Commissions:					
Investment Management, Custody and Processing Services	(6)	(4)	\$2,896	\$2,964	(2)
Credit Card Revenue	20	47	2,062	1,446	43
Brokerage and Investment Services	(4)	20	958	939	2
Mortgage Servicing Fees, Net of Amortization and Writedowns	26	NM	628	(149)	NM
Other Lending-Related Service Fees	—	2	386	377	2
Deposit Service Charges	5	10	851	746	14
Other Fees	(11)	(4)	693	665	4
Total	4	25	\$8,474	\$6,988	21
Other Revenue: (b)					
Residential Mortgage Origination/Sales Activities	46	36	\$ 459	\$ 414	11
All Other Revenue	41	238	409	333	23
Total	43	92	\$ 868	\$ 747	16
NONINTEREST EXPENSE					
Other Expense:					
Professional Services	(1)	15	\$ 925	\$ 850	9
Outside Services	7	10	745	675	10
Marketing	24	31	469	422	11
Travel and Entertainment	(9)	(12)	315	375	(16)
All Other	4	(3)	1,040	1,071	(3)
Total	4	7	\$3,494	\$3,393	3

Note: Prior periods have been restated to conform with current methodologies.

- (a) Includes trading-related net interest income. See reconciliation from reported to operating basis on page 7.
- (b) In the third quarter of 2002, the “Provision for Loan Losses” was re-named “Provision for Credit Losses” and now includes the aggregate amount of the provision for loan losses and provision for lending-related commitments. The prior period provision for lending-related commitments was re-classified from “Other Revenue” to the “Provision for Credit Losses” category.

CONSOLIDATED BALANCE SHEET
(in millions)

	Sep 30th 2002	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001
ASSETS					
Cash and Due from Banks	\$ 18,159	\$ 21,878	\$ 22,637	\$ 22,600	\$ 22,299
Deposits with Banks	13,447	10,517	9,691	12,743	9,341
Federal Funds Sold and Securities Purchased under Resale					
Agreements	63,748	71,740	76,719	63,727	78,997
Securities Borrowed	35,283	48,429	40,880	36,580	37,499
Trading Assets:					
Debt and Equity Instruments	151,264	159,746	144,992	118,248	165,143
Derivative Receivables	87,518	69,858	63,224	71,157	85,407
Securities	79,768	64,526	61,225	59,760	66,468
Loans (Net of Allowance for Loan Losses)	206,215	207,080	209,541	212,920	219,411
Private Equity Investments	8,013	8,229	8,553	9,197	9,628
Goodwill	8,108	8,089	8,055	8,336	8,477
Other Intangibles:					
Mortgage Servicing Rights	3,606	5,689	6,918	6,579	5,731
Purchased Credit Card Relationships	1,337	1,426	1,508	519	542
All Other Intangibles	311	313	327	44	64
Other Assets	64,982	63,026	58,238	71,165	90,293
TOTAL ASSETS	\$741,759	\$740,546	\$712,508	\$693,575	\$799,300
LIABILITIES					
Deposits:					
Noninterest-Bearing	\$ 74,724	\$ 73,529	\$ 72,659	\$ 76,974	\$ 72,734
Interest-Bearing	217,447	220,300	209,378	216,676	208,870
Total Deposits	292,171	293,829	282,037	293,650	281,604
Federal Funds Purchased and Securities Sold under Repurchase					
Agreements	154,745	162,656	152,837	128,445	181,775
Commercial Paper	13,775	14,561	23,726	18,510	19,299
Other Borrowed Funds	12,646	17,352	16,968	10,835	21,941
Trading Liabilities:					
Debt and Equity Instruments	71,607	67,952	71,141	52,988	58,594
Derivative Payables	70,593	55,575	44,997	56,063	70,817
Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for Lending-Related Commitments)	38,233	38,083	36,910	47,813	75,231
Long-Term Debt	39,113	42,363	37,322	39,183	42,315
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	5,439	5,439	5,439	4,439	4,439
TOTAL LIABILITIES	698,322	697,810	671,377	651,926	756,015
PREFERRED STOCK OF SUBSIDIARY	—	—	—	550	550
STOCKHOLDERS' EQUITY					
Preferred Stock	1,009	1,009	1,009	1,009	1,009
Common Stock	2,023	2,020	2,016	1,997	1,993
Capital Surplus	13,113	13,111	12,783	12,495	12,244
Retained Earnings	26,940	27,605	27,278	26,993	28,021
Accumulated Other Comprehensive Income (Loss)	1,465	79	(909)	(442)	267
Treasury Stock, at Cost	(1,113)	(1,088)	(1,046)	(953)	(799)
TOTAL STOCKHOLDERS' EQUITY	43,437	42,736	41,131	41,099	42,735
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$741,759	\$740,546	\$712,508	\$693,575	\$799,300

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Jun 30, 02	Sep 30, 01
ASSETS		
Cash and Due from Banks	(17)%	(19)%
Deposits with Banks	28	44
Federal Funds Sold and Securities Purchased under Resale Agreements	(11)	(19)
Securities Borrowed	(27)	(6)
Trading Assets:		
Debt and Equity Instruments	(5)	(8)
Derivative Receivables	25	2
Securities	24	20
Loans (Net of Allowance for Loan Losses)	—	(6)
Private Equity Investments	(3)	(17)
Goodwill	—	(4)
Other Intangibles:		
Mortgage Servicing Rights	(37)	(37)
Purchased Credit Card Relationships	(6)	147
All Other Intangibles	(1)	386
Other Assets	3	(28)
TOTAL ASSETS	—	(7)
LIABILITIES		
Deposits:		
Noninterest-Bearing	2	3
Interest-Bearing	(1)	4
Total Deposits	(1)	4
Federal Funds Purchased and Securities Sold under Repurchase Agreements	(5)	(15)
Commercial Paper	(5)	(29)
Other Borrowed Funds	(27)	(42)
Trading Liabilities:		
Debt and Equity Instruments	5	22
Derivative Payables	27	—
Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for Lending-Related Commitments)	—	(49)
Long-Term Debt	(8)	(8)
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	—	23
TOTAL LIABILITIES	—	(8)
PREFERRED STOCK OF SUBSIDIARY	NM	NM
STOCKHOLDERS' EQUITY		
Preferred Stock	—	—
Common Stock	—	2
Capital Surplus	—	7
Retained Earnings	(2)	(4)
Accumulated Other Comprehensive Income (Loss)	NM	NM
Treasury Stock, at Cost	(2)	(39)
TOTAL STOCKHOLDERS' EQUITY	2	2
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	—	(7)

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
CONDENSED AVERAGE BALANCE SHEET AND ANNUALIZED YIELDS
(in millions, except rates)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
AVERAGE BALANCES					
ASSETS					
Deposits with Banks	\$ 13,071	\$ 9,287	\$ 12,326	\$ 10,810	\$ 8,583
Federal Funds Sold and Securities Purchased under Resale					
Agreements	83,402	83,317	81,004	85,582	80,396
Securities and Trading Assets	205,232	201,512	180,951	188,988	200,161
Securities Borrowed	41,881	46,537	41,739	39,213	38,122
Loans	205,037	211,495	217,847	218,625	224,125
Total Interest-Earning Assets	548,623	552,148	533,867	543,218	551,387
Noninterest-Earning Assets	175,743	182,798	184,779	196,557	185,891
TOTAL ASSETS	\$724,366	\$734,946	\$718,646	\$739,775	\$737,278
LIABILITIES					
Interest-Bearing Deposits	\$214,932	\$221,687	\$218,049	\$223,314	\$207,430
Federal Funds Purchased and Securities Sold under					
Repurchase Agreements	170,266	166,919	153,662	164,714	170,708
Commercial Paper	13,740	18,514	18,901	17,134	21,307
Other Borrowings (a)	66,014	78,614	67,408	55,388	67,218
Long-Term Debt	45,525	42,482	43,046	44,964	44,788
Total Interest-Bearing Liabilities	510,477	528,216	501,066	505,514	511,451
Noninterest-Bearing Liabilities	170,712	164,832	175,800	191,098	182,757
TOTAL LIABILITIES	681,189	693,048	676,866	696,612	694,208
PREFERRED STOCK OF SUBSIDIARY					
	—	—	354	550	550
Preferred Stock	1,009	1,009	1,009	1,009	1,017
Common Stockholders' Equity	42,168	40,889	40,417	41,604	41,503
TOTAL STOCKHOLDERS' EQUITY	43,177	41,898	41,426	42,613	42,520
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$724,366	\$734,946	\$718,646	\$739,775	\$737,278
AVERAGE RATES					
INTEREST-EARNING ASSETS					
Deposits with Banks	2.65%	3.31%	2.96%	3.76%	4.64%
Federal Funds Sold and Securities Purchased under Resale					
Agreements	2.52	2.58	2.45	3.18	4.19
Securities and Trading Assets	4.98	5.18	5.35	5.40	5.51
Securities Borrowed	1.70	1.49	1.77	2.00	3.17
Loans	5.73	5.95	5.87	5.97	6.54
Total Interest-Earning Assets	4.58	4.74	4.79	5.00	5.56
INTEREST-BEARING LIABILITIES					
Interest-Bearing Deposits	2.62	2.38	2.49	2.52	3.48
Federal Funds Purchased and Securities Sold under					
Repurchase Agreements	2.06	2.06	2.07	2.63	3.81
Commercial Paper	1.81	1.84	1.76	2.30	3.53
Other Borrowings	5.06	5.24	4.81	6.17	5.31
Long-Term Debt	3.22	3.10	3.35	3.58	4.43
Total Interest-Bearing Liabilities	2.78	2.75	2.72	3.04	3.92
TOTAL INVESTABLE FUNDS	2.59	2.63	2.55	2.83	3.63
INTEREST RATE SPREAD	1.80%	1.99%	2.07%	1.96%	1.64%
NET INTEREST MARGIN	1.99%	2.11%	2.24%	2.17%	1.93%
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS	2.31%	2.36%	2.47%	2.39%	2.13%

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
AVERAGE BALANCES					
ASSETS					
Deposits with Banks	41%	52%	\$ 11,564	\$ 8,549	35%
Federal Funds Sold and Securities Purchased under Resale Agreements	—	4	82,583	83,254	(1)
Securities and Trading Assets	2	3	195,986	198,587	(1)
Securities Borrowed	(10)	10	43,387	37,799	15
Loans	(3)	(9)	211,413	220,253	(4)
Total Interest-Earning Assets	(1)	(1)	544,933	548,442	(1)
Noninterest-Earning Assets	(4)	(5)	181,074	186,249	(3)
TOTAL ASSETS	(1)	(2)	\$726,007	\$734,691	(1)
LIABILITIES					
Interest-Bearing Deposits	(3)	4	\$218,211	\$213,355	2
Federal Funds Purchased and Securities Sold under Repurchase Agreements	2	—	163,677	163,569	—
Commercial Paper	(26)	(36)	17,033	19,042	(11)
Other Borrowings (a)	(16)	(2)	70,673	66,941	6
Long-Term Debt	7	2	43,693	45,792	(5)
Total Interest-Bearing Liabilities	(3)	—	513,287	508,699	1
Noninterest-Bearing Liabilities	4	(7)	170,430	182,699	(7)
TOTAL LIABILITIES	(2)	(2)	683,717	691,398	(1)
PREFERRED STOCK OF SUBSIDIARY	NM	NM	117	550	(79)
Preferred Stock	—	(1)	1,009	1,246	(19)
Common Stockholders' Equity	3	2	41,164	41,497	(1)
TOTAL STOCKHOLDERS' EQUITY	3	2	42,173	42,743	(1)
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	(1)	(2)	\$726,007	\$734,691	(1)
AVERAGE RATES					
INTEREST-EARNING ASSETS					
Deposits with Banks	(66) bp	(199) bp	2.94%	5.48%	(254) bp
Federal Funds Sold and Securities Purchased under Resale Agreements	(6)	(167)	2.52	5.01	(249)
Securities and Trading Assets	(20)	(53)	5.16	5.75	(59)
Securities Borrowed	21	(147)	1.65	4.05	(240)
Loans	(22)	(81)	5.85	7.44	(159)
Total Interest-Earning Assets	(16)	(98)	4.70	6.20	(150)
INTEREST-BEARING LIABILITIES					
Interest-Bearing Deposits	24	(86)	2.50	4.12	(162)
Federal Funds Purchased and Securities Sold under Repurchase Agreements	—	(175)	2.06	4.55	(249)
Commercial Paper	(3)	(172)	1.80	4.56	(276)
Other Borrowings	(18)	(25)	5.05	5.66	(61)
Long-Term Debt	12	(121)	3.22	5.48	(226)
Total Interest-Bearing Liabilities	3	(114)	2.75	4.60	(185)
TOTAL INVESTABLE FUNDS	(4)	(104)	2.59	4.27	(168)
INTEREST RATE SPREAD	(19)	16	1.95%	1.60%	35
NET INTEREST MARGIN	(12)	6	2.11%	1.93%	18
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS	(5)	18	2.38%	2.10%	28

(a) Includes securities sold but not yet purchased.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions, except ratios)



	Sep 30th 2002	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	September 30, 2002 Over (Under)	
						Jun 30, 02	Sep 30, 01
CREDIT-RELATED ASSETS							
COMMERCIAL LOANS							
Domestic Commercial	\$ 62,901	\$ 67,124	\$ 64,068	\$ 66,436	\$ 77,712	(6)%	(19)%
Foreign Commercial	34,585	37,577	37,684	38,428	38,866	(8)	(11)
Total Commercial Loans	97,486	104,701	101,752	104,864	116,578	(7)	(16)
Derivative and FX Contracts	87,518	69,858	63,224	71,157	85,407	25	2
TOTAL COMMERCIAL CREDIT-RELATED	185,004	174,559	164,976	176,021	201,985	6	(8)
CONSUMER LOANS							
Credit Card — Reported	20,508	21,036	24,746	19,387	19,255	(3)	7
Credit Card — Securitizations	29,843	27,499	23,225	21,424	18,724	9	59
Credit Card — Managed	50,351	48,535	47,971	40,811	37,979	4	33
1-4 Family Residential Mortgages	55,675	52,669	54,460	59,430	55,160	6	1
Auto Financings	30,612	26,666	26,002	25,667	24,448	15	25
Other Consumer (a)	7,197	7,014	7,586	8,096	7,844	3	(8)
TOTAL MANAGED CONSUMER LOANS	143,835	134,884	136,019	134,004	125,431	7	15
TOTAL MANAGED CREDIT-RELATED ASSETS	\$328,839	\$309,443	\$300,995	\$310,025	\$327,416	6	—
NONPERFORMING ASSETS AND RATIOS							
COMMERCIAL LOANS							
Domestic Commercial	\$ 1,865	\$ 1,402	\$ 1,399	\$ 1,275	\$ 1,438	33	30
Foreign Commercial	1,731	1,110	960	722	580	56	198
Total Commercial Loans	3,596	2,512	2,359	1,997	2,018	43	78
Derivative and FX Contracts	169	144	155	170	46	17	267
TOTAL	3,765	2,656	2,514	2,167	2,064	42	82
CONSUMER LOANS							
Credit Card — Reported	17	18	19	22	23	(6)	(26)
Credit Card — Securitizations	—	—	—	—	—	NM	NM
Credit Card — Managed	17	18	19	22	23	(6)	(26)
1-4 Family Residential Mortgages	314	275	351	280	273	14	15
Auto Financings	108	103	98	118	110	5	(2)
Other Consumer (a)	68	54	66	79	53	26	28
Total Consumer Loans	507	450	534	499	459	13	10
TOTAL	4,272	3,106	3,048	2,666	2,523	38	69
Assets Acquired in Loan Satisfaction	140	142	130	124	123	(1)	14
TOTAL	4,412	3,248	3,178	2,790	2,646	36	67
Other Receivables (b)	1,130	1,130	1,130	1,130	—	—	NM
TOTAL NONPERFORMING ASSETS	\$ 5,542(c)	\$ 4,378	\$ 4,308	\$ 3,920	\$ 2,646	27	109
TOTAL NONPERFORMING ASSETS TO TOTAL ASSETS	0.75%	0.59%	0.60%	0.57%	0.33%	16 bp	42 bp
PAST DUE 90 DAYS AND OVER AND ACCRUING							
COMMERCIAL LOANS							
Domestic Commercial	\$ 32	\$ 29	\$ 42	\$ 30	\$ 19	10%	68%

Foreign Commercial	1	2	10	5	44	(50)	(98)
TOTAL COMMERCIAL CREDIT-RELATED	33	31	52	35	63	6	(48)
CONSUMER LOANS							
Credit Card — Reported	447	505	619	449	394	(11)	13
Credit Card — Securitizations	526	457	478	457	348	15	51
Credit Card — Managed	973	962	1,097	906	742	1	31
1-4 Family Residential Mortgages	1	—	—	—	—	NM	NM
Auto Financings	—	—	—	1	1	NM	NM
Other Consumer (a)	26	37	45	36	28	(30)	(7)
TOTAL CONSUMER LOANS	1,000	999	1,142	943	771	—	30
TOTAL CR.-REL. ACCRUING ASSETS PAST DUE 90 DAYS	\$ 1,033	\$ 1,030	\$ 1,194	\$ 978	\$ 834	—	24

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- (a) Consists of installment loans (direct and indirect types of consumer finance), student loans, unsecured revolving lines of credit and foreign consumer loans.
- (b) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities. These receivables are classified in Other Assets at September 30, 2002 and June 30, 2002.
- (c) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) relating to nonperforming counterparties in amounts aggregating \$49 million. Nonperforming assets exclude nonaccrual loans held for sale (“HFS”) of \$38 million. HFS loans are carried at the lower of cost or market and declines in value are recorded in Other Revenue.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION (CONT.)
(in millions, except ratios)



	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001
NET CHARGE-OFFS					
COMMERCIAL LOANS					
Domestic Commercial	\$ 307	\$ 181	\$ 207	\$ 388	\$ 126
Foreign Commercial	527	112	113	45	63
TOTAL COMMERCIAL LOANS	834	293	320	433	189
CONSUMER LOANS					
Credit Card — Reported	333	433	337	274	264
Credit Card — Securitizations	354	334	321	264	270
Credit Card — Managed	687	767	658	538	534
1-4 Family Residential Mortgages	7	21	13	18	15
Auto Financings	47	29	38	50	32
Other Consumer	45	45	45	43	45
TOTAL CONSUMER LOANS	786	862	754	649	626
TOTAL MANAGED NET CHARGE-OFFS	\$1,620	\$1,155	\$1,074	\$1,082	\$ 815
NET CHARGE-OFF RATES — ANNUALIZED					
COMMERCIAL LOANS					
Domestic Commercial	1.95%	1.13%	1.24%	2.04%	0.59%
Foreign Commercial	6.66	1.24	1.34	0.53	0.79
TOTAL COMMERCIAL LOANS	3.53	1.17	1.27	1.58	0.65
CONSUMER LOANS					
Credit Card — Reported	6.27	7.67	5.78	5.74	5.47
Credit Card — Securitizations	4.95	5.30	5.98	5.23	5.82
Credit Card — Managed	5.51	6.42	5.87	5.48	5.64
1-4 Family Residential Mortgages	0.05	0.16	0.09	0.12	0.10
Auto Financings	0.64	0.43	0.58	0.79	0.53
Other Consumer	2.53	2.35	2.16	2.12	2.33
TOTAL CONSUMER LOANS	2.23	2.53	2.22	1.98	1.96
TOTAL MANAGED NET CHARGE-OFF RATES	2.75	1.96	1.82	1.80	1.33
ALLOWANCE FOR LOAN LOSSES AND RATIOS					
Allowance for Loan Losses (a)	\$5,263	\$5,006	\$5,005	\$4,524	\$3,874
To Total Loans	2.49%	2.36%	2.33%	2.08%	1.74%
To Total Nonperforming Loans	128	169	173	181	156
To Total Nonperforming Assets	95	114	116	115	146
ALLOWANCE COMPONENTS (a)					
Commercial Specific and Expected	\$2,079	\$1,806	\$1,798	\$1,724	\$1,768
Consumer Expected	2,365	2,387	2,518	2,105	1,694
Total Specific and Expected	4,444	4,193	4,316	3,829	3,462
Residual Component	819	813	689	695	412
Total	\$5,263	\$5,006	\$5,005	\$4,524	\$3,874

[Additional columns below]

[Continued from above table, first column(s) repeated]

	3QTR 2002 Over (Under)		YEAR TO DATE		YTD 2002 Over (Under)
	2Q 2002	3Q 2001	2002	2001	2001
NET CHARGE-OFFS					
COMMERCIAL LOANS					
Domestic Commercial	70%	144%	\$ 695	\$ 429	62%
Foreign Commercial	371	NM	752	120	NM

TOTAL COMMERCIAL LOANS	185	341	1,447	549	164
CONSUMER LOANS					
Credit Card — Reported	(23)	26	1,103	716	54
Credit Card — Securitizations	6	31	1,009	784	29
Credit Card — Managed	(10)	29	2,112	1,500	41
1-4 Family Residential Mortgages	(67)	(53)	41	32	28
Auto Financings	62	47	114	87	31
Other Consumer	—	—	135	133	2
TOTAL CONSUMER LOANS	(9)	26	2,402	1,752	37
TOTAL MANAGED NET CHARGE-OFFS	40	99	\$3,849	\$2,301	67
NET CHARGE-OFF RATES — ANNUALIZED					
COMMERCIAL LOANS					
Domestic Commercial	82 bp	136 bp	1.43%	0.70%	73 bp
Foreign Commercial	542	587	2.97	0.49	248
TOTAL COMMERCIAL LOANS	236	288	1.96	0.64	132
CONSUMER LOANS					
Credit Card — Reported	(140)	80	6.57	4.88	169
Credit Card — Securitizations	(35)	(87)	5.36	6.06	(70)
Credit Card — Managed	(91)	(13)	5.93	5.43	50
1-4 Family Residential Mortgages	(11)	(5)	0.10	0.08	2
Auto Financings	21	11	0.55	0.52	3
Other Consumer	18	20	2.34	2.18	16
TOTAL CONSUMER LOANS	(30)	27	2.33	1.90	43
TOTAL MANAGED NET CHARGE-OFF RATES	79	142	2.18	1.30	88
ALLOWANCE FOR LOAN LOSSES AND RATIOS					
Allowance for Loan Losses (a)	5%	36%			
To Total Loans	13 bp	75 bp			
To Total Nonperforming Loans	(4,100)	(2,800)			
To Total Nonperforming Assets	(1,900)	(5,100)			
ALLOWANCE COMPONENTS (a)					
Commercial Specific and Expected	15%	18%			
Consumer Expected	(1)	40			
Total Specific and Expected	6	28			
Residual Component	1	99			
Total	5	36			

(a) Represents period end balances for each respective quarter.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION (CONT.)
(in millions)



	Sep 30th 2002	Jun 30th 2002	Dec 31st 2001
TELECOM AND RELATED INDUSTRIES (a)			
CREDIT-RELATED ASSETS			
Investment Grade	\$4,226	\$ 4,733	\$ 4,050
Non-Investment Grade:			
Non-Criticized	2,887	3,179	3,553
Criticized, Performing	962	940	1,107
Nonperforming	752	315	236
Total Non-Investment Grade	4,601	4,434	4,896
Total Credit-Related Assets	\$8,827	\$ 9,167	\$ 8,946
COMMITMENTS			
Investment Grade	\$5,881	\$ 6,944	\$ 7,191
Non-Investment Grade:			
Non-Criticized	2,041	2,686	3,494
Criticized, Performing	1,459	1,176	799
Total Non-Investment Grade	3,500	3,862	4,293
Total Commitments	\$9,381	\$10,806	\$11,484
CABLE INDUSTRY			
CREDIT-RELATED ASSETS			
Investment Grade	\$1,095	\$ 700	\$ 1,057
Non-Investment Grade:			
Non-Criticized	807	1,474	1,896
Criticized, Performing	1,441	996	63
Nonperforming	394	98	39
Total Non-Investment Grade	2,642	2,568	1,998
Total Credit-Related Assets	\$3,737	\$ 3,268	\$ 3,055
COMMITMENTS			
Investment Grade	\$ 818	\$ 671	\$ 926
Non-Investment Grade:			
Non-Criticized	578	404	997
Criticized, Performing	294	213	39
Total Non-Investment Grade	872	617	1,036
Total Commitments	\$1,690	\$ 1,288	\$ 1,962
MERCHANT ENERGY AND RELATED INDUSTRIES (b)			
CREDIT-RELATED ASSETS			
Investment Grade	\$ 859	\$ 600	\$ 640
Non-Investment Grade:			
Non-Criticized	546	771	723
Criticized, Performing	659	130	43
Nonperforming	170	20	—
Total Non-Investment Grade	1,375	921	766
Total Credit-Related Assets	\$2,234	\$ 1,521	\$ 1,406
COMMITMENTS			
Investment Grade	\$2,611	\$ 3,082	\$ 3,207
Non-Investment Grade:			
Non-Criticized	650	1,370	946
Criticized, Performing	746	228	50
Total Non-Investment Grade	1,396	1,598	996

Total Commitments	\$4,007	\$ 4,680	\$ 4,203
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Note — Investment grade: JPMorgan Chase’s internal risk assessment which generally represents a risk profile similar to that of a BBB-/Baa3 or better rating as defined by independent rating agencies, such as Standard & Poor’s or Moody’s.

Criticized: JPMorgan Chase’s internal risk assessment which generally represents a risk profile similar to that of a CCC+/Caa1 or below rating as defined by these independent rating agencies.

- (a) JPMorgan Chase currently presents “Telecom and Related Industries” which includes other companies with an interdependence upon the telecommunications sector. Prior periods presented herein are on a comparable basis.
- (b) These amounts exclude Enron-related exposure.

	3QTR 2002	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	3QTR 2002 Over (Under)	
						2Q 2002	3Q 2001
SOURCES AND USES OF TIER 1 CAPITAL							
(in billions)							
Sources of Free Cash Flow							
Operating Earnings Less Dividends	\$ (0.4) (a)	\$ 0.5	\$ 0.5	\$ (0.3)	\$ 0.4	NM	NM
Preferred Stock and Equivalents/Other Items	(0.1) (a)	(0.5)	0.2	(0.7)	(0.4)	80%	75 %
Capital for Internal Asset Growth	(0.2) (a)	0.6	0.5	1.4	(1.3)	NM	85
Total Sources of Free Cash Flow	\$ (0.7)	\$ 0.6	\$ 1.2	\$ 0.4	\$ (1.3)	NM	(46)
Uses of Free Cash Flow							
Increases (Decreases) in Capital Ratios	\$ (0.7)(a)	\$ 0.9	\$ 1.4	\$ 0.5	\$ (1.8)	NM	61
Acquisitions	—(a)	—	—	—	—	NM	NM
Repurchases Net of Stock Issuances	—(a)	(0.3)	(0.2)	(0.1)	0.5	NM	NM
Total Uses of Free Cash Flow	\$ (0.7)	\$ 0.6	\$ 1.2	\$ 0.4	\$ (1.3)	NM	46
COMMON SHARES OUTSTANDING							
(in millions)							
Basic Weighted-Average Shares Outstanding	1,986.0	1,982.6	1,978.2	1,969.6	1,975.3	—	1
Diluted Weighted-Average Shares Outstanding	2,005.8	2,016.0	2,005.8	2,007.4	2,020.9	(1)	(1)
Common Shares Outstanding — at Period End	1,995.9	1,993.4	1,990.2	1,973.4	1,972.9	—	1
CASH DIVIDENDS DECLARED PER							
SHARE	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	—	—
BOOK VALUE PER SHARE	21.26	20.93	20.16	20.32	21.15	2	1
SHARE PRICE							
High	\$ 33.68	\$ 38.75	\$ 39.68	\$ 40.95	\$ 46.01	(13)	(27)
Low	17.86	30.15	26.70	31.30	29.04	(41)	(38)
Close	18.99	33.92	35.65	36.35	34.15	(44)	(44)
CAPITAL RATIOS							
Tier I Capital Ratio	8.6%(a)	8.8 %	8.6 %	8.3 %	8.2 %	(20)bp	40bp
Total Capital Ratio	12.3(a)	12.7	12.5	11.9	11.6	(40)	70
Tier I Leverage Ratio	5.4(a)	5.4	5.4	5.2	5.3	—	10

[Additional columns below]

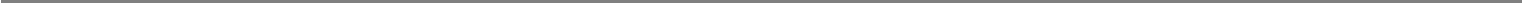
[Continued from above table, first column(s) repeated]

	YEAR TO DATE		YTD 2002
	2002	2001	Over (Under)
			2001
SOURCES AND USES OF TIER 1 CAPITAL			
(in billions)			
Sources of Free Cash Flow			
Operating Earnings Less Dividends	\$ 0.6(a)	\$ 1.3	(54)%
Preferred Stock and Equivalents/Other Items	(0.4)(a)	(0.8)	50
Capital for Internal Asset Growth	0.9(a)	(2.3)	NM
Total Sources of Free Cash Flow	\$ 1.1	\$ (1.8)	NM
Uses of Free Cash Flow			
Increases (Decreases) in Capital Ratios	\$ 1.6(a)	\$ (1.4)	NM
Acquisitions	—(a)	0.1	NM
Repurchases Net of Stock Issuances	(0.5)(a)	(0.5)	—
Total Uses of Free Cash Flow	\$ 1.1	\$ (1.8)	NM
COMMON SHARES OUTSTANDING			
(in millions)			

Basic Weighted-Average Shares Outstanding	1,982.3	1,973.5	—
Diluted Weighted-Average Shares Outstanding	2,009.3	2,028.9	(1)
Common Shares Outstanding — at Period End	1,995.9	1,972.9	1
CASH DIVIDENDS DECLARED PER SHARE	\$ 1.02	\$ 1.02	—
BOOK VALUE PER SHARE			
SHARE PRICE			
High	\$ 39.68	\$ 59.19	(33)
Low	17.86	29.04	(38)
Close	18.99	34.15	(44)
CAPITAL RATIOS			
Tier I Capital Ratio			
Total Capital Ratio			
Tier I Leverage Ratio			

Note: Prior periods have been restated to conform with current methodologies.

(a) Estimated



Average Managed Assets: Excludes the impact of credit card securitizations.

bp: Denotes basis points; 100 bp equals 1%.

Corporate: Includes Support Units and the effect remaining at the corporate level after the implementation of management accounting policies.

JPMorgan Partners (“JPMP”): JPMorgan Chase’s private equity business. Public securities held by JPMP are marked-to-market at the quoted public value less liquidity discounts, with the resulting unrealized gains/losses included in the income statement. JPMP’s valuation policy for public securities incorporates the use of liquidity discounts and price averaging methodologies in certain circumstances to take into account the fact that JPMP cannot immediately realize the quoted public values as a result of the regulatory, corporate and contractual sales restrictions generally imposed on these holdings. Private investments are initially carried at cost, which is viewed as an approximation of fair value. The carrying value of private investments is adjusted to reflect valuation changes resulting from unaffiliated party transactions and for evidence of a decline in value.

Managed Credit Card Receivables or Managed Basis: JPMorgan Chase uses this terminology to refer to its credit card receivables on the balance sheet plus securitized credit card receivables.

NM: Not meaningful

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

Other Consumer Loans: Consists of installment loans (direct and indirect types of consumer finance), student loans, unsecured lines of credit and foreign consumer.

Overhead Ratio: Operating expense (excluding merger and restructuring costs and special items) as a percentage of the operating revenues.

Reported Basis: Financial statements prepared under generally accepted accounting principles. The reported basis includes the impact of credit card securitizations, merger and restructuring costs, special items, and the net effect of the change in accounting principle.

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

SFAS 133: As a result of the adoption of Statement of Financial Accounting Standards (“SFAS”) No. 133 “Accounting for Derivative Instruments and Hedging Activities”, net income for the first nine months of 2001 includes the cumulative effect of a transition adjustment of \$(25) million, net of taxes. The impact on each of basic and diluted earnings per share was \$(0.01).

SFAS 142: Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets.”

Shareholder Value Added (“SVA”): Represents operating earnings minus preferred dividends and an explicit charge for capital.

Special Items: Includes merger and restructuring costs and special items.

Trading-Related Revenue: Includes net interest income (“NII”) attributable to trading activities.

Unaudited: The financial statements and information included throughout this document are unaudited.



*Third Quarter 2002
Financial Results*

October 16, 2002

Agenda

Credit

Marc Shapiro

Earnings

Dina Dublon

Investment Bank initiatives

Dave Coulter

Q&A

Commercial Portfolio Risk Profile

(\$ in billions)

	12/31/01	6/30/02	9/30/02
Total Commercial Exposure¹	\$424	\$416	\$425
Investment Grade²	77%	79%	80%
Non-Investment Grade			
Criticized³	3%	3%	4%
Non-Criticized	20%	17%	16%

¹Exposure includes loans, derivatives and commitments

²Investment grade: JPMorgan Chase's internal risk assessment which generally represents a risk profile similar to that of a BBB-/Baa3 or better rating as defined by independent rating agencies, such as Standard & Poor's or Moody's

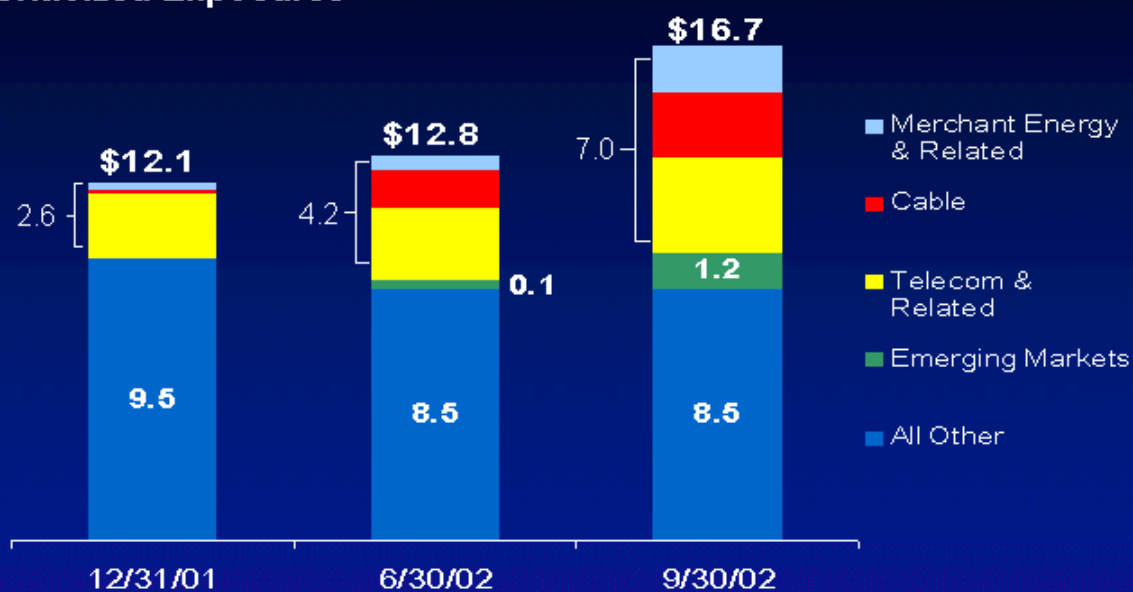
³Criticized: JPMorgan Chase's internal risk assessment which generally represents a risk profile similar to that of a CCC+/Caa1 or below rating as defined by these independent rating agencies

Note: Some numbers do not add due to rounding

Risk Migration Trends - Exposure

(\$ in billions)

Criticized Exposures



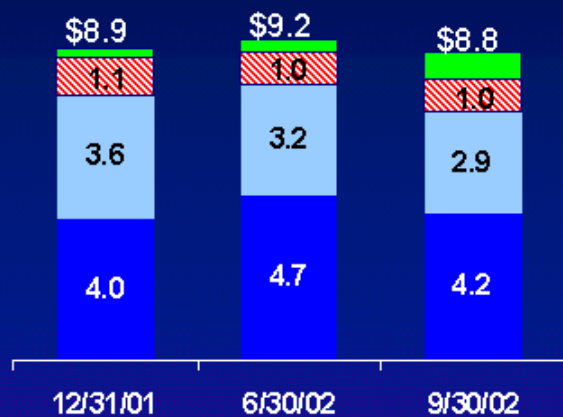
Note: Please refer to definition of criticized on slide 3

Telecom and Related

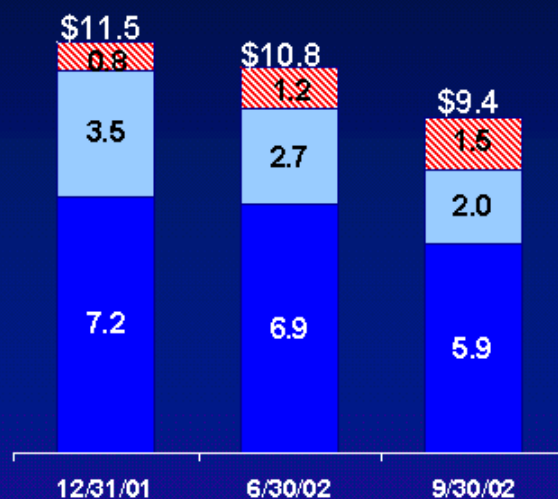
(\$ in billions)

- Investment Grade (IG)
- Non-IG, non-criticized
- Criticized, performing
- Nonperforming loans

Credit-related assets



Commitments



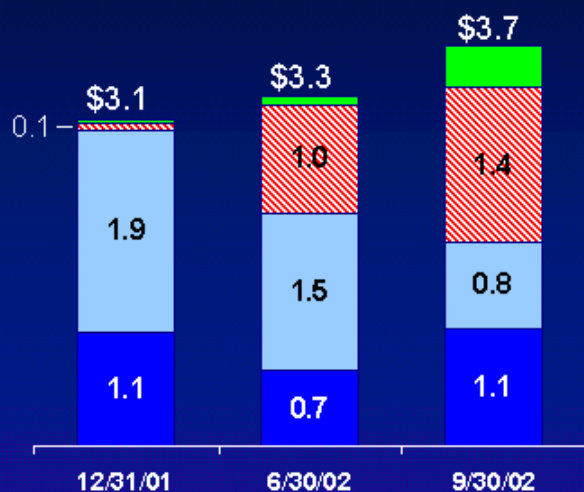
Note: Please refer to definitions of investment grade and criticized on slide 3

Cable

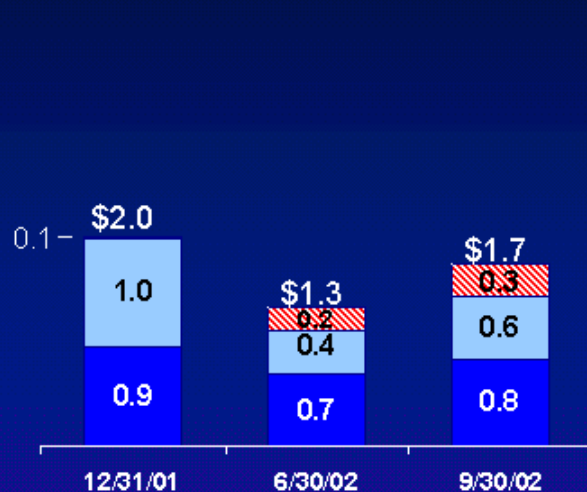
(\$ in billions)

- Investment Grade (IG)
- Non-IG, non-criticized
- Criticized, performing
- Nonperforming loans

Credit-related assets



Commitments



Note: Please refer to definitions of investment grade and criticized on slide 3

Merchant Energy and Related

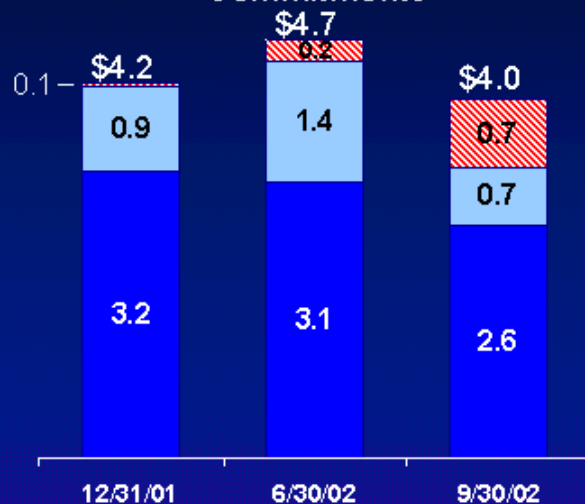
(\$ in billions)

- Investment Grade (IG)
- Non-IG, non-criticized
- Criticized, performing
- Nonperforming loans

Credit-related assets



Commitments



Note: Please refer to definitions of investment grade and criticized on slide 3; excludes Enron-related exposure

Enhanced Credit Risk Management Practices Instituted

- Issuer thresholds
- Industry limits

Agenda

Credit

Marc Shapiro

Earnings

Dina Dublon

Investment Bank initiatives

Dave Coulter

Q&A

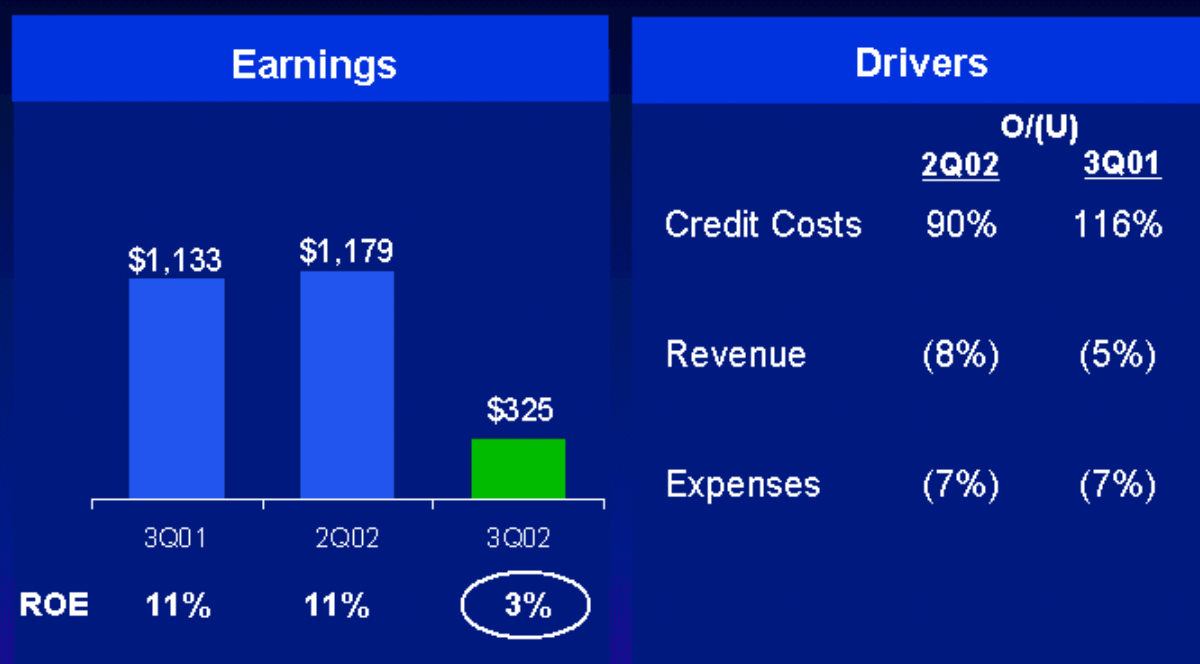
Earnings Per Share

(\$ per share)

	3Q02	2Q02	3Q01
Reported Net Income	\$0.01	\$0.50	\$0.22
Operating Earnings	0.16	0.58	0.55

3Q02 Operating Results

(\$ in millions)



YTD Operating Results

(\$ in billions)

	YTD 02	%O/U YTD 01
Revenue	\$23.1	(1%)
Expenses	14.7	(7%)
Credit Costs	4.4	77%
Earnings	2.7	(23%)
ROE	9%	11%

Credit Costs

(\$ in millions)

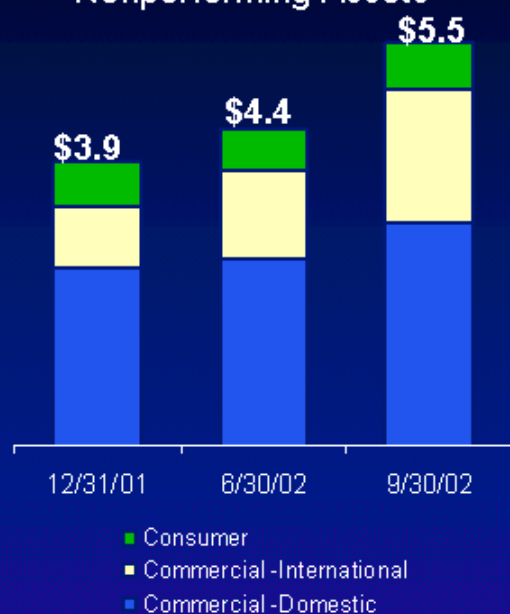
	3Q02	%*	2Q02	%*
Commercial Loans	\$834	3.53%	\$293	1.17%
Credit Card (managed)	687	5.51%	767	6.42%
Other Consumer	<u>99</u>	0.44%	<u>95</u>	0.43%
Total Charge-offs	\$1,620	2.75%	\$1,155	1.96%
Incremental Reserves				
Loan loss	278		0	
Lending-related commitments	<u>292</u>		<u>0</u>	
Credit Costs	\$2,190		\$1,155	

* % is annualized

Nonperforming Assets & Loan Reserves

(\$ in billions)

Nonperforming Assets



	12/31/01	6/30/02	9/30/02
Loan Loss Reserve	\$4.5	\$5.0	\$5.3
Reserves/NPL	181%	169%	128%
Comm. Reserves/ Comm. Loans	1.6%	1.7%	2.1%
Total Reserves/ Total Loans	2.1%	2.4%	2.5%

Operating Expenses

(\$ in billions)

	3Q02	%O/U	
		2Q02	3Q01
Compensation	\$2.4	(14%)	(17%)
Non-comp.	<u>\$2.2</u>	2%	6%
Total expenses ¹	\$4.6	(7%)	(7%)

- Wholesale expenses down, Retail expenses up
- Non-comp driven by marketing, amortization of card premium and occupancy

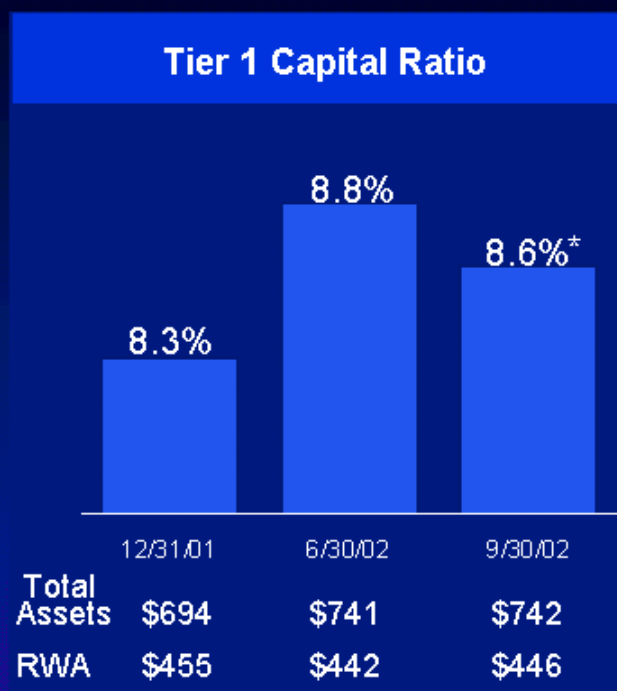
¹Includes restructuring costs of \$122mm in 3Q02 vs. \$162mm in 2Q02 and zero in 3Q01

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Capital and Liquidity

(\$ in billions)



*estimated

- Little growth in Risk Weighted Assets
- Strong liquidity position
 - For holding company, cash in excess of maturing debt over 12 months
 - On the margin, wider spreads for term and subordinated notes

Retail and Middle Market

(\$ in millions, operating basis)

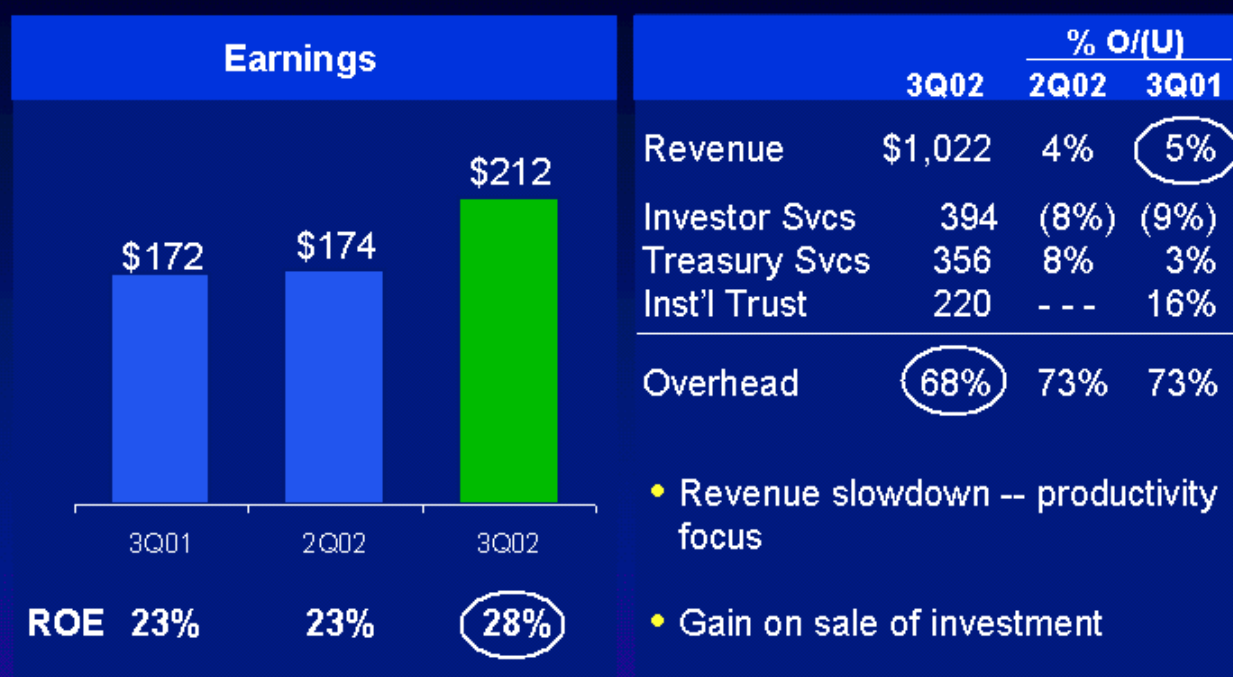


	3Q02	% O/(U)	
		2Q02	3Q01
Revenue	\$3,732	8%	31%
Expense	1,647	2%	14%
Credit Costs	823	12%	14%
Overhead	44%	47%	51%

- Record quarter - - cyclical factors
- Credit delinquencies stable

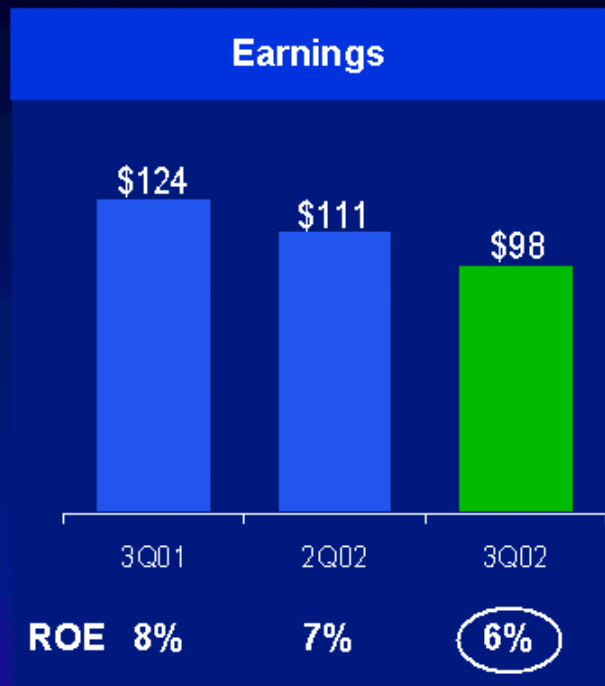
Treasury and Securities Services

(\$ in millions, operating basis)



Investment Management & Private Banking

(\$ in millions, operating basis)



	3Q02	% O/(U)	
		2Q02	3Q01
Revenue	\$691	(5%)	(9%)
Expense	551	(3%)	(7%)
Pre-tax Margin	17%	19%	22%
AUM (in \$BN)	\$492	\$541	\$582

- Equity market values pressure revenue
- Performance in line with peers

JPMP Private Equity Losses

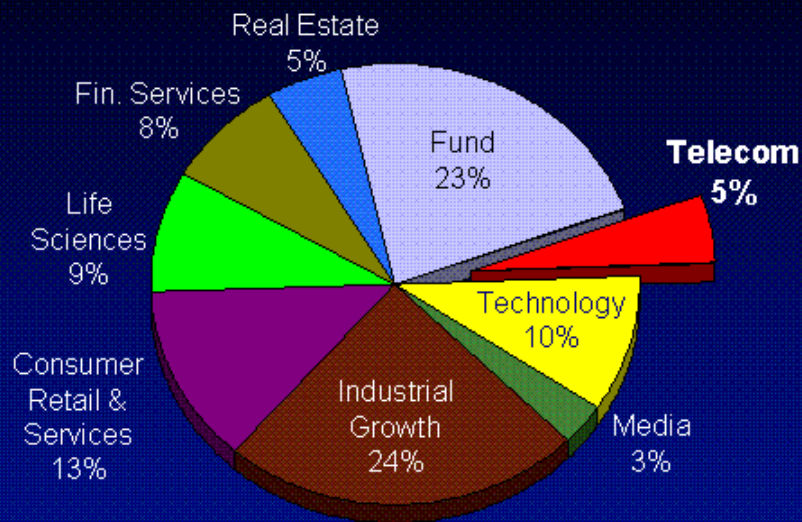
(\$ in millions)

	3Q02	2Q02	3Q01
MTM	(\$120)	(\$20)	(\$307)
Writedowns/Write-offs	(290)	(216)	(29)
Realized Gains	<u>111</u>	<u>111</u>	<u>234</u>
Total Private Equity Losses	(\$299)	(\$125)	(\$102)

- MTM on public portfolio, similar to Nasdaq, down 21%
- Loss driven by tech, telecom and funds
- Very limited exit opportunities

JPMP: Lower Assets, Improved Diversification

As of 9/30/02



Telecom	\$MM
Public	63
Private	<u>323</u>
Total	\$386

Total Book Value = \$8.0 BN

Investment Bank Results

(\$ in millions, operating basis)

	3Q02	% O/(U)	
		2Q02	3Q01
Revenue	\$2,433	(21%)	(31%)
Expense	1,647	(19%)	(23%)
Credit Costs	1,316	330%	391%
Earnings	(256)	NM	NM
ROE	NM	10%	15%
Overhead Ratio	68%	65%	61%
Overhead Ratio excl. restructuring	64%	61%	61%

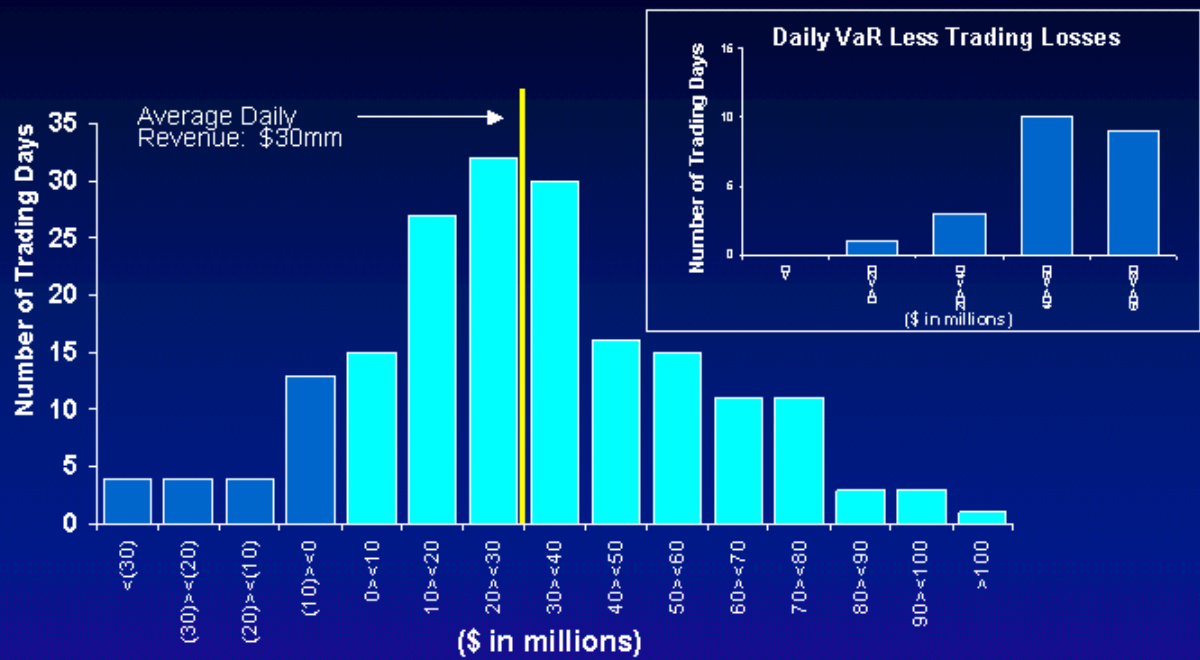
- High credit costs and weak trading drive loss

Capital Markets

		% O/(U)	
(\$ in millions)	3Q02	2Q02	3Q01
Trading Revenue			
Fixed income	\$624	(39%)	(51%)
Equities	(254)	NM	NM
Total	\$370	(67%)	(75%)
Capital Markets Revenue			
Fixed income	\$1,298	(22%)	(32%)
Treasury	610	127%	68%
Equities	(8)	NM	NM
Total	\$1,900	(18%)	(30%)
Capital Markets Total Return Rev.	\$1,687	(28%)	(28%)

Histogram of Daily Market Risk Related Revenues

For 9 months ended September 30, 2002



League Table Rankings

	YTD 02	YTD 01
Global Syndicated Loans	1	1
U.S. Investment Grade Bonds	2	2
Global Announced M&A	4	5
European Announced M&A	1	8
U.S. Equity and Equity-Related	7	8

	3Q02	% O/(U)	
		2Q02	3Q01
Advisory	\$141	(28%)	(58%)
Underwriting	392	(34%)	(18%)
Investment banking fees	\$533	(32%)	(34%)

Source: Thomson Financial

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3Q02 Earnings Summary

- Record Retail and Operating Services more than offset by impact of credit and capital markets weakness
- Tight management of capital and liquidity
- Focus on risk management and expenses - - taking action

Agenda

Credit

Marc Shapiro

Earnings

Dina Dublon

Investment Bank initiatives

Dave Coulter

Q&A

Investment Bank - Strategic Framework

- Importance of achieving competitive economic returns on capital
- Breadth of product offering (including credit) and client base are critical to success
- Value of integrated business model
- Importance of global footprint
- Execution and world-class people are key differentiators

Business Initiative Rationale

- Near-term outlook in capital markets remains weak
- Fundamental changes underway within industry
- Need to improve performance in current environment while maintaining full business capabilities
- Generate capacity to enable selective strategic investments

Position Equities business to achieve positive earnings

- Industry-wide revenues down 50%+ since 2000
- New regulatory and legal framework for equity research
- Focus on key industry sectors and areas of competitive advantage
- Align cost with current revenue outlook

Improve productivity of client coverage and origination functions

- Breadth of global client franchise underpins opportunity to deliver full product capabilities
- Client executive supported by industry experts and product specialists
- Resources focused on industry sectors with greatest opportunities

Scale businesses in Asia and Latin America in line with market opportunities

- Retain leadership positions in emerging markets
- Manage local business activities to generate positive SVA while maintaining option on future growth
- Client coverage teams and equities will be scaled to reflect near-term opportunities

Continue to improve efficiency and effectiveness of infrastructure

- Significant opportunities to achieve scale economies through hub and spoke model
- Productivity will come from changes in support operating model, consolidation of functions, process re-engineering and automation

Impact of Initiatives

Target operating overhead ratio of 60%

\$700MM savings -- with no improvement in environment

\$450MM severance and restructuring costs

Headcount reductions of over 2,000

This presentation contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in such forward looking statements. Such risks and uncertainties are described in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2002 and March 31, 2002 and in the 2001 Annual Report on Form 10-K, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (<http://www.sec.gov>), to which reference is hereby made.