

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

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

Date of Report October 17, 2001  
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Commission file number 1-5805  
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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  
-----

(IRS Employer  
Identification No.)

270 Park Avenue, New York, New York  
-----

(Address of principal executive offices)

10017  
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(Zip Code)

Registrant's telephone number, including area code (212) 270-6000  
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Item 5. Other Events

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J.P. Morgan Chase & Co. (NYSE: JPM) announced third quarter 2001 operating earnings per share of \$0.51, compared with \$0.33 in the second quarter of 2001 and \$0.70 in the third quarter of 2000. Operating income was \$1,036 million in the 2001 third quarter, compared to \$690 million in the second quarter of 2001 and \$1,419 million one year ago. Reported net income, which includes merger and restructuring costs, was \$449 million, or \$0.22 per share, in the third quarter of 2001. This compares with \$378 million, or \$0.18 per share, in the second quarter of 2001 and \$1,398 million, or \$0.69 per share, in the third quarter of 2000.

The 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. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include the risk that the tragic events of September 11, 2001 and their aftermath will have an adverse effect upon markets and businesses in general and exacerbate the other risks and uncertainties that could cause our results to differ materially from such forward looking statements. Such other risks and uncertainties are described in the 2000 Annual Report on Form 10-K of J.P. Morgan Chase & Co., 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.

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)

Date      October 19, 2001  
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By            /s/ Joseph L. Sclafani  
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Joseph L. Sclafani

Executive Vice President  
and Controller  
[Principal Accounting Officer]

# EXHIBIT INDEX

Exhibit No. -----	Description -----	Page -----
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## EXHIBIT 12(a)

J.P. MORGAN CHASE &amp; CO.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
(IN MILLIONS, EXCEPT RATIOS)NINE MONTHS ENDED  
SEPTEMBER 30, 2001  
-----EXCLUDING INTEREST ON DEPOSITS  
-----

Income before income taxes and effect of accounting change	\$ 3,134
	-----
Fixed charges:	
Interest expense	10,922
One-third of rents, net of income from subleases (a)	169
	-----
Total fixed charges	11,091
	-----
Less: Equity in undistributed income of affiliates	(86)
Earnings before taxes, effect of accounting change and fixed charges, excluding capitalized interest	\$ 14,139
	=====
Fixed charges, as above	\$ 11,091
	=====
Ratio of earnings to fixed charges	1.27
	=====

INCLUDING INTEREST ON DEPOSITS  
-----

Fixed charges, as above	\$ 11,091
Add: Interest on deposits	6,578
	-----
Total fixed charges and interest on deposits	\$ 17,669
	=====
Earnings before taxes, effect of accounting change and fixed charges, excluding capitalized interest, as above	\$ 14,139
Add: Interest on deposits	6,578
	-----
Total earnings before taxes, effect of accounting change, fixed charges and interest on deposits	\$ 20,717
	=====
Ratio of earnings to fixed charges	1.17
	=====

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

## EXHIBIT 12(b)

J.P. MORGAN CHASE &amp; CO.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
AND PREFERRED STOCK DIVIDEND REQUIREMENTS  
(IN MILLIONS, EXCEPT RATIOS)NINE MONTHS ENDED  
SEPTEMBER 30, 2001  
-----EXCLUDING INTEREST ON DEPOSITS  
-----

Income before income taxes and effect of accounting change	\$ 3,134
	-----
Fixed charges:	
Interest expense	10,922
One-third of rents, net of income from subleases (a)	169
	-----
Total fixed charges	11,091
	-----
Less: Equity in undistributed income of affiliates	(86)
	-----
Earnings before taxes, effect of accounting change and fixed charges, excluding capitalized interest	\$ 14,139
	=====
Fixed charges, as above	\$ 11,091
Preferred stock dividends	53
	-----
Fixed charges including preferred stock dividends	\$ 11,144
	=====
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.27
	=====

INCLUDING INTEREST ON DEPOSITS  
-----

Fixed charges including preferred stock dividends, as above	\$ 11,144
Add: Interest on deposits	6,578
	-----
Total fixed charges including preferred stock dividends and interest on deposits	\$ 17,722
	=====
Earnings before taxes, effect of accounting change and fixed charges, excluding capitalized interest, as above	\$ 14,139
Add: Interest on deposits	6,578
	-----
Total earnings before taxes, effect of accounting change, fixed charges and interest on deposits	\$ 20,717
	=====
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.17
	=====

-----  
(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

[J.P. MORGAN CHASE & CO. LOGO]

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News release: IMMEDIATE RELEASE

#### JPMORGAN CHASE REPORTS THIRD QUARTER 2001 RESULTS

NEW YORK, OCTOBER 17, 2001 - J.P. Morgan Chase & Co. (NYSE: JPM) today announced third quarter 2001 operating earnings per share of \$0.51, compared with \$0.33 in the second quarter of 2001 and \$0.70 in the third quarter of 2000. Operating income was \$1,036 million in the 2001 third quarter, compared to \$690 million in the second quarter of 2001 and \$1,419 million one year ago.

The contribution to operating earnings per share of JPMorgan Partners, the company's private equity unit, was a loss of \$0.08 in the third quarter, compared to a \$0.31 loss in the second quarter and a loss of \$0.07 in the third quarter of 2000. Excluding the results of JPMorgan Partners, operating earnings per share were \$0.59 in the quarter. This compares with \$0.64 in the second quarter of 2001 and \$0.77 in the third quarter of 2000.

Reported net income, which includes merger and restructuring costs, was \$449 million, or \$0.22 per share, in the third quarter of 2001. This compares with \$378 million, or \$0.18 per share, in the second quarter of 2001 and \$1,398 million, or \$0.69 per share, in the third quarter of 2000.

Annual savings associated with merger and restructuring activities are currently projected to be \$3.6 billion, compared with an original projection of \$2.0 billion at the time of the merger. Savings in 2001 are estimated at \$1.8 billion with approximately 90% of the total savings of \$3.6 billion expected to be realized by the end of 2002. The current estimate for total merger and other restructuring costs is now \$4.3 billion, \$1.1 billion higher than originally estimated.

"Overshadowing this quarter were the tragic events of September 11, " said William B. Harrison, Jr., President and Chief Executive Officer. "Our attention has been focused on the impact of these events on our clients, our employees and our community. In this challenging environment, we think the best strategy is a tight focus on controlling risk and expenses. As the markets return to a more normal environment, our strategic platform will provide significant positive operating leverage."

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#### HIGHLIGHTS FOR THE THIRD QUARTER 2001

- Cash operating expenses declined by 4% from the prior quarter and by 7% from the third quarter of 2000, including Flemings on a pro-forma basis.
- Trading revenues reflected a strong performance in fixed income and other trading activities offset by a significant decline in equity trading.
- We maintained important product leadership positions in leveraged and syndicated lending and U.S. high-grade bonds while increasing market share in announced M&A transactions from last quarter.
- Our leadership positions in risk management were recently highlighted by Risk magazine's annual global derivative rankings, which placed JPMorgan #1 in 10 out of the 14 derivative categories.
- Charge-offs and nonperforming assets did not increase significantly from the previous quarter; however, given the weaker economic outlook, we increased the allowance for possible credit losses by charging earnings \$200 million in excess of net charge-offs.
- Retail & Middle Market Financial Services and Treasury & Securities Services produced cash operating ROE of 20% and 25%, respectively.

#### BUSINESS SEGMENT RESULTS

(All comparisons to periods in 2000 are on a pro forma basis, which assumes that the purchase of Flemings occurred at the beginning of that year).

THE INVESTMENT BANK'S operating revenues were \$3.60 billion in the third quarter of 2001, a decline of 4% from the second quarter and a decline of 10% from the third quarter of 2000. Cash operating expenses of \$2.18 billion were down by 7% from the second quarter and 15% from the third quarter of 2000. The decline in expenses was spread across all expense categories and reflects merger synergies and expense management initiatives. These initiatives resulted in stable operating margins despite difficult market conditions, as the overhead ratio for the quarter was 61%. By year-end we are expecting to have eliminated approximately 6,000 positions in the Investment Bank since the merger announcement date.

Investment banking trading revenues (including related net interest income) of \$1.52 billion declined by 6% from the second quarter and by 3% from the third quarter of 2000. Overall trading was only marginally down, as our fixed income and other trading activities generated higher revenues compared to the prior periods while equity trading was down reflecting market conditions. In addition, due to heightened market activity in September we saw a greater demand for our market-making services across a broad range of products.

Investment banking fees totaled \$807 million in the third quarter, declining 12% from the second quarter and 24% from the third quarter of 2000. High grade bond underwriting continued to generate strong results, although results were lower than the record level in the second quarter. The continued weak equity market conditions resulted in lower equity underwriting fees. Advisory revenues in the third quarter were up 9% from the second quarter, but down 28% from the third quarter of 2000.



During the first nine months of 2001, important product leadership positions were maintained in leveraged and syndicated lending (#1) and U.S. high grade bonds (#2)(1). In addition, we increased our market share of global announced M&A transactions to 21% for the first nine months of 2001 from 18% in 2000.(2) See the press release financial supplement exhibit.

Fees and commissions of \$390 million in the third quarter declined by 2% from the second quarter and by 12% from the third quarter of 2000. In each instance, the declines reflected lower equity brokerage commissions.

The Investment Bank's cash operating earnings totaled \$710 million in the third quarter, a 10% decline from the second quarter and a 19% reduction from the third quarter of 2000. Earnings declines were affected negatively by higher credit costs, including \$140 million in provisions in excess of charge-offs. For the first nine months of 2001, the Investments Bank's cash overhead ratio was 61%, and cash ROE was 18%.

INVESTMENT MANAGEMENT & PRIVATE BANKING had operating revenues of \$733 million in the third quarter, an 8% decline from the second quarter and a 23% decline from the third quarter of 2000. The decline from last year was primarily a result of lower assets under management and associated lower management fees as a result of market conditions. Revenues from commissions and spreads were also down from last quarter and from a year ago. Total assets under management (excluding our 45% stake in American Century Companies Inc.) of \$584 billion were 10% lower than a year ago and 4% lower than last quarter. Net flows for the quarter were positive, led by significant increases in cash and money markets assets.

Cash operating expenses of \$574 million dropped 11% from last quarter and 19% from the third quarter of 2000 driven by lower compensation expense. We are expecting a reduction by year-end 2001 of 1,500 positions within IM & PB since the merger announcement date. The reduction in cash expenses in the third quarter resulted in improvement in the pre-tax margin from 19% in the second quarter to 21% this quarter. Cash operating earnings were down 2% and 29% from last quarter and last year, respectively.

JPMORGAN PARTNERS had private equity losses of \$103 million in the third quarter, compared to losses of \$826 million in the second quarter and \$20 million in the third quarter of 2000. Third quarter losses included \$306 million in unrealized losses, primarily related to mark-to-market losses taken on public positions during the quarter, partially offset by net realized gains of \$203 million. Third quarter realized gains include investment returns from both direct and third party fund investments - especially in the energy sector.

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(1) Derived from Thomson Financial Securities Data, based on proceeds  
(2) Thomson Financial Securities Data

RETAIL & MIDDLE MARKET FINANCIAL SERVICES operating revenues were \$2.78 billion, increasing by 4% and 6% from the second quarter of 2001 and the third quarter of 2000, respectively. The growth reflected higher production in home and auto financing, growth in managed credit card outstandings and higher deposit volumes in retail and middle market banking. These increases were partially offset by the impact of lower rates on deposit spreads and mortgage servicing prepayments.

Cash operating expenses increased by 2% from the prior quarter and 6% from the third quarter of last year reflecting higher production volumes. Cash operating earnings of \$439 million for the third quarter were down 3% from the second quarter and 15% from the record third quarter 2000 due to higher net charge-offs and a \$60 million provision in excess of charge-offs. Cash ROE for the third quarter was 20% and for year to date was 21%.

Mortgage and auto originations totaled \$47.0 billion and a record \$5.2 billion, respectively, in the third quarter. Mortgage originations were down 13% from record second quarter levels but grew by 132% from the third quarter of 2000. Credit card related outstandings grew more than 14%, to over \$39 billion, from one year ago. The deposit businesses within regional banking and middle market were negatively affected by the lower rate environment, but both have posted deposit growth compared to the third quarter of 2000 of 4% and 6%, respectively.

TREASURY & SECURITIES SERVICES operating revenues were \$917 million in the third quarter of 2001, essentially flat with the second quarter of 2001 and an increase of 3% from the third quarter of 2000. Operating revenues for Treasury Services increased by 3% from the second quarter and by 7% from the prior year reflecting higher product revenues in the U.S. and Europe that offset the negative effect of declining short-term interest rates on deposits. Institutional Trust revenues increased 12% when compared with the third quarter of 2000 driven by good volumes in debt markets as well as the impact of acquisitions. Investor Services operating revenues were virtually flat when compared with the second quarter of 2001, but declined 3% from the third quarter of 2000, reflecting lower asset based fees, lower foreign exchange revenue and lower spreads on deposits.

Operating expenses declined 3% from the second quarter of 2001 but increased 6% from the third quarter of 2000. The combination of modest revenue growth and improved expense control resulted in a 9% improvement in cash operating earnings from the second quarter. Cash operating earnings declined 1% from the third quarter of 2000. Cash ROE was 25% in the third quarter of 2001 and 24% year to date.

#### EXPENSES

Total cash operating noninterest expense was \$4.88 billion, a 4% decline from the second quarter of 2001 and a 7% decline from the third quarter of 2000 (pro forma for Flemings). Areas affected by the merger have experienced declines greater than 4% and 7%, respectively; these declines were partially offset by expense growth in non-merger areas. The expense reductions reflect acceleration of merger execution and a response to the weaker market environment. By year-end 2001, we expect

that over 7,500 positions will have been eliminated since the merger announcement date in areas affected by the merger.

Amortization of intangibles was \$182 million in the third quarter of 2001 compared to \$183 million in the second quarter and \$157 million one year ago. Amortization of intangibles was \$0.09 per share in the third quarter of 2001, \$0.09 per share in the second quarter, and \$0.08 per share one year ago.

#### CREDIT COSTS

COMMERCIAL net charge-offs in the third quarter of 2001 were \$189 million, compared to \$212 million in the second quarter and \$83 million in the third quarter of 2000. Net charge-offs in the third quarter related to both U.S. and foreign commercial and industrial loans. The charge-off ratio was 0.65% for the third quarter of 2001 and 0.64% year to date.

CONSUMER charge-offs on a managed basis (i.e., including securitized assets) were \$626 million, up from \$586 million in the second quarter and \$476 million in the third quarter of 2000. On a managed basis, the credit card net charge-off ratio was 5.64%, an increase from 5.54% in the second quarter and 4.99% in the third quarter of 2000.

PROVISIONS in excess of charge-offs of \$200 million were recorded in the third quarter. Based on our analysis of expected loss and other factors, \$140 million of the provision related to the commercial portfolio and \$60 million related to the consumer portfolio. We will continue to adjust our allowance as needed in response to changes in the economic environment.

TOTAL NONPERFORMING ASSETS were \$2.65 billion at September 30, 2001, compared to \$2.50 billion and \$1.94 billion at June 30, 2001 and September 30, 2000, respectively.

#### TOTAL ASSETS AND CAPITAL

Total assets as of September 30, 2001 were \$799 billion, compared with \$713 billion as of June 30, 2001 and \$707 billion one year ago. Most of the increase from June 30 is related to settlement and clearing problems experienced by some of our counterparties in the last few weeks of the quarter, but these are expected to be temporary. Our Tier One capital ratio was 8.2% at September 30, 2001, as compared to 8.7% at June 30, 2001, and 8.1% one year ago. We repurchased approximately 19 million shares of common stock during the quarter pursuant to our authorized program. Our cost for these repurchases, net of stock issuance, was over \$500 million. We announced last quarter that the Board had authorized the repurchase of up to \$6 billion of common stock.

#### OTHER FINANCIAL INFORMATION

SPECIAL ITEMS in the third quarter of 2001 included \$876 million (pre-tax) in merger and restructuring costs, including an additional \$300 million related to the right-sizing of certain businesses beyond that planned at the time of the merger. Special items in the third quarter of 2000

included a \$35 million loss resulting from the economic hedge of the purchase price of Flemings prior to its acquisition, \$79 million in merger and restructuring costs and an \$81 million gain from the sale of a business in Panama.

ANNUALIZED CASH OPERATING RETURN ON COMMON EQUITY was 12% for the third quarter of 2001, 15% excluding the results of JPMorgan Partners. See the Financial Highlights exhibit for consolidated results on a cash basis. Results for all periods give effect to the merger of The Chase Manhattan Corporation and J.P. Morgan & Co. Incorporated on December 31, 2000.

THE MERGER of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York currently is scheduled to occur in November 2001.

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of \$799 billion and operations in more than 50 countries. With relationships with over 99% of the Fortune 1000 companies, the firm is a leader in investment banking, asset management, private banking, private equity, custody and transaction services, retail and middle market financial services, and e-finance. 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](http://www.jpmorganchase.com).

JPMorgan Chase will hold a presentation for the investment community on Wednesday, October 17, 2001 at 11:00 a.m. (Eastern Daylight Time) to review third quarter 2001 financial results. A live audio webcast of the presentation will be available on [www.jpmorganchase.com](http://www.jpmorganchase.com). In addition, persons interested in listening to the presentation by telephone may dial in at (973) 321-1040. A telephone replay of the presentation will be available beginning at 1:30 p.m. (EDT) on October 17, 2001 and continuing through 6:00 p.m. (EDT) on October 23, 2001 at (973) 341-3080. The replay also will be available on [www.jpmorganchase.com](http://www.jpmorganchase.com). A financial summary of our results follow. Additional detailed financial, statistical and business-related information is included in a financial supplement. Both the earnings release and the financial supplement are available on the JPMorgan Chase web site ([www.jpmorganchase.com](http://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. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include the risk that the tragic events of September 11, 2001 and their aftermath will have an adverse effect upon markets and businesses in general and exacerbate the other risks and uncertainties that could cause our results to differ materially from such forward looking statements. Such other risks and uncertainties are described in the 2000 Annual Report on Form 10-K of J.P. Morgan Chase & Co., 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.

	3QTR 2001	2QTR 2001	3QTR 2000	3QTR 2001 OVER (UNDER)	
				2Q 2001	3Q 2000
OPERATING INCOME STATEMENT					
OPERATING REVENUE:					
Investment Banking Fees	\$ 811	\$ 929	\$ 1,013	(13) %	(20) %
Trading-Related Revenue (Including Trading NII)	1,614	1,594	1,632	1	(1)
Fees and Commissions	2,231	2,350	2,314	(5)	(4)
Private Equity - Realized Gains (Losses)	204	(46)	656	NM	(69)
Private Equity - Unrealized Gains (Losses)	(311)	(783)	(676)	60	54
Securities Gains	142	67	90	112	58
Other Revenue	203	274	365	(26)	(44)
Net Interest Income	2,725	2,759	2,519	(1)	8
TOTAL OPERATING REVENUE	7,619	7,144	7,913	7	(4)
OPERATING EXPENSE:					
Compensation Expense	2,883	3,052	3,135	(6)	(8)
Noncompensation Expense (a)	1,994	2,048	1,981	(3)	1
TOTAL CASH EXPENSE	4,877	5,100	5,116	(4)	(5)
Credit Costs	1,015	798	534	27	90
Cash Operating Income before Taxes	1,727	1,246	2,263	39	(24)
Income Taxes	509	373	687	36	(26)
CASH OPERATING INCOME	1,218	873	1,576	40	(23)
Less: Amortization of Intangibles	182	183	157	(1)	16
OPERATING INCOME	1,036	690	1,419	50	(27)
Restructuring/Merger Expenses & Special Items	(587)	(312)	(21)	88	NM
NET INCOME	\$ 449	\$ 378	\$ 1,398	19	(68)
EARNINGS PER SHARE					
Diluted Earnings per Share - Operating	\$ 0.51	\$ 0.33	\$ 0.70	55	(27)
Diluted Earnings per Share - Operating (Excl. JPMP)	0.59	0.64	0.77	(8)	(23)
Diluted Earnings per Share - Net Income	0.22	0.18	0.69	22	(68)
CASH OPERATING BASIS					
Diluted Earnings per Share	\$ 0.60	\$ 0.42	\$ 0.78	43	(23)
Shareholder Value Added	(50)	(394)	426	87	NM
Return on Managed Assets	0.64 %	0.47 %	0.89 %	17 bp	(25) bp
Return on Common Equity	11.5	8.2	16.5	330	(500)
Overhead Ratio	64	71	65	(700)	(100)
Compensation Expense as a % of Revenue	38	43	40	(500)	(200)
Noncompensation Expense as a % of Revenue	26	29	25	(300)	100
COMMON SHARES OUTSTANDING					
Basic Average Shares Outstanding	1,975.3	1,978.4	1,893.3	-- %	4 %
Diluted Average Shares Outstanding	2,020.9	2,033.6	1,983.4	(1)	2
Common Shares Outstanding - at Period End	1,972.9	1,989.2	1,901.1	(1)	4
CASH DIVIDENDS DECLARED PER SHARE	\$ 0.34	\$ 0.34	\$ 0.32	--	6
BOOK VALUE PER SHARE	21.15	20.81	20.98	2	1
COMMON DIVIDEND PAYOUT RATIO (C)	66 %	102 %	42 %	(3,600) bp	2,400 bp
CAPITAL RATIOS					
Tier I Capital Ratio	8.2 % (b)	8.7 %	8.1 %	(50) bp	10 bp
Total Capital Ratio	11.6 (b)	12.2	11.7	(60)	(10)
Tier I Leverage	5.3 (b)	5.4	5.6	(10)	(30)

YEAR TO DATE  
2001 2000  
YTD 2001  
OVER (UNDER)  
2000

# OPERATING INCOME STATEMENT

-----

## OPERATING REVENUE:

Investment Banking Fees	\$ 2,681	\$ 3,311	(19) %
Trading-Related Revenue (Including Trading NII)	5,375	5,728	(6)
Fees and Commissions	6,597	6,556	1
Private Equity - Realized Gains (Losses)	570	1,678	(66)
Private Equity - Unrealized Gains (Losses)	(1,379)	(565)	NM
Securities Gains	664	111	NM
Other Revenue	728	890	(18)
Net Interest Income	8,021	7,509	7
	-----	-----	
TOTAL OPERATING REVENUE	23,257	25,218	(8)

## OPERATING EXPENSE:

Compensation Expense	9,292	9,438	(2)
Noncompensation Expense (a)	6,106	5,871	4
	-----	-----	
TOTAL CASH EXPENSE	15,398	15,309	1

Credit Costs	2,501	1,700	47
	-----	-----	
Cash Operating Income before Taxes	5,358	8,209	(35)
Income Taxes	1,654	2,703	(39)
	-----	-----	

CASH OPERATING INCOME	3,704	5,506	(33)
Less: Amortization of Intangibles	542	342	58
	-----	-----	

OPERATING INCOME	3,162	5,164	(39)
Restructuring/Merger Expenses & Special Items	(1,136)	(145)	NM
	-----	-----	

NET INCOME	\$ 2,026	\$ 5,019	(60)
	=====	=====	

## EARNINGS PER SHARE

	-----		
Diluted Earnings per Share - Operating	\$ 1.53	\$ 2.60	(41)
Diluted Earnings per Share - Operating (Excl. JPMP)	1.94	2.41	(20)
Diluted Earnings per Share - Net Income	0.97	2.53	(62)

## CASH OPERATING BASIS

	-----		
Diluted Earnings per Share	\$ 1.80	\$ 2.78	(35)
Shareholder Value Added	(74)	2,308	NM
Return on Managed Assets	0.66 %	1.07 %	(41) bp
Return on Common Equity	11.8	20.9	(910)
Overhead Ratio	66	61	500
Compensation Expense as a % of Revenue	40	37	300
Noncompensation Expense as a % of Revenue	26	23	300

## COMMON SHARES OUTSTANDING

	-----		
Basic Average Shares Outstanding	1,973.5	1,870.7	5 %
Diluted Average Shares Outstanding	2,028.9	1,955.8	4
Common Shares Outstanding - at Period End	1,972.9	1,901.1	4

CASH DIVIDENDS DECLARED PER SHARE	\$ 1.02	\$ 0.96	6
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## BOOK VALUE PER SHARE

COMMON DIVIDEND PAYOUT RATIO (C)	66 %	34 %	3,200 bp
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## CAPITAL RATIOS

	-----		
Tier I Capital Ratio			
Total Capital Ratio			
Tier I Leverage			
			-----

(a) Excludes the amortization of intangibles.

(b) Estimated

(c) Operating basis

bp - Denotes basis points; 100 bp equals 1%

	YTD 2001 OVER (UNDER)			
	YEAR TO DATE			PROFORMA
	2001	2000	2000	2000(a)
OPERATING REVENUE				
Investment Bank	\$ 11,794	\$ 12,251	(4)%	(9)%
Investment Management & Private Banking	2,337	2,453	(5)	(20)
Retail & Middle Market Financial Services	8,038	7,595	6	
Treasury & Securities Services	2,733	2,650	3	
Corporate/Support Units	(634)	(656)	NM	

OPERATING REVENUES EXCLUDING JPMP	24,268	24,293	--	(5)
JPMorgan Partners	(1,011)	925	NM	
OPERATING REVENUES (b)	\$ 23,257	\$ 25,218	(8)	(12)
	=====	=====		
EARNINGS				
Investment Bank	\$ 2,546	\$ 2,972	(14)	(18)
Investment Management & Private Banking	340	429	(21)	(35)
Retail & Middle Market Financial Services	1,339	1,336	--	
Treasury & Securities Services	530	518	2	
Corporate/Support Units	(257)	(155)	NM	
CASH OPERATING EARNINGS EXCLUDING JPMP	4,498	5,100	(12)	(15)
JPMorgan Partners	(794)	406	(296)	
CASH OPERATING EARNINGS (b)	3,704	5,506	(33)	(35)
Less: Amortization of Intangibles	542	342	58	
OPERATING EARNINGS (b)	3,162	5,164	(39)	(39)
Restructuring/Merger Expenses & Special Items	(1,136)	(145)	NM	
NET INCOME (b)	\$ 2,026	\$ 5,019	(60)	(60)
	=====	=====		
EARNINGS PER SHARE - DILUTED				
CASH OPERATING EARNINGS EXCLUDING JPMP	\$ 2.19	\$ 2.58	(15)	(18)
Impact of JPMP	(0.39)	0.20	NM	
CASH OPERATING EARNINGS (b)	1.80	2.78	(35)	(38)
Impact of Intangibles	(0.27)	(0.18)	50	
OPERATING EARNINGS (b)	1.53	2.60	(41)	(41)
Restructuring/Merger Expenses & Special Items	(0.56)	(0.07)	NM	
NET INCOME (b)	\$ 0.97	\$ 2.53	(62)	
	=====	=====		
CASH OPERATING RETURN ON COMMON EQUITY				
Investment Bank	17.6%	21.9%	(430) bp	(320) bp
Investment Management & Private Banking	7.3	15.9	(860)	(340)
Retail & Middle Market Financial Services	20.9	20.4	50	
Treasury & Securities Services	24.1	24.2	(10)	
CASH OPERATING RETURN ON COMMON EQUITY (b)	11.8	20.9	(910)	
OPERATING RETURN ON COMMON EQUITY (b)	10.0	19.6	(960)	
			-----	

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

(b) Represents consolidated JPMorgan Chase.



(IN MILLIONS)

	Sep 30th 2001	Jun 30th 2001	Sep 30th 2000	SEP 30, 2001 Over (Under)	
				Jun 30, 01	Sep 30, 00
ASSETS					
Cash and Due from Banks	\$ 22,299	\$ 24,219	\$ 20,284	(8)%	10%
Deposits with Banks	9,341	11,903	8,669	(22)	8
Federal Funds Sold and Securities Purchased Under Resale Agreements	78,997	61,308	69,413	29	14
Securities Borrowed	37,499	38,296	36,424	(2)	3
Trading Assets	250,550	208,045	208,020	20	20
Securities	66,468	68,488	71,282	(3)	(7)
Loans (Net of Allowance for Loan Losses)	219,411	216,245	214,496	1	2
Goodwill and Other Intangibles	14,683	16,224	15,678	(9)	(6)
Private Equity Investments	9,628	9,855	11,502	(2)	(16)
Other Assets	90,424	58,119	51,729	56	75
TOTAL ASSETS	\$ 799,300	\$ 712,702	\$ 707,497	12	13
LIABILITIES					
Deposits	\$ 281,604	\$ 276,804	\$ 269,785	2	4
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	181,775	155,062	145,210	17	25
Commercial Paper	19,299	19,985	19,462	(3)	(1)
Other Borrowed Funds	21,941	18,418	20,065	19	9
Trading Liabilities	129,411	115,944	124,225	12	4
Accounts Payable, Accrued Expenses and Other Liabilities (Including the Allowance for Credit Losses)	75,231	38,157	37,225	97	102
Long-Term Debt	42,315	40,917	45,634	3	(7)
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	4,439	4,439	3,939	--	13
TOTAL LIABILITIES	756,015	669,726	665,545	13	14
PREFERRED STOCK OF SUBSIDIARY	550	550	550	--	--
STOCKHOLDERS' EQUITY					
Preferred Stock	1,009	1,025	1,522	(2)	(34)
Common Stock	1,993	1,990	2,066	--	(4)
Capital Surplus	12,244	12,000	12,427	2	(1)
Retained Earnings	28,021	28,265	31,678	(1)	(12)
Accumulated Other Comprehensive Income (Loss)	267	(834)	(995)	NM	NM
Treasury Stock, at Cost	(799)	(20)	(5,296)	NM	(85)
TOTAL STOCKHOLDERS' EQUITY	42,735	42,426	41,402	1	3
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$ 799,300	\$ 712,702	\$ 707,497	12	13
CREDIT-RELATED INFORMATION					
CREDIT-RELATED ASSETS:					
Commercial Loans	\$ 116,578	\$ 112,790	\$ 124,958	3%	(7)%
Derivative and FX Contracts	85,407	68,910	67,028	24	27
Total Commercial Credit-Related Assets	201,985	181,700	191,986	11	5
Managed Consumer Loans	125,431	124,881	111,309	--	13
TOTAL MANAGED CREDIT-RELATED ASSETS	\$ 327,416	\$ 306,581	\$ 303,295	7	8
NET CHARGE-OFFS: (a)					
Commercial Loans	\$ 189	\$ 212	\$ 83	(11)	128
Credit Card - Managed	534	507	403	5	33
All Other Consumer	92	79	73	16	26
Managed Consumer Loans	626	586	476	7	32
TOTAL MANAGED NET CHARGE-OFFS	\$ 815	\$ 798	\$ 559	2	46
NONPERFORMING ASSETS:					
Commercial Loans	\$ 2,018	\$ 1,890	\$ 1,415	7	43
Derivative and FX Contracts	46	88	52	(48)	(12)

Total Commercial Credit-Related Assets	2,064	1,978	1,467	4	41
Managed Consumer Loans	459	401	396	14	16
	-----	-----	-----		
Total Managed Credit-Related Assets	2,523	2,379	1,863	6	35
Assets Acquired in Loan Satisfaction	123	119	81	3	52
	-----	-----	-----		
TOTAL NONPERFORMING ASSETS	\$ 2,646	\$ 2,498	\$ 1,944	6	36
	=====	=====	=====		
				-----	

(a) Net charge-offs are presented for the quarter ended as of the date indicated.

[J.P. MORGAN CHASE & CO. LOGO]

PRESS RELEASE FINANCIAL SUPPLEMENT

THIRD QUARTER 2001

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On December 31, 2000, J.P. Morgan & Co. Incorporated ("J.P. Morgan") merged with and into The Chase Manhattan Corporation ("Chase"). Upon consummation of the merger, Chase changed its name to J.P. Morgan Chase & Co. ("JPMorgan Chase" or "the Firm"). The merger was accounted for as a pooling of interests and, accordingly, the information included in this document reflects the combined results of Chase and J.P. Morgan as if the merger had been in effect for all periods presented. In addition, certain amounts have been reclassified to conform to the current presentation.

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J.P. MORGAN CHASE & CO.  
STATEMENT OF INCOME - REPORTED BASIS  
(IN MILLIONS, EXCEPT PER SHARE AND RATIO DATA)

[J.P. MORGAN CHASE & CO. LOGO]

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
REVENUE					
-----					
Investment Banking Fees	\$ 811	\$ 929	\$ 941	\$ 1,051	\$ 1,013
Trading Revenue	1,301	1,261	2,001	1,142	1,455
Fees and Commissions	2,331	2,388	2,065	2,387	2,427
Private Equity - Realized Gains (Losses)	204	(46)	412	373	656
Private Equity - Unrealized Gains (Losses)	(311)	(783)	(285)	(471)	(676)
Securities Gains	142	67	455	118	90
Other Revenue	212	274	246	1,482	415
	-----	-----	-----	-----	-----
TOTAL NONINTEREST REVENUE	4,690	4,090	5,835	6,082	5,380
	-----	-----	-----	-----	-----
Interest Income	7,709	8,469	9,180	9,922	9,423
Interest Expense	5,050	5,688	6,762	7,461	7,080
	-----	-----	-----	-----	-----
NET INTEREST INCOME	2,659	2,781	2,418	2,461	2,343
	-----	-----	-----	-----	-----
Revenue before Provision for Loan Losses	7,349	6,871	8,253	8,543	7,723
Provision for Loan Losses	745	525	447	409	298
	-----	-----	-----	-----	-----
TOTAL NET REVENUE	6,604	6,346	7,806	8,134	7,425
	-----	-----	-----	-----	-----
EXPENSE					
-----					
Compensation Expense	2,883	3,052	3,357	3,310	3,135
Occupancy Expense	339	327	348	351	338
Technology and Communications	663	674	654	668	632
Merger and Restructuring Costs	876	478	328	1,302	79
Other Expense	992	1,047	1,062	1,227	1,011
Amortization of Intangibles	182	183	177	186	157
	-----	-----	-----	-----	-----
TOTAL EXPENSE	5,935	5,761	5,926	7,044	5,352
	-----	-----	-----	-----	-----
Income before Tax Expense	669	585	1,880	1,090	2,073
Income Tax Expense	220	207	656	382	675
	-----	-----	-----	-----	-----
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	449	378	1,224	708	1,398
Net Effect of Change in Accounting Principle	--	--	(25)	--	--
	-----	-----	-----	-----	-----
NET INCOME	\$ 449	\$ 378	\$ 1,199	\$ 708	\$ 1,398
	=====	=====	=====	=====	=====
NET INCOME PER SHARE					
-----					
Basic	\$ 0.22	\$ 0.18	\$ 0.60	\$ 0.36	\$ 0.73
Diluted	0.22	0.18	0.58	0.34	0.69
PERFORMANCE RATIOS					
-----					
Return on Average Assets	0.24 %	0.21 %	0.67 %	0.40 %	0.81 %
Return on Average Common Equity	4.2	3.5	11.6	6.8	14.6
FULL-TIME EQUIVALENT EMPLOYEES (a)	96,633	97,224	98,518	99,757	99,189

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
REVENUE					
-----					
Investment Banking Fees	(13) %	(20) %	\$ 2,681	\$ 3,311	(19) %
Trading Revenue	3	(11)	4,563	5,156	(12)
Fees and Commissions	(2)	(4)	6,784	6,842	(1)
Private Equity - Realized Gains (Losses)	NM	(69)	570	1,678	(66)
Private Equity - Unrealized Gains (Losses)	60	54	(1,379)	(565)	NM
Securities Gains	112	58	664	111	NM
Other Revenue	(23)	(49)	732	807	(9)
	-----	-----	-----	-----	-----
TOTAL NONINTEREST REVENUE	15	(13)	14,615	17,340	(16)
	-----	-----	-----	-----	-----
Interest Income	(9)	(18)	25,358	26,721	(5)
Interest Expense	(11)	(29)	17,500	19,670	(11)

NET INTEREST INCOME	(4)	13	7,858	7,051	11
Revenue before Provision for Loan Losses	7	(5)	22,473	24,391	(8)
Provision for Loan Losses	42	150	1,717	968	77
TOTAL NET REVENUE	4	(11)	20,756	23,423	(11)
EXPENSE					
Compensation Expense	(6)	(8)	9,292	9,438	(2)
Occupancy Expense	4	--	1,014	943	8
Technology and Communications	(2)	5	1,991	1,786	11
Merger and Restructuring Costs	83	NM	1,682	129	NM
Other Expense	(5)	(2)	3,101	3,142	(1)
Amortization of Intangibles	(1)	16	542	342	58
TOTAL EXPENSE	3	11	17,622	15,780	12
Income before Tax Expense	14	(68)	3,134	7,643	(59)
Income Tax Expense	6	(67)	1,083	2,624	(59)
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	19	(68)	2,051	5,019	(59)
Net Effect of Change in Accounting Principle	NM	NM	(25)	--	NM
NET INCOME	19	(68)	\$ 2,026	\$ 5,019	(60)
NET INCOME PER SHARE					
Basic	22	(70)	\$ 1.00	\$ 2.64	(62)
Diluted	22	(68)	0.97	2.53	(62)
PERFORMANCE RATIOS					
Return on Average Assets	3 bp	(57) bp	0.37 %	1.00 %	(63) bp
Return on Average Common Equity	70	(1,040)	6.4	19.0	(1,260)
FULL-TIME EQUIVALENT EMPLOYEES (a)	(1) %	(3) %			

(a) Represents actual period end amount for each respective quarter.

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
-----	-----	-----	-----	-----	-----
OPERATING REVENUE					
-----					
Investment Bank	\$ 3,601	\$ 3,769	\$ 4,424	\$ 3,706	\$ 3,881
Investment Management & Private Banking	733	793	811	910	890
Retail & Middle Market Financial Services	2,782	2,675	2,581	2,595	2,623
Treasury & Securities Services	917	911	905	914	889
Corporate/Support Units	(235)	(112)	(287)	(414)	(297)
	-----	-----	-----	-----	-----
OPERATING REVENUES EXCLUDING JPMP	7,798	8,036	8,434	7,711	7,986
JPMorgan Partners	(179)	(892)	60	(136)	(73)
	-----	-----	-----	-----	-----
OPERATING REVENUES (b)	\$ 7,619	\$ 7,144	\$ 8,494	\$ 7,575	\$ 7,913
	=====	=====	=====	=====	=====
EARNINGS					
-----					
Investment Bank	\$ 710	\$ 789	\$ 1,047	\$ 491	\$ 855
Investment Management & Private Banking	118	120	102	139	157
Retail & Middle Market Financial Services	439	451	449	459	519
Treasury & Securities Services	184	169	177	186	186
Corporate/Support Units	(78)	(34)	(145)	(189)	(23)
	-----	-----	-----	-----	-----
CASH OPERATING EARNINGS EXCLUDING JPMP	1,373	1,495	1,630	1,086	1,694
JPMorgan Partners	(155)	(622)	(17)	(137)	(118)
	-----	-----	-----	-----	-----
CASH OPERATING EARNINGS (b)	1,218	873	1,613	949	1,576
Amortization of Intangibles	182	183	177	186	157
	-----	-----	-----	-----	-----
OPERATING EARNINGS (b)	1,036	690	1,436	763	1,419
Restructuring/Merger Expenses & Special Items	(587)	(312)	(237)	(55)	(21)
	-----	-----	-----	-----	-----
NET INCOME (b)	\$ 449	\$ 378	\$ 1,199	\$ 708	\$ 1,398
	=====	=====	=====	=====	=====
EARNINGS PER SHARE - DILUTED					
-----					
CASH OPERATING EARNINGS EXCLUDING JPMP	\$ 0.67	\$ 0.73	\$ 0.79	\$ 0.53	\$ 0.84
Impact of JPMP	(0.07)	(0.31)	(0.01)	(0.07)	(0.06)
	-----	-----	-----	-----	-----
CASH OPERATING EARNINGS (b)	0.60	0.42	0.78	0.46	0.78
Impact of Intangibles	(0.09)	(0.09)	(0.08)	(0.09)	(0.08)
	-----	-----	-----	-----	-----
OPERATING EARNINGS (b)	0.51	0.33	0.70	0.37	0.70
Restructuring/Merger Expenses & Special Items	(0.29)	(0.15)	(0.12)	(0.03)	(0.01)
	-----	-----	-----	-----	-----
NET INCOME (b)	\$ 0.22	\$ 0.18	\$ 0.58	\$ 0.34	\$ 0.69
	=====	=====	=====	=====	=====
CASH OPERATING RETURN ON COMMON EQUITY					
-----					
Investment Bank	15.1 %	16.5 %	21.0 %	9.2 %	17.2 %
Investment Management & Private Banking	7.7	7.8	6.4	8.3	11.5
Retail & Middle Market Financial Services	19.8	21.1	21.9	21.6	24.6
Treasury & Securities Services	25.1	22.4	25.0	25.6	26.3
CASH OPERATING RETURN ON COMMON EQUITY (b)	11.5	8.2	15.6	9.1	16.5
	-----	-----	-----	-----	-----
OPERATING RETURN ON COMMON EQUITY (b)	9.8	6.5	13.9	7.3	14.9
	-----	-----	-----	-----	-----

	3QTR 2001 OVER (UNDER)			YEAR TO DATE	
	2Q 2001	3Q 2000	PROFORMA 3Q 2000 (a)	2001	2000
-----	-----	-----	-----	-----	-----
OPERATING REVENUE					
-----					
Investment Bank	(4) %	(7) %	(10) %	\$ 11,794	\$ 12,251
Investment Management & Private Banking	(8)	(18)	(23)	2,337	2,453
Retail & Middle Market Financial Services	4	6		8,038	7,595
Treasury & Securities Services	1	3		2,733	2,650

Corporate/Support Units	NM	NM		(634)	(656)
OPERATING REVENUES EXCLUDING JPMP	(3)	(2)	(4)	24,268	24,293
JPMorgan Partners	80	NM		(1,011)	925
OPERATING REVENUES (b)	7	(4)	(6)	\$ 23,257	\$ 25,218
				=====	=====
EARNINGS					
-----					
Investment Bank	(10)	(17)	(19)	\$ 2,546	\$ 2,972
Investment Management & Private Banking	(2)	(25)	(29)	340	429
Retail & Middle Market Financial Services	(3)	(15)		1,339	1,336
Treasury & Securities Services	9	(1)		530	518
Corporate/Support Units	NM	NM		(257)	(155)
CASH OPERATING EARNINGS EXCLUDING JPMP	(8)	(19)	(20)	4,498	5,100
JPMorgan Partners	75	(31)		(794)	406
CASH OPERATING EARNINGS (b)	40	(23)	(23)	3,704	5,506
Amortization of Intangibles	(1)	16		542	342
OPERATING EARNINGS (b)	50	(27)	(26)	3,162	5,164
Restructuring/Merger Expenses & Special Items	88	NM		(1,136)	(145)
NET INCOME (b)	19	(68)	(68)	\$ 2,026	\$ 5,019
				=====	=====

	YTD 2001 OVER (UNDER)	
	2000	PROFORMA 2000 (a)
OPERATING REVENUE		
Investment Bank	(4) %	(9) %
Investment Management & Private Banking	(5)	(20)
Retail & Middle Market Financial Services	6	
Treasury & Securities Services	3	
Corporate/Support Units	NM	
OPERATING REVENUES EXCLUDING JPMP	--	(5)
JPMorgan Partners	NM	
OPERATING REVENUES (b)	(8)	(12)
EARNINGS		
Investment Bank	(14)	(18)
Investment Management & Private Banking	(21)	(35)
Retail & Middle Market Financial Services	--	
Treasury & Securities Services	2	
Corporate/Support Units	NM	
CASH OPERATING EARNINGS EXCLUDING JPMP	(12)	(15)
JPMorgan Partners	NM	
CASH OPERATING EARNINGS (b)	(33)	(35)
Amortization of Intangibles	58	
OPERATING EARNINGS (b)	(39)	(39)



Restructuring/Merger Expenses & Special Items	NM	
NET INCOME (b)	(60)	(60)
EARNINGS PER SHARE - DILUTED		
-----		
CASH OPERATING EARNINGS EXCLUDING JPMP	(15)	
Impact of JPMP	NM	
CASH OPERATING EARNINGS (b)	(35)	
Impact of Intangibles	50	
OPERATING EARNINGS (b)	(41)	
Restructuring/Merger Expenses & Special Items	NM	
NET INCOME (b)	(62)	
CASH OPERATING RETURN ON COMMON EQUITY		
-----		
Investment Bank	(430) bp	(320) bp
Investment Management & Private Banking	(860)	(340)
Retail & Middle Market Financial Services	50	
Treasury & Securities Services	(10)	
CASH OPERATING RETURN ON COMMON EQUITY (b)	(910)	
OPERATING RETURN ON COMMON EQUITY (b)	(960)	
-----		

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

(b) Represents consolidated JPMorgan Chase.

J.P. MORGAN CHASE & CO. [J.P. MORGAN CHASE & CO. LOGO]  
STATEMENT OF INCOME - OPERATING BASIS EXCLUDING JPMORGAN PARTNERS  
(IN MILLIONS, EXCEPT PER SHARE AND RATIO DATA)

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING REVENUE					
Investment Banking Fees	\$ 812	\$ 928	\$ 942	\$ 1,051	\$ 1,011
Trading-Related Revenue (Including Trading NII)	1,614	1,594	2,167	1,414	1,634
Fees and Commissions	2,222	2,330	2,004	2,294	2,287
Private Equity - Realized Gains (Losses)	1	14	--	1	4
Private Equity - Unrealized Gains (Losses)	(5)	(17)	(5)	(6)	(4)
Securities Gains	142	67	455	118	90
Other Revenue	200	280	250	236	353
Net Interest Income	2,812	2,840	2,621	2,603	2,611
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	7,798	8,036	8,434	7,711	7,986
	=====	=====	=====	=====	=====
OPERATING EXPENSE					
Compensation Expense	2,850	3,019	3,315	3,282	3,090
Noncompensation Expense (Excluding Intangibles)	1,962	2,011	2,013	2,194	1,911
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	4,812	5,030	5,328	5,476	5,001
Credit Costs	1,015	798	688	667	534
	-----	-----	-----	-----	-----
Cash Operating Income before Taxes	1,971	2,208	2,418	1,568	2,451
Income Taxes	598	713	788	482	757
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	1,373	1,495	1,630	1,086	1,694
Less: Amortization of Intangibles	177	178	171	181	152
	-----	-----	-----	-----	-----
OPERATING INCOME	\$ 1,196	\$ 1,317	\$ 1,459	\$ 905	\$ 1,542
	=====	=====	=====	=====	=====
OPERATING BASIS					
Diluted Earnings per Share	\$ 0.59	\$ 0.64	\$ 0.71	\$ 0.44	\$ 0.77
CASH OPERATING BASIS					
Diluted Earnings per Share	\$ 0.67	\$ 0.73	\$ 0.79	\$ 0.53	\$ 0.84
Compensation Expense as a % of Operating Revenue	37 %	38 %	39 %	43 %	39 %
Noncompensation Expense as a % of Operating Revenue	25	25	24	28	24

	3QTR 2001 OVER (UNDER)			YEAR TO DATE	
	2Q 2001	3Q 2000	PROFORMA 3Q 2000 (a)	2001	2000
	-----	-----	-----	-----	-----
OPERATING REVENUE					
Investment Banking Fees	(13) %	(20) %	(22) %	\$ 2,682	\$ 3,305
Trading-Related Revenue (Including Trading NII)	1	(1)	(2)	5,375	5,741
Fees and Commissions	(5)	(3)	(7)	6,556	6,495
Private Equity - Realized Gains (Losses)	(93)	(75)	(75)	15	9
Private Equity - Unrealized Gains (Losses)	71	(25)	(25)	(27)	23
Securities Gains	112	58	56	664	111
Other Revenue	(29)	(43)	(45)	730	885
Net Interest Income	(1)	8	7	8,273	7,724
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	(3)	(2)	(4)	24,268	24,293
	=====	=====	=====	=====	=====
OPERATING EXPENSE					
Compensation Expense	(6)	(8)	(10)	9,184	9,302
Noncompensation Expense (Excluding Intangibles)	(2)	3	--	5,986	5,691
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	(4)	(4)	(7)	15,170	14,993
Credit Costs	27	90	89	2,501	1,700
	-----	-----	-----	-----	-----
Cash Operating Income before Taxes	(11)	(20)	(20)	6,597	7,600
Income Taxes	(16)	(21)	(20)	2,099	2,500

CASH OPERATING INCOME	(8)	(19)	(20)	4,498	5,100
Less: Amortization of Intangibles	(1)	16	(3)	526	332
OPERATING INCOME	(9)	(22)	(22)	\$ 3,972	\$ 4,768
				=====	=====
OPERATING BASIS					
-----					
Diluted Earnings per Share	(8)	(23)	(23)	\$ 1.94	\$ 2.41
CASH OPERATING BASIS					
-----					
Diluted Earnings per Share	(8)	(20)	(21)	\$ 2.19	\$ 2.58
Compensation Expense as a % of Operating Revenue	(100) bp	(200) bp	(200) bp	38 %	38 %
Noncompensation Expense as a % of Operating Revenue	--	100	100	25	23
	-----				

	YTD 2001 OVER (UNDER)	
	-----	
	2000	PROFORMA 2000 (a)
	-----	-----
OPERATING REVENUE		
-----		
Investment Banking Fees	(19) %	(22) %
Trading-Related Revenue (Including Trading NII)	(6)	(8)
Fees and Commissions	1	(10)
Private Equity - Realized Gains (Losses)	67	67
Private Equity - Unrealized Gains (Losses)	NM	NM
Securities Gains	NM	NM
Other Revenue	(18)	(28)
Net Interest Income	7	6
TOTAL OPERATING REVENUE	--	(5)

OPERATING EXPENSE		
-----		
Compensation Expense	(1)	(8)
Noncompensation Expense (Excluding Intangibles)	5	--
TOTAL CASH EXPENSE	1	(5)
Credit Costs	47	46
Cash Operating Income before Taxes	(13)	(16)
Income Taxes	(16)	(16)
CASH OPERATING INCOME	(12)	(15)
Less: Amortization of Intangibles	58	(3)
OPERATING INCOME	(17)	(17)

OPERATING BASIS		
-----		
Diluted Earnings per Share	(20)	(20)
CASH OPERATING BASIS		
-----		
Diluted Earnings per Share	(15)	(18)
Compensation Expense as a % of Operating Revenue	-- bp	(100) bp
Noncompensation Expense as a % of Operating Revenue	200	200
	-----	-----

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

J.P. MORGAN CHASE & CO.  
STATEMENT OF INCOME - OPERATING BASIS  
(IN MILLIONS, EXCEPT PER SHARE AND RATIO DATA)

[J.P. MORGAN CHASE & CO. LOGO]

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING REVENUE					
Investment Banking Fees	\$ 811	\$ 929	\$ 941	\$ 1,051	\$ 1,013
Trading-Related Revenue (Including Trading NII)	1,614	1,594	2,167	1,414	1,632
Fees and Commissions	2,231	2,350	2,016	2,323	2,314
Private Equity - Realized Gains (Losses)	204	(46)	412	373	656
Private Equity - Unrealized Gains (Losses)	(311)	(783)	(285)	(471)	(676)
Securities Gains	142	67	455	118	90
Other Revenue	203	274	251	258	365
Net Interest Income	2,725	2,759	2,537	2,509	2,519
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	7,619	7,144	8,494	7,575	7,913
	-----	-----	-----	-----	-----
OPERATING EXPENSE					
Compensation Expense	2,883	3,052	3,357	3,310	3,135
Noncompensation Expense (Excluding Intangibles)	1,994	2,048	2,064	2,246	1,981
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	4,877	5,100	5,421	5,556	5,116
	-----	-----	-----	-----	-----
Credit Costs	1,015	798	688	667	534
	-----	-----	-----	-----	-----
Cash Operating Income before Taxes	1,727	1,246	2,385	1,352	2,263
Income Taxes	509	373	772	403	687
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	1,218	873	1,613	949	1,576
Less: Amortization of Intangibles	182	183	177	186	157
	-----	-----	-----	-----	-----
OPERATING INCOME	\$ 1,036	\$ 690	\$ 1,436	\$ 763	\$ 1,419
	=====	=====	=====	=====	=====
OPERATING BASIS					
Diluted Earnings per Share	\$ 0.51	\$ 0.33	\$ 0.70	\$ 0.37	\$ 0.70
Common Dividend Payout Ratio	66 %	102 %	48 %	85 %	42 %
CASH OPERATING BASIS					
Diluted Earnings per Share	\$ 0.60	\$ 0.42	\$ 0.78	\$ 0.46	\$ 0.78
SVA	(50)	(394)	370	(290)	426
Return on Managed Assets	0.64 %	0.47 %	0.87 %	0.52 %	0.89 %
Return on Common Equity	11.5	8.2	15.6	9.1	16.5
Overhead Ratio	64	71	64	73	65
Compensation Expense as a % of Operating Revenue	38	43	40	44	40
Noncompensation Expense as a % of Operating Revenue	26	29	24	30	25

	3QTR 2001 OVER (UNDER)			YEAR TO DATE	
	2Q 2001	3Q 2000	PROFORMA 3Q 2000(a)	2001	2000
	-----	-----	-----	-----	-----
OPERATING REVENUE					
Investment Banking Fees	(13)%	(20)%	(23)%	\$ 2,681	\$ 3,311
Trading-Related Revenue (Including Trading NII)	1	(1)	(2)	5,375	5,728
Fees and Commissions	(5)	(4)	(7)	6,597	6,556
Private Equity - Realized Gains (Losses)	NM	(69)	(69)	570	1,678
Private Equity - Unrealized Gains (Losses)	60	54	54	(1,379)	(565)
Securities Gains	112	58	56	664	111
Other Revenue	(26)	(44)	(46)	728	890
Net Interest Income	(1)	8	8	8,021	7,509
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	7	(4)	(6)	23,257	25,218
	-----	-----	-----	-----	-----
OPERATING EXPENSE					
Compensation Expense	(6)	(8)	(11)	9,292	9,438
Noncompensation Expense (Excluding Intangibles)	(3)	1	(2)	6,106	5,871
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	(4)	(5)	(7)	15,398	15,309
	-----	-----	-----	-----	-----
Credit Costs	27	90	89	2,501	1,700
	-----	-----	-----	-----	-----
Cash Operating Income before Taxes	39	(24)	(24)	5,358	8,209
Income Taxes	36	(26)	(25)	1,654	2,703

CASH OPERATING INCOME	40	(23)	(23)	3,704	5,506
Less: Amortization of Intangibles	(1)	16	(3)	542	342
OPERATING INCOME	50	(27)	(26)	\$ 3,162	\$ 5,164
				=====	=====
OPERATING BASIS					
Diluted Earnings per Share	55	(27)	(27)	\$ 1.53	\$ 2.60
Common Dividend Payout Ratio	(3,600)bp	2,400 bp		66 %	34 %
CASH OPERATING BASIS					
Diluted Earnings per Share	43 %	(23)%	(24)%	\$ 1.80	\$ 2.78
SVA	87	NM		(74)	2,308
Return on Managed Assets	17 bp	(25)bp		0.66 %	1.07 %
Return on Common Equity	330	(500)		11.8	20.9
Overhead Ratio	(700)	(100)	(100)bp	66	61
Compensation Expense as a % of Operating Revenue	(500)	(200)	(200)	40	37
Noncompensation Expense as a % of Operating Revenue	(300)	100	100	26	23

-----  
YTD 2001  
OVER (UNDER)  
-----

	2000	PROFORMA 2000 (a)
	-----	-----
OPERATING REVENUE		
Investment Banking Fees	(19)%	(22)%
Trading-Related Revenue (Including Trading NII)	(6)	(8)
Fees and Commissions	1	(11)
Private Equity - Realized Gains (Losses)	(66)	(66)
Private Equity - Unrealized Gains (Losses)	NM	NM
Securities Gains	NM	NM
Other Revenue	(18)	(28)
Net Interest Income	7	6
TOTAL OPERATING REVENUE	(8)	(12)
OPERATING EXPENSE		
Compensation Expense	(2)	(9)
Noncompensation Expense (Excluding Intangibles)	4	(1)
TOTAL CASH EXPENSE	1	(6)
Credit Costs	47	46
Cash Operating Income before Taxes	(35)	(36)
Income Taxes	(39)	(39)
CASH OPERATING INCOME	(33)	(35)
Less: Amortization of Intangibles	58	(2)
OPERATING INCOME	(39)	(39)
OPERATING BASIS		
Diluted Earnings per Share	(41)	(41)
Common Dividend Payout Ratio	3,200bp	
CASH OPERATING BASIS		
Diluted Earnings per Share	(35)%	(38)%
SVA	NM	
Return on Managed Assets	(41)bp	
Return on Common Equity	(910)	
Overhead Ratio	500	400 bp
Compensation Expense as a % of Operating Revenue	300	200
Noncompensation Expense as a % of Operating Revenue	300	300

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

J.P. MORGAN CHASE & CO.  
RECONCILIATION FROM REPORTED TO OPERATING BASIS  
(IN MILLIONS)

[J.P. MORGAN CHASE & CO. LOGO]

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
REVENUE					
TRADING REVENUE					
Reported	\$ 1,301	\$ 1,261	\$ 2,001	\$ 1,142	\$ 1,455
Add: Trading-Related NII	313	333	166	272	177
	-----	-----	-----	-----	-----
OPERATING	\$ 1,614	\$ 1,594	\$ 2,167	\$ 1,414	\$ 1,632
	=====	=====	=====	=====	=====
CREDIT CARD REVENUE(a)					
Reported	\$ 548	\$ 465	\$ 433	\$ 460	\$ 471
Less: Impact of Securitizations	(100)	(38)	(49)	(64)	(113)
	-----	-----	-----	-----	-----
OPERATING	\$ 448	\$ 427	\$ 384	\$ 396	\$ 358
	=====	=====	=====	=====	=====
OTHER REVENUE					
Reported	\$ 212	\$ 274	\$ 246	\$ 1,482	\$ 415
Less: Gain on Sale of Hong Kong Retail Banking(b)	--	--	--	(827)	--
Gain on Transfer of Euroclear(b)	--	--	--	(399)	--
Gain on Sale of Panama Operations(b)	--	--	--	--	(81)
Loss on Economic Hedge of Flemings	--	--	--	--	--
Purchase Price(b)	--	--	--	--	35
Credit Card Securitizations	(9)	--	5	2	(4)
	-----	-----	-----	-----	-----
OPERATING	\$ 203	\$ 274	\$ 251	\$ 258	\$ 365
	=====	=====	=====	=====	=====
NET INTEREST INCOME					
Reported	\$ 2,659	\$ 2,781	\$ 2,418	\$ 2,461	\$ 2,343
Add: Impact of Credit Card Securitizations	379	311	285	320	353
Less: Trading-Related NII	(313)	(333)	(166)	(272)	(177)
	-----	-----	-----	-----	-----
OPERATING	\$ 2,725	\$ 2,759	\$ 2,537	\$ 2,509	\$ 2,519
	=====	=====	=====	=====	=====
TOTAL REVENUE					
Reported	\$ 7,349	\$ 6,871	\$ 8,253	\$ 8,543	\$ 7,723
Less: Credit Card Securitizations	270	273	241	258	236
Special Items (See above)	--	--	--	(1,226)	(46)
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	\$ 7,619	\$ 7,144	\$ 8,494	\$ 7,575	\$ 7,913
	=====	=====	=====	=====	=====
EXPENSES					
Reported	\$ 5,935	\$ 5,761	\$ 5,926	\$ 7,044	\$ 5,352
Merger and Restructuring Costs	(876)	(478)	(328)	(1,302)	(79)
	-----	-----	-----	-----	-----
OPERATING EXPENSES	5,059	5,283	5,598	5,742	5,273
Less: Amortization of Intangibles	(182)	(183)	(177)	(186)	(157)
	-----	-----	-----	-----	-----
CASH OPERATING EXPENSES	\$ 4,877	\$ 5,100	\$ 5,421	\$ 5,556	\$ 5,116
	=====	=====	=====	=====	=====
CREDIT COSTS					
Provision for Loan Losses - Reported	\$ 745	\$ 525	\$ 447	\$ 409	\$ 298
Add: Impact of Credit Card Securitizations	270	273	241	258	236
	-----	-----	-----	-----	-----
CREDIT COSTS - OPERATING	\$ 1,015	\$ 798	\$ 688	\$ 667	\$ 534
	=====	=====	=====	=====	=====

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
REVENUE					
TRADING REVENUE					
Reported	3 %	(11)%	\$ 4,563	\$ 5,156	(12)%
Add: Trading-Related NII	(6)	77	812	572	42
	-----	-----	-----	-----	-----
OPERATING	1	(1)	\$ 5,375	\$ 5,728	(6)
	=====	=====	=====	=====	=====
CREDIT CARD REVENUE(a)					
Reported	18	16	\$ 1,446	\$ 1,311	10
Less: Impact of Securitizations	163	(12)	(187)	(286)	(35)
	-----	-----	-----	-----	-----
OPERATING	5	25	\$ 1,259	\$ 1,025	23
	=====	=====	=====	=====	=====
OTHER REVENUE					
Reported	(23)	(49)	\$ 732	\$ 807	(9)
Less: Gain on Sale of Hong Kong Retail Banking(b)	NM	NM	--	--	NM
Gain on Transfer of Euroclear(b)	NM	NM	--	--	NM
Gain on Sale of Panama Operations(b)	NM	NM	--	(81)	NM
Loss on Economic Hedge of Flemings	--	--	--	--	--

Purchase Price(b)	NM	NM	--	176	NM
Credit Card Securitizations	NM	NM	(4)	(12)	(67)
			-----	-----	
OPERATING	(26)	(44)	\$ 728	\$ 890	(18)
			=====	=====	
NET INTEREST INCOME					
Reported	(4)	13	\$ 7,858	\$ 7,051	11
Add: Impact of Credit Card Securitizations	22	7	975	1,030	(5)
Less: Trading-Related NII	(6)	77	(812)	(572)	42
			-----	-----	
OPERATING	(1)	8	\$ 8,021	\$ 7,509	7
			=====	=====	
TOTAL REVENUE					
Reported	7	(5)	\$ 22,473	\$ 24,391	(8)
Less: Credit Card Securitizations	(1)	14	784	732	7
Special Items (See above)	--	NM	--	95	NM
			-----	-----	
TOTAL OPERATING REVENUE	7	(4)	\$ 23,257	\$ 25,218	(8)
			=====	=====	
EXPENSES					
Reported	3	11	\$ 17,622	\$ 15,780	12
Merger and Restructuring Costs	83	NM	(1,682)	(129)	NM
			-----	-----	
OPERATING EXPENSES	(4)	(4)	15,940	15,651	2
Less: Amortization of Intangibles	(1)	16	(542)	(342)	58
			-----	-----	
CASH OPERATING EXPENSES	(4)	(5)	\$ 15,398	\$ 15,309	1
			=====	=====	
CREDIT COSTS					
Provision for Loan Losses - Reported	42	150	\$ 1,717	\$ 968	77
Add: Impact of Credit Card Securitizations	(1)	14	784	732	7
			-----	-----	
CREDIT COSTS - OPERATING	27	90	\$ 2,501	\$ 1,700	47
			=====	=====	
	-----				-----

(a) Included in Fees and Commissions.

(b) Represents special items.

SEGMENT DETAIL



	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
REVENUE:					
Trading Revenue (Including Trading NII)	\$ 1,523	\$ 1,626	\$ 2,127	\$ 1,337	\$ 1,562
Investment Banking Fees	807	921	939	1,045	1,044
Net Interest Income	812	733	713	661	617
Fees and Commissions	390	398	468	451	396
All Other Revenue	69	91	177	212	262
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	3,601	3,769	4,424	3,706	3,881
EXPENSES:					
Compensation Costs	1,355	1,476	1,731	1,820	1,586
Noncompensation Costs (Excluding Intangibles)	825	867	886	997	902
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSES	2,180	2,343	2,617	2,817	2,488
Amortization of Intangibles	33	37	35	41	30
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	2,213	2,380	2,652	2,858	2,518
	-----	-----	-----	-----	-----
Operating Margin	1,388	1,389	1,772	848	1,363
Credit Costs	270	169	97	141	10
	-----	-----	-----	-----	-----
Operating Income Before Taxes	1,118	1,220	1,675	707	1,353
Income Taxes	437	464	659	252	524
	-----	-----	-----	-----	-----
OPERATING INCOME	681	756	1,016	455	829
Add Back: Amortization of Intangibles	29	33	31	36	26
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	\$ 710	\$ 789	\$ 1,047	\$ 491	\$ 855
	=====	=====	=====	=====	=====
Average Common Equity	\$ 18,575	\$ 18,943	\$ 20,070	\$ 20,789	\$ 19,538
Average Managed Assets	514,518	506,790	511,814	487,848	471,430
SVA	142	214	444	(146)	255
Cash Return on Common Equity	15.1 %	16.5 %	21.0 %	9.2 %	17.2 %
Cash Overhead Ratio	61	62	59	76	64
Compensation Expense as a % of Operating Revenue	38	39	39	49	41
TRADING-RELATED REVENUE					
Equities	\$ 239	\$ 429	\$ 475	\$ 229	\$ 432
Fixed Income and Other	1,284	1,197	1,652	1,108	1,130
	-----	-----	-----	-----	-----
Total	\$ 1,523	\$ 1,626	\$ 2,127	\$ 1,337	\$ 1,562
	=====	=====	=====	=====	=====
INVESTMENT BANKING FEES					
Advisory	\$ 329	\$ 303	\$ 349	\$ 462	\$ 448
Underwriting and Other Fees	478	618	590	583	596
	-----	-----	-----	-----	-----
Total	\$ 807	\$ 921	\$ 939	\$ 1,045	\$ 1,044
	=====	=====	=====	=====	=====

MARKET SHARE AND RANKINGS: (b)

Global Announced M&A  
Global Syndicated Loans  
U.S. Equity Proceeds  
U.S. High Grade Bond  
U.S. High Yield Bond

3QTR 2001 OVER (UNDER)			YTD 2001 OVER (UNDER)	
-----			-----	
			YEAR TO DATE	
			-----	
2Q 2001	3Q 2000	PROFORMA 3Q 2000 (a)	2001	2000
			2000	PROFORMA 2000 (a)

OPERATING INCOME STATEMENT

REVENUE:							
Trading Revenue (Including Trading NII)	(6) %	(2) %	(3) %	\$ 5,276	\$ 5,484	(4) %	(5) %
Investment Banking Fees	(12)	(23)	(24)	2,667	3,311	(19)	(23)
Net Interest Income	11	32	28	2,258	1,928	17	11
Fees and Commissions	(2)	(2)	(12)	1,256	1,102	14	(13)
All Other Revenue	(24)	(74)	(75)	337	426	(21)	(37)
				-----	-----		
TOTAL OPERATING REVENUE	(4)	(7)	(10)	11,794	12,251	(4)	(9)
EXPENSES:							
Compensation Costs	(8)	(15)	(18)	4,562	4,820	(5)	(14)
Noncompensation Costs (Excluding Intangibles)	(5)	(9)	(10)	2,578	2,459	5	(1)
				-----	-----		
TOTAL CASH EXPENSES	(7)	(12)	(15)	7,140	7,279	(2)	(9)
Amortization of Intangibles	(11)	10	(15)	105	53	98	(7)
				-----	-----		
TOTAL OPERATING EXPENSES	(7)	(12)	(15)	7,245	7,332	(1)	(9)
				-----	-----		
Operating Margin	-	2	1	4,549	4,919	(8)	(10)
Credit Costs	60	NM	NM	536	115	366	316
				-----	-----		
Operating Income Before Taxes	(8)	(17)	(18)	4,013	4,804	(16)	(18)
Income Taxes	(6)	(17)	(17)	1,560	1,873	(17)	(18)
				-----	-----		
OPERATING INCOME	(10)	(18)	(19)	2,453	2,931	(16)	(18)
Add Back: Amortization of Intangibles	(12)	12	(17)	93	41	127	(8)
				-----	-----		
CASH OPERATING INCOME	(10)	(17)	(19)	\$ 2,546	\$ 2,972	(14)	(18)
				=====	=====		
Average Common Equity	(2) %	(5) %	(8) %	\$ 19,191	\$ 17,952	7 %	(3) %
Average Managed Assets	2	9	8	511,051	465,682	10	7
SVA	(34)	(44)	(43)	800	1,325	(40)	(38)
Cash Return on Common Equity	(140) bp	(210) bp	(180) bp	17.6 %	21.9 %	(430) bp	(320) bp
Cash Overhead Ratio	(100)	(300)	(400)	61	59	200	-
Compensation Expense as a % of Operating Revenue	(100)	(300)	(300)	39	39	-	(200)
TRADING-RELATED REVENUE							
Equities	(44) %	(45)%	(46) %	\$ 1,143	\$ 1,407	(19) %	(22) %
Fixed Income and Other	7	14	13	4,133	4,077	1	1
				-----	-----		
Total	(6)	(2)	(3)	\$ 5,276	\$ 5,484	(4)	(5)
				=====	=====		
INVESTMENT BANKING FEES							
Advisory	9 %	(27)%	(28) %	\$ 981	\$ 888	10 %	(32) %
Underwriting and Other Fees	(23)	(20)	(21)	1,686	2,423	(30)	(17)
				-----	-----		
Total	(12)	(23)	(24)	\$ 2,667	\$ 3,311	(19)	(23)
				=====	=====		

MARKET SHARE AND RANKINGS: (b)	Nine Months ended 2001		Year ended 2000	
	Market Share	Ranking	Market Share	Ranking
	-----	-----	-----	-----
Global Announced M&A	21 %	#5	18 %	#6
Global Syndicated Loans	28	#1	23	#1
U.S. Equity Proceeds	3	#9	6	#6
U.S. High Grade Bond	15	#2	15	#2
U.S. High Yield Bond	9	#6	10	#5
	-----	-----	-----	-----

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

(b) Derived from Thomson Financial Securities Data. Global announced M&A based on rank value; all others based on proceeds, with full credit to each book manager/equal if joint. 2001 rankings and market share are for nine months ending September 30, 2001. 2000 rankings and market share are for full year ending December 31, 2000.

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

	3QTR	2QTR	1QTR	4QTR	3QTR
	2001	2001	2001	2000	2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
-----					
REVENUE:					
Fees and Commissions	\$ 558	\$ 593	\$ 598	\$ 655	\$ 610
Net Interest Income	124	130	137	161	159
Trading Revenue (Including Trading NII)	11	19	22	32	41
All Other Revenue	40	51	54	62	80
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	733	793	811	910	890
	-----	-----	-----	-----	-----
EXPENSE:					
Compensation Expense	298	340	378	386	383
Noncompensation Expense (Excluding Intangibles)	276	306	308	339	282
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	574	646	686	725	665
Amortization of Intangibles	76	71	71	71	52
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	650	717	757	796	717
	-----	-----	-----	-----	-----
Operating Margin	83	76	54	114	173
Credit Costs	6	-	6	6	7
	-----	-----	-----	-----	-----
Operating Income Before Taxes	77	76	48	108	166
Income Taxes	35	26	16	39	60
	-----	-----	-----	-----	-----
OPERATING INCOME	42	50	32	69	106
Add Back: Amortization of Intangibles	76	70	70	70	51
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	\$ 118	\$120	\$102	\$ 139	\$157
	=====	=====	=====	=====	=====
Average Common Equity	\$ 5,952	\$ 6,064	\$ 6,319	\$ 6,473	\$ 5,316
Average Managed Assets	33,970	33,510	35,240	34,510	33,886
SVA	(65)	(64)	(88)	(60)	(7)
Cash Return on Common Equity	7.7 %	7.8 %	6.4 %	8.3 %	11.5 %
Cash Overhead Ratio	78	81	85	80	75
Compensation Expense as a % of Operating Revenue	41	43	47	42	43
ASSETS UNDER MANAGEMENT (IN BILLIONS)					
	\$ 584 (b)	\$ 611	\$ 608	\$ 638	\$ 652
-----					
Private Banking / (Assets Under Supervision)	137/(302) (b)	144/(316)	146/(320)	152/(342)	155/(351)
Institutional	390 (b)	406	404	424	433
Retail	57 (b)	61	58	62	64
ASSETS UNDER MANAGEMENT					
	\$ 584 (b)	\$ 611	\$ 608	\$ 638	\$ 652
Americas	423 (b)	433	429	440	440
Europe & Asia	161 (b)	178	179	198	212
ASSETS UNDER MANAGEMENT					
	\$ 584 (b)	\$ 611	\$ 608	\$ 638	\$ 652
Fixed Income & Cash	314 (b)	308	310	297	279
Equities & Other	270 (b)	303	298	341	373

	3QTR 2001 OVER (UNDER)			YTD 2001 OVER (UNDER)		
	-----			-----		
	2Q 2001	3Q 2000	PROFORMA 3Q 2000 (a)	YEAR TO DATE		PROFORMA 2000 (a)
	-----	-----	-----	2001	2000	-----
OPERATING INCOME STATEMENT						
-----						
REVENUE:						
Fees and Commissions	(6) %	(9) %	(15) %	\$ 1,749	\$ 1,586	10 % (11) %
Net Interest Income	(5)	(22)	(23)	391	485	(19) (21)
Trading Revenue (Including Trading NII)	(42)	(73)	(73)	52	140	(63) (63)
All Other Revenue	(22)	(50)	(56)	145	242	(40) (56)
	-----	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	(8)	(18)	(23)	2,337	2,453	(5) (20)
	-----	-----	-----	-----	-----	-----

EXPENSE:							
Compensation Expense	(12)	(22)	(27)	1,016	1,021	-	(16)
Noncompensation Expense (Excluding Intangibles)	(10)	(2)	(8)	890	770	16	(2)
				-----	-----		
TOTAL CASH EXPENSE	(11)	(14)	(19)	1,906	1,791	6	(10)
Amortization of Intangibles	7	46	46	218	74	195	195
				-----	-----		
TOTAL OPERATING EXPENSES	(9)	(9)	(14)	2,124	1,865	14	(3)
				-----	-----		
Operating Margin	9	(52)	(56)	213	588	(64)	(71)
Credit Costs	NM	(14)	(14)	12	20	(40)	(40)
				-----	-----		
Operating Income Before Taxes	1	(54)	(58)	201	568	(65)	(72)
Income Taxes	35	(42)	(48)	77	211	(64)	(71)
				-----	-----		
OPERATING INCOME	(16)	(60)	(64)	124	357	(65)	(73)
Add Back: Amortization of Intangibles	9	49	49	216	72	200	200
				-----	-----		
CASH OPERATING INCOME	(2)	(25)	(29)	\$ 340	\$ 429	(21)	(35)
				=====	=====		
Average Common Equity	(2) %	12 %	(10) %	\$ 6,110	\$ 3,549	72 %	(6) %
Average Managed Assets	1	-	(8)	34,235	29,104	18	(4)
SVA	(2)	NM	NM	(217)	104	(309)	234
Cash Return on Common Equity	(10) bp	(380) bp	(220) bp	7.3 %	15.9 %	(860) bp	(340) bp
Cash Overhead Ratio	(300)	300	300	82	73	900	1,000
Compensation Expense as a % of Operating Revenue	(200)	(200)	(200)	43	42	100	200
						-----	-----
ASSETS UNDER MANAGEMENT (IN BILLIONS)	(4) %	(10) %					
-----							
Private Banking / (Assets Under Supervision)	(5)/(4)	(12)/(14)					
Institutional	(4)	(10)					
Retail	(7)	(11)					
ASSETS UNDER MANAGEMENT	(4)	(10)					
Americas	(2)	(4)					
Europe & Asia	(10)	(24)					
ASSETS UNDER MANAGEMENT	(4)	(10)					
Fixed Income & Cash	2	13					
Equities & Other	(11)	(28)					
				-----			

(a) Pro forma results assume that the purchase of Flemings occurred at the beginning of 2000.

(b) Estimated

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

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
REVENUE:					
Fees and Commissions	\$ 511	\$ 521	\$ 505	\$ 495	\$ 479
Net Interest Income	350	341	359	368	362
All Other Revenue	56	49	41	51	48
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	917	911	905	914	889
	-----	-----	-----	-----	-----
EXPENSE:					
Compensation Expense	287	287	298	256	268
Noncompensation Expense (Excluding Intangibles)	347	364	333	370	331
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	634	651	631	626	599
Amortization of Intangibles	20	21	19	18	18
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	654	672	650	644	617
	-----	-----	-----	-----	-----
Operating Margin	263	239	255	270	272
Credit Costs	1	1	1	1	1
	-----	-----	-----	-----	-----
Operating Income Before Taxes	262	238	254	269	271
Income Taxes	96	88	95	100	101
	-----	-----	-----	-----	-----
OPERATING INCOME	166	150	159	169	170
Add Back: Amortization of Intangibles	18	19	18	17	16
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	\$ 184	\$ 169	\$ 177	\$ 186	\$ 186
	=====	=====	=====	=====	=====
Average Common Equity	\$ 2,888	\$ 3,004	\$ 2,856	\$ 2,871	\$ 2,794
Average Managed Assets	18,555	18,614	17,199	17,299	16,720
SVA	94	78	92	98	100
Cash Return on Common Equity	25.1 %	22.4 %	25.0 %	25.6 %	26.3 %
Cash Overhead Ratio	69	71	70	68	67
Compensation Expense as a % of Operating Revenue	31	32	33	28	30
REVENUE					
Treasury Services Operating Revenue	\$ 344	\$ 335	\$ 322	\$ 356	\$ 323
Investor Services Operating Revenue	393	391	400	398	405
Institutional Trust Services Operating Revenue	174	180	179	156	156
Other	6	5	4	4	5
	-----	-----	-----	-----	-----
Total Treasury & Securities Services Operating Revenue	\$ 917	\$ 911	\$ 905	\$ 914	\$ 889
	=====	=====	=====	=====	=====

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
REVENUE:					
Fees and Commissions	(2) %	7 %	\$ 1,537	\$ 1,442	7 %
Net Interest Income	3	(3)	1,050	1,035	1
All Other Revenue	14	17	146	173	(16)
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	1	3	2,733	2,650	3
	-----	-----	-----	-----	-----
EXPENSE:					
Compensation Expense	--	7	872	816	7
Noncompensation Expense (Excluding Intangibles)	(5)	5	1,044	1,030	1
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSE	(3)	6	1,916	1,846	4
Amortization of Intangibles	(5)	11	60	52	15
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	(3)	6	1,976	1,898	4
	-----	-----	-----	-----	-----
Operating Margin	10	(3)	757	752	1
Credit Costs	--	--	3	4	(25)
	-----	-----	-----	-----	-----
Operating Income Before Taxes	10	(3)	754	748	1
Income Taxes	9	(5)	279	277	1
	-----	-----	-----	-----	-----

OPERATING INCOME	11	(2)	475	471	1
Add Back: Amortization of Intangibles	(5)	13	55	47	17
			-----	-----	
CASH OPERATING INCOME	9	(1)	\$ 530	\$ 518	2
			=====	=====	
Average Common Equity	(4) %	3 %	\$ 2,916	\$ 2,836	3 %
Average Managed Assets	--	11	18,128	16,351	11
SVA	21	(6)	264	258	2
Cash Return on Common Equity	270 bp	(120) bp	24.1 %	24.2 %	(10) bp
Cash Overhead Ratio	(200)	200	70	70	--
Compensation Expense as a % of Operating Revenue	(100)	100	32	31	100
REVENUE					
Treasury Services Operating Revenue	3 %	7 %	\$ 1,001	\$ 955	5 %
Investor Services Operating Revenue	1	(3)	1,184	1,215	(3)
Institutional Trust Services Operating Revenue	(3)	12	533	464	15
Other	20	20	15	16	(6)
			-----	-----	
Total Treasury & Securities Services Operating Revenue	1	3	\$ 2,733	\$ 2,650	3
	-----		=====	=====	-----

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

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
REVENUE:					
Private Equity Realized Gains (Losses)	\$ 203	\$ (60)	\$ 412	\$ 372	\$ 652
Private Equity Unrealized Gains (Losses)	(306)	(766)	(280)	(465)	(672)
Net Interest Income	(87)	(81)	(84)	(94)	(92)
Fees and Other Revenue	11	15	12	51	39
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	(179)	(892)	60	(136)	(73)
EXPENSES:					
Compensation Costs	33	33	42	28	45
Noncompensation Costs (Excluding Intangibles)	30	35	51	50	68
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSES	63	68	93	78	113
Amortization of Intangibles	7	7	6	7	7
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	70	75	99	85	120
	-----	-----	-----	-----	-----
Operating Margin	(249)	(967)	(39)	(221)	(193)
Credit Costs	-	-	-	-	-
	-----	-----	-----	-----	-----
Operating Income Before Taxes	(249)	(967)	(39)	(221)	(193)
Income Taxes	(89)	(340)	(16)	(79)	(70)
	-----	-----	-----	-----	-----
OPERATING INCOME	(160)	(627)	(23)	(142)	(123)
Add Back: Amortization of Intangibles	5	5	6	5	5
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	\$ (155)	\$ (622)	\$ (17)	\$ (137)	\$ (118)
	=====	=====	=====	=====	=====
Average Common Equity	\$ 5,989	\$ 6,493	\$ 7,015	\$ 7,454	\$ 7,639
Average Managed Assets	10,744	11,681	13,156	12,961	13,799
Cash Return on Common Equity	NM	NM	NM	NM	NM
SVA	(383)	(867)	(281)	(421)	(411)

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
REVENUE:					
Private Equity Realized Gains (Losses)	NM	(69) %	\$ 555	\$ 1,669	(67) %
Private Equity Unrealized Gains (Losses)	60 %	54	(1,352)	(588)	NM
Net Interest Income	(7)	5	(252)	(215)	(17)
Fees and Other Revenue	(27)	(72)	38	59	(36)
			-----	-----	
TOTAL OPERATING REVENUE	80	NM	(1,011)	925	NM
EXPENSES:					
Compensation Costs	--	(27)	108	136	(21)
Noncompensation Costs (Excluding Intangibles)	(14)	(56)	116	176	(34)
			-----	-----	
TOTAL CASH EXPENSES	(7)	(44)	224	312	(28)
Amortization of Intangibles	--	--	20	14	43
			-----	-----	
TOTAL OPERATING EXPENSES	(7)	(42)	244	326	(25)
			-----	-----	
Operating Margin	74	(29)	(1,255)	599	NM
Credit Costs	NM	NM	-	-	NM
			-----	-----	
Operating Income Before Taxes	74	(29)	(1,255)	599	NM
Income Taxes	NM	NM	(445)	203	NM
			-----	-----	
OPERATING INCOME	74	(30)	(810)	396	NM
Add Back: Amortization of Intangibles	--	--	16	10	60
			-----	-----	
CASH OPERATING INCOME	75	(31)	\$ (794)	\$ 406	NM
			=====	=====	
Average Common Equity	(8) %	(22) %	\$ 6,495	\$ 7,541	(14) %
Average Managed Assets	(8)	(22)	11,852	13,439	(12)
Cash Return on Common Equity	--	--	NM	6.9 %	--
SVA	56	7	(1,531)	(456)	NM

-----

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



						SEP 30, 2001	
						OVER (UNDER)	
	SEP 30TH 2001	JUN 30TH 2001	MAR 31ST 2001	DEC 31ST 2000	SEP 30TH 2000	JUN 30, 01	SEP 30, 00
	-----	-----	-----	-----	-----	-----	-----
PORTFOLIO INFORMATION							
-----							
Public Securities (169 companies) (a)							
Carrying Value	\$ 1,149	\$ 1,680	\$ 1,611	\$ 1,859	\$ 2,486	(32) %	(54) %
Cost	829	974	1,018	967	999	(15)	(17)
Private Direct Securities (927 companies) (a)							
Carrying Value	6,371	6,089	7,144	7,538	6,873	5	(7)
Cost	7,322	6,998	7,318	7,480	6,762	5	8
Private Fund Investments (344 funds) (a)							
Carrying Value	2,108	2,086	2,122	2,362	2,575	1	(18)
Cost	2,217	2,201	2,141	2,379	2,588	1	(14)
	-----	-----	-----	-----	-----	-----	-----
Total Investment Portfolio - Carrying Value	\$ 9,628	\$ 9,855	\$10,877	\$11,759	\$11,934	(2)	(19)
	=====	=====	=====	=====	=====		
Total Investment Portfolio - Cost	\$10,368	\$10,173	\$10,477	\$10,826	\$10,349	2	--
	=====	=====	=====	=====	=====	-----	-----

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PUBLIC SECURITIES INVESTMENTS AT SEPTEMBER 30, 2001

	SYMBOL	SHARES	QUOTED PUBLIC VALUE	COST
	-----	-----	-----	-----
TRITON PCS HOLDING, INC.	TPCS	20.2	\$ 769	\$ 89
TELECORP PCS	TLCP	11.4	126	8
AMERICAN TOWER CORP.	AMT	5.8	81	18
WESCO INTERNATIONAL, INC.	WCC	4.4	23	47
GUITAR CENTER INC.	GTRC	4.7	56	50
FISHER SCIENTIFIC INTERNATIONAL	FSH	3.0	74	27
ENCORE ACQUISITION COMPANY	EAC	6.4	97	44
PACKAGING CORP OF AMERICA	PKG	3.9	60	18
1-800 FLOWERS.COM	FLWS	4.1	49	15
CROWN MEDIA HOLDINGS INC.	CRWN	2.7	28	40
			-----	-----
TOP TEN PUBLIC SECURITIES			\$ 1,363	\$ 356
Other Public Securities (159 companies)			307	473
			-----	-----
TOTAL PUBLIC SECURITIES (169 companies)			\$ 1,670	\$ 829
			=====	=====

(a) Total number of companies/funds are as of September 30, 2001.

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
-----					
REVENUE:					
Net Interest Income	\$ 1,777	\$ 1,715	\$ 1,632	\$ 1,588	\$ 1,628
Fees and Commissions	774	766	699	720	676
Securities Gains	1	--	316	151	65
All Other Revenue	230	194	(66)	136	254
	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	2,782	2,675	2,581	2,595	2,623
EXPENSES:					
Compensation Costs	626	604	573	560	552
Noncompensation Costs (Excluding Intangibles)	756	751	732	793	747
	-----	-----	-----	-----	-----
TOTAL CASH EXPENSES	1,382	1,355	1,305	1,353	1,299
Amortization of Intangibles	45	45	45	48	50
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	1,427	1,400	1,350	1,401	1,349
	-----	-----	-----	-----	-----
Operating Margin	1,355	1,275	1,231	1,194	1,274
Credit Costs	712	609	564	520	502
	-----	-----	-----	-----	-----
Operating Income Before Taxes	643	666	667	674	772
Income Taxes	245	258	261	261	300
	-----	-----	-----	-----	-----
OPERATING INCOME	398	408	406	413	472
Add Back: Amortization of Intangibles	41	43	43	46	47
	-----	-----	-----	-----	-----
CASH OPERATING INCOME	\$ 439	\$ 451	\$ 449	\$ 459	\$ 519
	=====	=====	=====	=====	=====
Average Common Equity					
	\$ 8,739	\$ 8,497	\$ 8,239	\$ 8,360	\$ 8,323
Average Managed Assets					
	167,160	166,887	158,955	153,606	149,823
SVA					
	172	193	201	202	263
Cash Return on Common Equity					
	19.8 %	21.1 %	21.9 %	21.6 %	24.6 %
Cash Overhead Ratio					
	50	51	51	52	50
Compensation Expense as a % of Operating Revenue					
	23	23	22	22	21
RETAIL & MIDDLE MARKET FINANCIAL SERVICES' BUSINESSES					
-----					
CARDMEMBER SERVICES:					
Operating Revenues	\$ 1,135	\$ 1,058	\$ 987	\$ 995	\$ 971
Cash Operating Earnings	149	133	116	147	146
HOME FINANCE:					
Operating Revenues	\$ 448	\$ 394	\$ 344	\$ 330	\$ 351
Cash Operating Earnings	114	90	84	74	95
REGIONAL BANKING:					
Operating Revenues	\$ 737	\$ 759	\$ 777	\$ 784	\$ 793
Cash Operating Earnings	120	130	144	128	143
MIDDLE MARKET:					
Operating Revenues	\$ 298	\$ 298	\$ 311	\$ 301	\$ 314
Cash Operating Earnings	77	72	85	77	88
AUTO FINANCE:					
Operating Revenues	\$ 136	\$ 133	\$ 110	\$ 106	\$ 102
Cash Operating Earnings	31	35	22	22	22

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
OPERATING INCOME STATEMENT					
-----					
REVENUE:					
Net Interest Income	4 %	9 %	\$ 5,124	\$ 4,745	8 %
Fees and Commissions	1	14	2,239	1,984	13
Securities Gains	NM	NM	317	101	214
All Other Revenue	19	(9)	358	765	(53)
			-----	-----	
TOTAL OPERATING REVENUE	4	6	8,038	7,595	6

EXPENSES:					
Compensation Costs	4	13	1,803	1,688	7
Noncompensation Costs (Excluding Intangibles)	1	1	2,239	2,233	--
			-----	-----	
TOTAL CASH EXPENSES	2	6	4,042	3,921	3
Amortization of Intangibles	--	(10)	135	148	(9)
			-----	-----	
TOTAL OPERATING EXPENSES	2	6	4,177	4,069	3
			-----	-----	
Operating Margin	6	6	3,861	3,526	10
Credit Costs	17	42	1,885	1,563	21
			-----	-----	
Operating Income Before Taxes	(3)	(17)	1,976	1,963	1
Income Taxes	(5)	(18)	764	767	--
			-----	-----	
OPERATING INCOME	(2)	(16)	1,212	1,196	1
Add Back: Amortization of Intangibles	(5)	(13)	127	140	(9)
			-----	-----	
CASH OPERATING INCOME	(3)	(15)	\$ 1,339	\$ 1,336	--
			=====	=====	
Average Common Equity	3 %	5 %	\$ 8,493	\$ 8,621	(1) %
Average Managed Assets	--	12	164,364	146,473	12
SVA	(11)	(35)	566	545	4
Cash Return on Common Equity	(130) bp	(480) bp	20.9 %	20.4 %	50 bp
Cash Overhead Ratio	(100)	--	50	52	(200)
Compensation Expense as a % of Operating Revenue	--	200	22	22	--
RETAIL & MIDDLE MARKET FINANCIAL SERVICES' BUSINESSES					
-----					
CARDMEMBER SERVICES:					
Operating Revenues	7 %	17 %	\$ 3,180	\$ 2,803	13 %
Cash Operating Earnings	12	2	398	364	9
HOME FINANCE:					
Operating Revenues	14	28	\$ 1,186	\$ 988	20
Cash Operating Earnings	27	20	288	234	23
REGIONAL BANKING:					
Operating Revenues	(3)	(7)	\$ 2,273	\$ 2,344	(3)
Cash Operating Earnings	(8)	(16)	394	421	(6)
MIDDLE MARKET:					
Operating Revenues	--	(5)	\$ 907	\$ 930	(2)
Cash Operating Earnings	7	(13)	234	246	(5)
AUTO FINANCE:					
Operating Revenues	2	33	\$ 379	\$ 226	68
Cash Operating Earnings	(11)	41	88	17	NM
			-----	-----	

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

SUPPLEMENTAL DETAIL

[J.P. MORGAN CHASE LOGO]

J.P. MORGAN CHASE & CO.  
NONINTEREST REVENUE AND NONINTEREST EXPENSE DETAIL ON A REPORTED BASIS  
(IN MILLIONS)

	3QTR 2001 -----	2QTR 2001 -----	1QTR 2001 -----	4QTR 2000 -----	3QTR 2000 -----
NONINTEREST REVENUE					
INVESTMENT BANKING FEES:					
Advisory	\$ 329	\$ 308	\$ 340	\$ 407	\$ 362
Underwriting and Other Fees	482	621	601	644	651
	-----	-----	-----	-----	-----
TOTAL	\$ 811	\$ 929	\$ 941	\$ 1,051	\$ 1,013
	=====	=====	=====	=====	=====
TRADING-RELATED REVENUE: (a)					
Equities	\$ 251	\$ 450	\$ 505	\$ 262	\$ 471
Fixed Income and Other	1,363	1,144	1,662	1,152	1,161
	-----	-----	-----	-----	-----
TOTAL	\$ 1,614	\$ 1,594	\$ 2,167	\$ 1,414	\$ 1,632
	=====	=====	=====	=====	=====
FEES AND COMMISSIONS:					
Investment Management, Custody and Processing Services	\$ 918	\$ 943	\$ 974	\$ 1,008	\$ 963
Credit Card Revenue	548	465	433	460	471
Brokerage and Investment Services	268	308	363	343	313
Mortgage Servicing Fees, Net of Amortization and Writedowns	9	75	(233)	21	139
Other Lending-Related Service Fees	125	122	130	143	143
Deposit Service Charges	262	258	226	238	221
Other Fees	201	217	172	174	177
	-----	-----	-----	-----	-----
TOTAL	\$ 2,331	\$ 2,388	\$ 2,065	\$ 2,387	\$ 2,427
	=====	=====	=====	=====	=====
OTHER REVENUE:					
Residential Mortgage Origination/Sales Activities	\$ 151	\$ 146	\$ 99	\$ 59	\$ 81
Gains on Sales of Nonstrategic Assets	--	--	--	1,226	50
Loss on Economic Hedge of the Flemings Purchase Price (b)	--	--	--	--	(35)
All Other Revenue	61	128	147	197	319
	-----	-----	-----	-----	-----
TOTAL	\$ 212	\$ 274	\$ 246	\$ 1,482	\$ 415
	=====	=====	=====	=====	=====
NONINTEREST EXPENSE					
OTHER EXPENSE:					
Professional Services	\$ 267	\$ 288	\$ 295	\$ 365	\$ 275
Outside Services	181	166	166	171	161
Marketing	137	144	141	173	161
Travel and Entertainment	116	137	122	143	115
All Other	291	312	338	375	299
	-----	-----	-----	-----	-----
TOTAL	\$ 992	\$ 1,047	\$ 1,062	\$ 1,227	\$ 1,011
	=====	=====	=====	=====	=====

	3QTR 2001 OVER (UNDER) -----		YEAR TO DATE -----		YTD 2001 OVER (UNDER) -----
	2Q 2001 -----	3Q 2000 -----	2001 -----	2000 -----	2000 -----
NONINTEREST REVENUE					
INVESTMENT BANKING FEES:					
Advisory	7 %	(9) %	\$ 977	\$ 1,116	(12) %
Underwriting and Other Fees	(22)	(26)	1,704	2,195	(22)
	-----	-----	-----	-----	-----
TOTAL	(13)	(20)	\$ 2,681	\$ 3,311	(19)
	=====	=====	=====	=====	=====
TRADING-RELATED REVENUE: (A)					
Equities	(44)	(47)	\$ 1,206	\$ 1,535	(21)
Fixed Income and Other	19	17	4,169	4,193	(1)
	-----	-----	-----	-----	-----
TOTAL	1	(1)	\$ 5,375	\$ 5,728	(6)
	=====	=====	=====	=====	=====
FEES AND COMMISSIONS:					
Investment Management, Custody and Processing Services	(3)	(5)	\$ 2,835	\$ 2,620	8
Credit Card Revenue	18	16	1,446	1,311	10

Brokerage and Investment Services	(13)	(14)	939	885	6
Mortgage Servicing Fees, Net of Amortization and Writedowns	(88)	(94)	(149)	420	NM
Other Lending-Related Service Fees	2	(13)	377	447	(16)
Deposit Service Charges	2	19	746	668	12
Other Fees	(7)	14	590	491	20
			-----	-----	
TOTAL	(2)	(4)	\$ 6,784	\$ 6,842	(1)
			=====	=====	
OTHER REVENUE:					
Residential Mortgage Origination/Sales Activities	3	86	\$ 396	\$ 166	139
Gains on Sales of Nonstrategic Assets	NM	NM	--	50	NM
Loss on Economic Hedge of the Flemings Purchase Price (b)	NM	NM	--	(176)	NM
All Other Revenue	(52)	(81)	336	767	(56)
			-----	-----	
TOTAL	(23)	(49)	\$ 732	\$ 807	(9)
			=====	=====	
NONINTEREST EXPENSE					
OTHER EXPENSE:					
Professional Services	(7)	(3)	\$ 850	\$ 838	1
Outside Services	9	12	513	477	8
Marketing	(5)	(15)	422	422	--
Travel and Entertainment	(15)	1	375	347	8
All Other	(7)	(3)	941	1,058	(11)
			-----	-----	
TOTAL	(5)	(2)	\$ 3,101	\$ 3,142	(1)
			=====	=====	

(a) Includes trading-related net interest income.

(b) Loss is the result of the economic hedge of the purchase price of Flemings prior to its acquisition.

[J.P. MORGAN CHASE LOGO]

J.P. MORGAN CHASE & CO.  
CONSOLIDATED BALANCE SHEET  
(IN MILLIONS)

	SEP 30TH 2001 -----	JUN 30TH 2001 -----	MAR 31ST 2001 -----	DEC 31ST 2000 -----	SEP 30TH 2000 -----
<b>ASSETS</b>					
Cash and Due from Banks	\$ 22,299	\$ 24,219	\$ 22,371	\$ 23,972	\$ 20,284
Deposits with Banks	9,341	11,903	7,979	8,333	8,669
Federal Funds Sold and Securities Purchased Under Resale Agreements	78,997	61,308	71,147	69,474	69,413
Securities Borrowed	37,499	38,296	37,264	32,371	36,424
Trading Assets:					
Debt and Equity Instruments	165,143	139,135	138,270	139,249	140,992
Derivative Receivables	85,407	68,910	78,907	76,373	67,028
Securities	66,468	68,488	69,731	73,695	71,282
Loans (Net of Allowance for Loan Losses)	219,411	216,245	213,116	212,385	214,496
Goodwill and Other Intangibles	14,683	16,224	15,351	15,833	15,678
Private Equity Investments	9,628	9,855	10,877	11,428	11,502
Other Assets	90,424	58,119	48,611	52,235	51,729
	-----	-----	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 799,300</b>	<b>\$ 712,702</b>	<b>\$ 713,624</b>	<b>\$ 715,348</b>	<b>\$ 707,497</b>
	=====	=====	=====	=====	=====
<b>LIABILITIES</b>					
<b>Deposits:</b>					
Noninterest-Bearing	\$ 72,734	\$ 64,231	\$ 59,686	\$ 62,713	\$ 54,903
Interest-Bearing	208,870	212,573	212,886	216,652	214,882
	-----	-----	-----	-----	-----
Total Deposits	281,604	276,804	272,572	279,365	269,785
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	181,775	155,062	145,703	131,738	145,210
Commercial Paper	19,299	19,985	16,281	24,851	19,462
Other Borrowed Funds	21,941	18,418	28,716	19,840	20,065
Trading Liabilities:					
Debt and Equity Instruments	58,594	53,571	52,501	52,157	58,972
Derivative Payables	70,817	62,373	73,312	76,517	65,253
Accounts Payable, Accrued Expenses and Other					
Liabilities (Including the Allowance for Credit Losses)	75,231	38,157	33,575	40,754	37,225
Long-Term Debt	42,315	40,917	42,609	43,299	45,634
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	4,439	4,439	4,439	3,939	3,939
	-----	-----	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>756,015</b>	<b>669,726</b>	<b>669,708</b>	<b>672,460</b>	<b>665,545</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>STOCKHOLDERS' EQUITY</b>					
Preferred Stock	1,009	1,025	1,362	1,520	1,522
Common Stock	1,993	1,990	1,984	1,940	2,066
Capital Surplus	12,244	12,000	11,663	11,598	12,427
Retained Earnings	28,021	28,265	28,592	28,096	31,678
Accumulated Other Comprehensive Income (Loss)	267	(834)	(214)	(241)	(995)
Treasury Stock, at Cost	(799)	(20)	(21)	(575)	(5,296)
	-----	-----	-----	-----	-----
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>42,735</b>	<b>42,426</b>	<b>43,366</b>	<b>42,338</b>	<b>41,402</b>
	-----	-----	-----	-----	-----
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>\$ 799,300</b>	<b>\$ 712,702</b>	<b>\$ 713,624</b>	<b>\$ 715,348</b>	<b>\$ 707,497</b>
	=====	=====	=====	=====	=====

	SEP 30, 2001 OVER (UNDER)	
	-----	-----
	JUN 30, 01	SEP 30, 00
	-----	-----
<b>ASSETS</b>		
Cash and Due from Banks	(8) %	10 %
Deposits with Banks	(22)	8
Federal Funds Sold and Securities Purchased Under Resale Agreements	29	14
Securities Borrowed	(2)	3
Trading Assets:		

Debt and Equity Instruments	19	17
Derivative Receivables	24	27
Securities	(3)	(7)
Loans (Net of Allowance for Loan Losses)	1	2
Goodwill and Other Intangibles	(9)	(6)
Private Equity Investments	(2)	(16)
Other Assets	56	75
<b>TOTAL ASSETS</b>	<b>12</b>	<b>13</b>
<b>LIABILITIES</b>		
Deposits:		
Noninterest-Bearing	13	32
Interest-Bearing	(2)	(3)
Total Deposits	2	4
Federal Funds Purchased and Securities		
Sold Under Repurchase Agreements	17	25
Commercial Paper	(3)	(1)
Other Borrowed Funds	19	9
Trading Liabilities:		
Debt and Equity Instruments	9	(1)
Derivative Payables	14	9
Accounts Payable, Accrued Expenses and Other		
Liabilities (Including the Allowance for Credit Losses)	97	102
Long-Term Debt	3	(7)
Guaranteed Preferred Beneficial Interests in the Firm's		
Junior Subordinated Deferrable Interest Debentures	--	13
<b>TOTAL LIABILITIES</b>	<b>13</b>	<b>14</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>--</b>	<b>--</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock	(2)	(34)
Common Stock	--	(4)
Capital Surplus	2	(1)
Retained Earnings	(1)	(12)
Accumulated Other Comprehensive Income (Loss)	NM	NM
Treasury Stock, at Cost	NM	NM
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>1</b>	<b>3</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY</b>		
<b>    AND STOCKHOLDERS' EQUITY</b>	<b>12</b>	<b>13</b>



J.P. MORGAN CHASE & CO.  
CONDENSED AVERAGE BALANCE SHEET AND ANNUALIZED YIELDS

[J.P. MORGAN CHASE LOGO]

(IN MILLIONS, EXCEPT RATES)

	3QTR 2001 -----	2QTR 2001 -----	1QTR 2001 -----	4QTR 2000 -----	3QTR 2000 -----
AVERAGE BALANCES					
ASSETS					
Deposits with Banks	\$ 8,583	\$ 9,535	\$ 7,517	\$ 10,209	\$ 8,258
Federal Funds Sold and Securities Purchased					
Under Resale Agreements	80,396	86,556	82,836	80,405	79,495
Securities and Trading Assets	200,161	194,736	200,872	197,636	179,233
Securities Borrowed	38,122	38,006	37,261	36,887	37,270
Loans	224,125	217,447	219,133	215,422	213,312
	-----	-----	-----	-----	-----
Total Interest-Earning Assets	551,387	546,280	547,619	540,559	517,568
Noninterest-Earning Assets	185,891	189,488	183,339	163,065	166,717
	-----	-----	-----	-----	-----
TOTAL ASSETS	\$737,278	\$735,768	\$730,958	\$703,624	\$684,285
	=====	=====	=====	=====	=====
LIABILITIES					
Interest-Bearing Deposits	\$207,430	\$215,987	\$216,749	\$215,147	\$212,918
Federal Funds Purchased and Securities Sold					
Under Repurchase Agreements	170,708	167,126	152,675	149,237	134,478
Commercial Paper	21,307	17,818	17,963	21,889	16,851
Other Borrowings	67,218	63,038	70,606	65,071	61,770
Long-Term Debt	44,788	45,173	47,445	46,723	47,113
	-----	-----	-----	-----	-----
Total Interest-Bearing Liabilities	511,451	509,142	505,438	498,067	473,130
Noninterest Bearing-Liabilities	182,757	183,118	182,218	163,113	171,764
	-----	-----	-----	-----	-----
TOTAL LIABILITIES	694,208	692,260	687,656	661,180	644,894
	=====	=====	=====	=====	=====
PREFERRED STOCK OF SUBSIDIARY	550	550	550	550	550
	=====	=====	=====	=====	=====
Preferred Stock	1,017	1,239	1,487	1,522	1,522
Common Stockholders' Equity	41,503	41,719	41,265	40,372	37,319
	-----	-----	-----	-----	-----
TOTAL STOCKHOLDERS' EQUITY	42,520	42,958	42,752	41,894	38,841
	=====	=====	=====	=====	=====
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$737,278	\$735,768	\$730,958	\$703,624	\$684,285
	=====	=====	=====	=====	=====
AVERAGE RATES					
INTEREST-EARNING ASSETS					
Deposits with Banks	4.64 %	4.65 %	7.51 %	7.96 %	8.68 %
Federal Funds Sold and Securities Purchased					
Under Resale Agreements	4.19	4.98	5.86	6.27	5.97
Securities and Trading Assets	5.51	5.90	5.86	6.34	6.58
Securities Borrowed	3.17	3.66	5.37	6.80	6.48
Loans	6.54	7.55	8.27	8.66	8.39
TOTAL INTEREST-EARNING ASSETS	5.56	6.23	6.81	7.31	7.26
INTEREST-BEARING LIABILITIES					
Interest-Bearing Deposits	3.48	3.94	4.93	5.40	5.17
Federal Funds Purchased and Securities Sold					
Under Repurchase Agreements	3.81	4.29	5.67	6.22	6.06
Commercial Paper	3.53	4.39	5.98	6.21	6.65
Other Borrowings	5.31	6.04	5.64	6.37	7.27
Long-Term Debt	4.43	5.63	6.36	7.03	7.24
TOTAL INTEREST-BEARING LIABILITIES	3.92	4.48	5.43	5.96	5.95
TOTAL INVESTABLE FUNDS	3.63	4.17	5.01	5.49	5.44
INTEREST RATE SPREAD					
	1.64%	1.75%	1.38%	1.35%	1.31%
	=====	=====	=====	=====	=====
NET INTEREST MARGIN					
	1.93%	2.06%	1.80%	1.82%	1.82%
	=====	=====	=====	=====	=====
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS					
	2.13%	2.22%	1.96%	1.99%	2.01%
	=====	=====	=====	=====	=====

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	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
AVERAGE BALANCES					
ASSETS					
Deposits with Banks	(10) %	4 %	\$ 8,549	\$ 9,133	(6) %
Federal Funds Sold and Securities Purchased					
Under Resale Agreements	(7)	1	83,254	78,988	5
Securities and Trading Assets	3	12	198,587	172,436	15
Securities Borrowed	--	2	37,799	36,234	4
Loans	3	5	220,253	207,496	6
			-----	-----	
Total Interest-Earning Assets	1	7	548,442	504,287	9
Noninterest-Earning Assets	(2)	12	186,249	163,513	14
			-----	-----	
TOTAL ASSETS	--	8	\$734,691	\$667,800	10
			=====	=====	
LIABILITIES					
Interest-Bearing Deposits	(4)	(3)	\$213,355	\$214,164	--
Federal Funds Purchased and Securities Sold					
Under Repurchase Agreements	2	27	163,569	128,489	27
Commercial Paper	20	26	19,042	16,636	14
Other Borrowings	7	9	66,941	57,292	17
Long-Term Debt	(1)	(5)	45,792	46,134	(1)
			-----	-----	
Total Interest-Bearing Liabilities	--	8	508,699	462,715	10
Noninterest Bearing-Liabilities	--	6	182,699	168,181	9
			-----	-----	
TOTAL LIABILITIES	--	8	691,398	630,896	10
			=====	=====	
PREFERRED STOCK OF SUBSIDIARY	--	--	550	550	--
			=====	=====	
Preferred Stock	(18)	(33)	1,246	1,588	(22)
Common Stockholders' Equity	(1)	11	41,497	34,766	19
			-----	-----	
TOTAL STOCKHOLDERS' EQUITY	(1)	9	42,743	36,354	18
			=====	=====	
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	--	8	\$734,691	\$667,800	10
			=====	=====	
AVERAGE RATES					
INTEREST-EARNING ASSETS					
Deposits with Banks	(1) bp	(404) bp	5.48 %	8.31 %	(283) bp
Federal Funds Sold and Securities Purchased					
Under Resale Agreements	(79)	(178)	5.01	5.89	(88)
Securities and Trading Assets	(39)	(107)	5.75	6.59	(84)
Securities Borrowed	(49)	(331)	4.05	6.13	(208)
Loans	(101)	(185)	7.44	8.09	(65)
TOTAL INTEREST-EARNING ASSETS	(67)	(170)	6.20	7.10	(90)
INTEREST-BEARING LIABILITIES					
Interest-Bearing Deposits	(46)	(169)	4.12	4.94	(82)
Federal Funds Purchased and Securities Sold					
Under Repurchase Agreements	(48)	(225)	4.55	5.70	(115)
Commercial Paper	(86)	(312)	4.56	6.25	(169)
Other Borrowings	(73)	(196)	5.66	7.28	(162)
Long-Term Debt	(120)	(281)	5.48	6.85	(137)
TOTAL INTEREST-BEARING LIABILITIES	(56)	(203)	4.60	5.68	(108)
TOTAL INVESTABLE FUNDS	(54)	(181)	4.27	5.21	(94)
INTEREST RATE SPREAD					
	(11)	33	1.60%	1.42%	18
			=====	=====	
NET INTEREST MARGIN	(13)	11	1.93%	1.89%	4
			=====	=====	
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS	(9)	12	2.10%	2.08%	2
	-----	-----	=====	=====	-----

[J.P. MORGAN CHASE & CO LOGO]

J.P. MORGAN CHASE & CO.  
CREDIT-RELATED INFORMATION

(IN MILLIONS, EXCEPT RATIOS)

	SEP 30TH 2001 -----	JUN 30TH 2001 -----	MAR 31ST 2001 -----	DEC 31ST 2000 -----	SEP 30TH 2000 -----
CREDIT-RELATED ASSETS					
COMMERCIAL LOANS					
Domestic Commercial	\$ 77,712	\$ 74,563	\$ 73,046	\$ 76,207	\$ 75,156
Foreign Commercial	38,866	38,227	40,171	43,253	49,802
	-----	-----	-----	-----	-----
Total Commercial Loans	116,578	112,790	113,217	119,460	124,958
Derivative and FX Contracts	85,407	68,910	78,907	76,373	67,028
	-----	-----	-----	-----	-----
TOTAL COMMERCIAL CREDIT-RELATED	201,985	181,700	192,124	195,833	191,986
CONSUMER LOANS					
Credit Card - Reported	19,255	19,531	19,835	18,495	14,981
Credit Card - Securitizations	18,724	17,753	16,625	17,871	18,022
	-----	-----	-----	-----	-----
Credit Card - Managed	37,979	37,284	36,460	36,366	33,003
1-4 Family Residential Mortgages	55,160	56,743	54,143	50,302	48,902
Auto Financings	24,448	23,322	21,457	19,802	19,921
Other Consumer	7,844	7,532	8,136	7,991	9,483
	-----	-----	-----	-----	-----
TOTAL MANAGED CONSUMER LOANS	125,431	124,881	120,196	114,461	111,309
	-----	-----	-----	-----	-----
TOTAL MANAGED CREDIT-RELATED ASSETS	\$327,416	\$306,581	\$312,320	\$310,294	\$303,295
	=====	=====	=====	=====	=====
NONPERFORMING ASSETS AND RATIOS					
COMMERCIAL LOANS					
Domestic Commercial	\$ 1,438	\$ 1,528	\$ 1,209	\$ 821	\$ 671
Foreign Commercial	580	362	428	613	744
	-----	-----	-----	-----	-----
Total Commercial Loans	2,018	1,890	1,637	1,434	1,415
Derivative and FX Contracts	46	88	109	37	52
	-----	-----	-----	-----	-----
TOTAL COMMERCIAL CREDIT-RELATED ASSETS	2,064	1,978	1,746	1,471	1,467
CONSUMER LOANS					
Credit Card - Reported	23	25	24	26	30
Credit Card - Securitizations	--	--	--	--	--
	-----	-----	-----	-----	-----
Credit Card - Managed	23	25	24	26	30
1-4 Family Residential Mortgages	273	263	254	269	273
Auto Financings	110	97	84	76	80
Other Consumer	53	16	15	13	13
	-----	-----	-----	-----	-----
TOTAL CONSUMER LOANS	459	401	377	384	396
	-----	-----	-----	-----	-----
TOTAL MANAGED CREDIT-RELATED ASSETS	2,523	2,379	2,123	1,855	1,863
Assets Acquired in Loan Satisfactions	123	119	111	68	81
	-----	-----	-----	-----	-----
TOTAL NONPERFORMING ASSETS	\$ 2,646 (a)	\$ 2,498	\$ 2,234	\$ 1,923	\$ 1,944
	=====	=====	=====	=====	=====
TOTAL NONPERFORMING ASSETS TO TOTAL ASSETS	0.33%	0.35%	0.31%	0.27%	0.27%
	=====	=====	=====	=====	=====
PAST DUE 90 DAYS AND OVER AND ACCRUING					
COMMERCIAL LOANS					
Domestic Commercial	\$ 19	\$ 48	\$ 114	\$ 98	\$ 105
Foreign Commercial	44	34	--	1	1
	-----	-----	-----	-----	-----
TOTAL COMMERCIAL CREDIT-RELATED	63	82	114	99	106
CONSUMER LOANS					
Credit Card - Reported	394	326	352	327	266
Credit Card - Securitizations	348	374	374	387	329
	-----	-----	-----	-----	-----
Credit Card - Managed	742	700	726	714	595
1-4 Family Residential Mortgages	--	--	3	2	1
Auto Financings	1	1	1	1	1
Other Consumer	28	66	69	71	64
	-----	-----	-----	-----	-----
TOTAL CONSUMER LOANS	771	767	799	788	661
	-----	-----	-----	-----	-----
TOTAL CR.-REL. ACCRUING ASSETS PAST DUE 90 DAYS	\$ 834	\$ 849	\$ 913	\$ 887	\$ 767
	=====	=====	=====	=====	=====

	----- SEP 30, 2001 OVER (UNDER) -----	
	JUN 30, 01	SEP 30, 00
	-----	-----
CREDIT-RELATED ASSETS		
COMMERCIAL LOANS		
Domestic Commercial	4 %	3 %
Foreign Commercial	2	(22)
Total Commercial Loans	3	(7)
Derivative and FX Contracts	24	27
TOTAL COMMERCIAL CREDIT-RELATED	11	5
CONSUMER LOANS		
Credit Card - Reported	(1)	29
Credit Card - Securitizations	5	4
Credit Card - Managed	2	15
1-4 Family Residential Mortgages	(3)	13
Auto Financings	5	23
Other Consumer	4	(17)
TOTAL MANAGED CONSUMER LOANS	--	13
TOTAL MANAGED CREDIT-RELATED ASSETS	7	8
NONPERFORMING ASSETS AND RATIOS		
COMMERCIAL LOANS		
Domestic Commercial	(6)	114
Foreign Commercial	60	(22)
Total Commercial Loans	7	43
Derivative and FX Contracts	(48)	(12)
TOTAL COMMERCIAL CREDIT-RELATED ASSETS	4	41
CONSUMER LOANS		
Credit Card - Reported	(8)	(23)
Credit Card - Securitizations	NM	NM
Credit Card - Managed	(8)	(23)
1-4 Family Residential Mortgages	4	--
Auto Financings	13	38
Other Consumer	NM	NM
TOTAL CONSUMER LOANS	14	16
TOTAL MANAGED CREDIT-RELATED ASSETS	6	35
Assets Acquired in Loan Satisfactions	3	52
TOTAL NONPERFORMING ASSETS	6	36
TOTAL NONPERFORMING ASSETS TO TOTAL ASSETS	(2) bp	6 bp
PAST DUE 90 DAYS AND OVER AND ACCRUING		
COMMERCIAL LOANS		
Domestic Commercial	(60) %	(82) %
Foreign Commercial	29	NM
TOTAL COMMERCIAL CREDIT-RELATED	(23)	(41)
CONSUMER LOANS		
Credit Card - Reported	21	48
Credit Card - Securitizations	(7)	6
Credit Card - Managed	6	25
1-4 Family Residential Mortgages	NM	(100)
Auto Financings	--	--
Other Consumer	(58)	(56)
TOTAL CONSUMER LOANS	1	17
TOTAL CR.-REL. ACCRUING ASSETS PAST DUE 90 DAYS	(2)	9
	-----	-----

(a) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) aggregating \$114 million related to nonperforming counterparties.

[J.P. MORGAN CHASE LOGO]

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

(IN MILLIONS, EXCEPT RATIOS)

	3QTR 2001 -----	2QTR 2001 -----	1QTR 2001 -----	4QTR 2000 -----	3QTR 2000 -----
NET CHARGE-OFFS					
COMMERCIAL LOANS					
Domestic Commercial	\$ 126	\$ 177	\$ 126	\$ 88	\$ 80
Foreign Commercial	63	35	22	71	3
	-----	-----	-----	-----	-----
TOTAL COMMERCIAL LOANS	189	212	148	159	83
CONSUMER LOANS					
Credit Card - Reported	264	234	218	172	167
Credit Card - Securitizations	270	273	241	245	236
	-----	-----	-----	-----	-----
Credit Card - Managed	534	507	459	417	403
1-4 Family Residential Mortgages	15	7	10	10	7
Auto Financings	32	26	29	26	20
Other Consumer	45	46	42	42	46
	-----	-----	-----	-----	-----
TOTAL CONSUMER LOANS	626	586	540	495	476
FFIEC CONFORMITY	--	--	--	93	--
	-----	-----	-----	-----	-----
TOTAL MANAGED NET CHARGE-OFFS	\$ 815	\$ 798	\$ 688	\$ 747	\$ 559
	=====	=====	=====	=====	=====
NET CHARGE-OFF RATES - ANNUALIZED					
COMMERCIAL LOANS					
Domestic Commercial	0.59 %	0.90 %	0.62 %	0.42 %	0.38 %
Foreign Commercial	0.79	0.46	0.24	0.77	0.03
TOTAL COMMERCIAL LOANS	0.65	0.77	0.50	0.53	0.27
CONSUMER LOANS					
Credit Card - Reported	5.47	4.69	4.44	4.27	5.06
Credit Card - Securitizations	5.82	6.55	5.77	5.40	4.94
Credit Card - Managed	5.64	5.54	5.05	4.86	4.99
1-4 Family Residential Mortgages	0.10	0.05	0.08	0.08	0.06
Auto Financings	0.53	0.46	0.56	0.51	0.41
Other Consumer	2.33	2.30	1.91	1.73	1.94
TOTAL CONSUMER LOANS	1.96	1.89	1.83	1.74	1.72
TOTAL MANAGED NET CHARGE-OFF RATES	1.33	1.37	1.17	1.28	0.96
ALLOWANCE FOR LOAN LOSSES AND RATIOS					
Allowance for Loan Losses (a)	\$ 3,874	\$ 3,673	\$ 3,672	\$ 3,665	\$ 3,749
To Total Loans	1.74 %	1.67 %	1.69 %	1.70 %	1.72 %
To Total Nonperforming Loans	156	160	182	202	207
To Total Nonperforming Assets	146	147	164	191	193
SELECTED COUNTRY TOTAL EXPOSURE (a) (IN BILLIONS)					
Argentina	\$0.9 (b)	\$ 1.4	\$ 1.8	\$ 1.4	N/A
Brazil	3.2 (b)	2.8	1.9	2.4	N/A
Turkey	0.2 (b)	0.2	0.3	0.7	N/A

	3QTR 2001 OVER (UNDER) -----		YEAR TO DATE -----		YTD 2001 OVER (UNDER) -----
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
NET CHARGE-OFFS					
COMMERCIAL LOANS					
Domestic Commercial	(29) %	58 %	\$ 429	\$ 202	112 %
Foreign Commercial	80	NM	120	39	208
	-----	-----	-----	-----	-----
TOTAL COMMERCIAL LOANS	(11)	128	549	241	128
CONSUMER LOANS					
Credit Card - Reported	13	58	716	521	37
Credit Card - Securitizations	(1)	14	784	732	7

Credit Card - Managed	5	33	1,500	1,253	20
1-4 Family Residential Mortgages	114	114	32	26	23
Auto Financings	23	60	87	63	38
Other Consumer	(2)	(2)	133	140	(5)
			-----	-----	
TOTAL CONSUMER LOANS	7	32	1,752	1,482	18
FFIEC CONFORMITY	NM	NM	--	--	NM
			-----	-----	
TOTAL MANAGED NET CHARGE-OFFS	2	46	\$2,301	\$ 1,723	34
			=====	=====	
NET CHARGE-OFF RATES - ANNUALIZED					
COMMERCIAL LOANS					
Domestic Commercial	(31) bp	21 bp	0.70 %	0.32 %	38 bp
Foreign Commercial	33	76	0.49	0.15	34
TOTAL COMMERCIAL LOANS	(12)	38	0.64	0.27	37
CONSUMER LOANS					
Credit Card - Reported	78	41	4.88	5.28	(40)
Credit Card - Securitizations	(73)	88	6.06	5.15	91
Credit Card - Managed	10	65	5.43	5.20	23
1-4 Family Residential Mortgages	5	4	0.08	0.07	1
Auto Financings	7	12	0.52	0.44	8
Other Consumer	3	39	2.18	1.90	28
TOTAL CONSUMER LOANS	7	24	1.90	1.84	6
TOTAL MANAGED NET CHARGE-OFF RATES	(4)	37	1.30	1.02	28
ALLOWANCE FOR LOAN LOSSES AND RATIOS					
Allowance for Loan Losses (a)	5 %	3 %			
To Total Loans	7 bp	2 bp			
To Total Nonperforming Loans	(400)	NM			
To Total Nonperforming Assets	(100)	NM			
SELECTED COUNTRY TOTAL EXPOSURE (a)					
(IN BILLIONS)					
Argentina	(36) %	N/A			
Brazil	14	N/A			
Turkey	-	N/A			
	-----			-----	

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

(b) Estimated

	3QTR 2001	2QTR 2001	1QTR 2001	4QTR 2000	3QTR 2000
	-----	-----	-----	-----	-----
SOURCES AND USES OF TIER 1 CAPITAL					
-----					
(IN BILLIONS)					
SOURCES OF FREE CASH FLOW					
Cash Operating Earnings Less Dividends	\$ 0.5 (a)	\$ 0.2	\$ 0.9	\$ 0.3	\$ 1.0
Plus: Preferred Stock and Equivalents/Other Items	(0.6)(a)	(0.7)	0.2	(0.1)	0.2
Less: Capital for Internal Asset Growth	(1.1)(a)	(0.5)	(0.5)	1.3	--
	-----	-----	-----	-----	-----
TOTAL SOURCES OF FREE CASH FLOW	\$ (1.2)	\$ (1.0)	\$ 0.6	\$ 1.5	\$ 1.2
	=====	=====	=====	=====	=====
USES OF FREE CASH FLOW					
Increases (Decreases) in Capital Ratios	\$ (1.7)(a)	\$ (0.7)	\$ 1.2	\$ 1.6	\$ (1.9)
Acquisitions	-- (a)	--	0.1	--	6.8
Repurchases Net of Stock Issuances	0.5 (a)	(0.3)	(0.7)	(0.1)	(3.7)
	-----	-----	-----	-----	-----
TOTAL USES OF FREE CASH FLOW	\$ (1.2)	\$ (1.0)	\$ 0.6	\$ 1.5	\$ 1.2
	=====	=====	=====	=====	=====
COMMON SHARES OUTSTANDING					
-----					
(IN MILLIONS)					
Basic Weighted-Average Shares Outstanding	1,975.3	1,978.4	1,966.6	1,924.8	1,893.3
Diluted Weighted-Average Shares Outstanding	2,020.9	2,033.6	2,032.2	2,007.1	1,983.4
Common Shares Outstanding - at Period End	1,972.9	1,989.2	1,984.2	1,928.5	1,901.1
CASH DIVIDENDS DECLARED PER SHARE	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.32	\$ 0.32
BOOK VALUE PER SHARE	21.15	20.81	21.17	21.17	20.98
SHARE PRICE					
-----					
High	\$ 46.01	\$ 50.60	\$ 59.19	\$ 48.13	\$ 58.38
Low	29.04	39.21	37.58	32.38	44.56
Close	34.15	44.60	44.90	45.44	46.19
CAPITAL RATIOS					
-----					
Tier I Capital Ratio	8.2%(a)	8.7%	8.7%	8.5%	8.1%
Total Capital Ratio	11.6 (a)	12.2	12.3	12.0	11.7
Tier I Leverage	5.3 (a)	5.4	5.4	5.4	5.6

	3QTR 2001 OVER (UNDER)		YEAR TO DATE		YTD 2001 OVER (UNDER)
	2Q 2001	3Q 2000	2001	2000	2000
	-----	-----	-----	-----	-----
SOURCES AND USES OF TIER 1 CAPITAL					
-----					
(IN BILLIONS)					
SOURCES OF FREE CASH FLOW					
Cash Operating Earnings Less Dividends	150%	(50)%	\$ 1.6 (a)	\$ 3.7	(57)%
Plus: Preferred Stock and Equivalents/Other Items	(14)	NM	(1.1)(a)	(0.1)	NM
Less: Capital for Internal Asset Growth	120	NM	(2.1)(a)	(1.2)	75
			-----	-----	
TOTAL SOURCES OF FREE CASH FLOW	20	NM	\$ (1.6)	\$ 2.4	NM
			=====	=====	
USES OF FREE CASH FLOW					
Increases (Decreases) in Capital Ratios	143	(11)	\$ (1.2)(a)	\$ (1.6)	(25)
Acquisitions	NM	NM	0.1 (a)	6.8	(99)
Repurchases Net of Stock Issuances	NM	NM	(0.5)(a)	(2.8)	(82)
			-----	-----	
TOTAL USES OF FREE CASH FLOW	20	NM	\$ (1.6)	\$ 2.4	NM
			=====	=====	
COMMON SHARES OUTSTANDING					
-----					
(IN MILLIONS)					
Basic Weighted-Average Shares Outstanding	--	4	1,973.5	1,870.7	5
Diluted Weighted-Average Shares Outstanding	(1)	2	2,028.9	1,955.8	4
Common Shares Outstanding - at Period End	(1)	4	1,972.9	1,901.1	4
CASH DIVIDENDS DECLARED PER SHARE	--	6	\$ 1.02	\$ 0.96	6

BOOK VALUE PER SHARE	2	1			
SHARE PRICE					
-----					
High	(9)	(21)	\$ 59.19	\$ 67.17	(12)
Low	(26)	(35)	29.04	44.13	(34)
Close	(23)	(26)	34.15	46.19	(26)
					-----
CAPITAL RATIOS					
-----					
Tier I Capital Ratio	(50)bp	10 bp			
Total Capital Ratio	(60)	(10)			
Tier I Leverage	(10)	(30)			
					-----

(a) Estimated



AVERAGE MANAGED ASSETS: Excludes the impact of credit card securitizations.

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

CASH OPERATING EARNINGS: Operating earnings excluding the impact of the amortization of intangibles.

CASH OVERHEAD RATIO: Noninterest expense, excluding amortization of intangibles, as a percentage of the total of net interest income and noninterest revenue (excluding merger and restructuring costs and special items).

CORPORATE AND SUPPORT UNITS: Includes LabMorgan and the effects 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.

LINE OF BUSINESS RESULTS - All periods are on a comparable basis, although restatements will occur in the future periods to reflect further alignment of management accounting policies.

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.

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

N/A: Not available

NM: Not meaningful

NONCOMPENSATION EXPENSE: Includes total operating expenses less compensation expense and amortization of intangibles.

OPERATING BASIS OR OPERATING EARNINGS: Reported results excluding the impact of credit card securitizations, merger and restructuring costs, and special items.

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: Noninterest expense as a percentage of the total of net interest income and noninterest revenue (excluding merger and restructuring costs and special items).

PRO FORMA RESULTS: Assumes that the purchase of Robert Fleming Holdings Limited ("Flemings") occurred at the beginning of 2000 and primarily affected Investment Bank, Investment Management & Private Banking and total consolidated results.

REPORTED BASIS: Net Income for the nine months of 2001 includes the cumulative effect of a transition adjustment of \$(25) million, net of taxes, related to the adoption of Statement of Financial Accounting Standards ("SFAS") 133, relating to the accounting for derivative instruments and hedging activities. The impact on each of basic and diluted earnings per share was \$(0.01).

SHAREHOLDER VALUE ADDED ("SVA"): SVA is JPMorgan Chase's primary performance measure of its businesses. SVA represents operating earnings excluding the amortization of goodwill and certain other intangibles (i.e., cash operating earnings) minus preferred dividends and an explicit charge for capital. A new framework for capital allocation and for business performance measurement was adopted during the first quarter of 2001. The SVA framework now utilizes a 12% cost of equity capital for each business, with the exception of JPMP which is charged a 15% cost of equity capital. All periods prior to the first quarter of 2001 have been restated.

SPECIAL ITEMS: Includes merger and restructuring costs and special items.

TRADING-RELATED REVENUE: Includes net interest income ("NII") attributable to trading activities. Trading-related NII has been restated in the prior periods to conform to the current presentation which began in the second quarter of 2001.

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

