



SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

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

Date of Report:  
April 17, 2002

Commission file number  
1-5805

J.P. MORGAN CHASE & CO.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-2624428  
(I.R.S. Employer  
Identification No.)

270 Park Avenue, New York, NY  
(Address of principal executive offices)

10017  
(Zip Code)

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

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Item 5. Other Events

On April 17, 2002, J.P. Morgan Chase & Co. (NYSE:JPM) announced 2002 first quarter results. First quarter 2002 operating earnings were \$0.57 per share, compared with \$0.17 in the fourth quarter of 2001 and \$0.74 in the first quarter of 2001. Operating earnings were \$1,150 million in the first quarter 2002, compared with \$356 million in the fourth quarter of 2001 and \$1,527 million one year ago. Operating earnings for 2001 have been adjusted by adding back amortization of goodwill to present 2001 results on a basis comparable to this year's first quarter, which included the impact of the implementation of SFAS 142.

Reported net income, which includes special items such as merger and restructuring costs, was \$982 million, or \$0.48 per share, in the first quarter of 2002. This compares with a loss of \$332 million, or \$0.18 per share, in the 2001 fourth quarter and profits of \$1,199 million, or \$0.58 per share, in the first quarter of 2001.

A copy of J.P. Morgan Chase & Co.'s press release is attached as an exhibit hereto. That press release contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in the forward-looking statements. Such risks and uncertainties are described in our 2001 Annual Report on Form 10-K, 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.

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

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

SIGNATURE

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

J.P. MORGAN CHASE & CO.  
(Registrant)

By: /s/ Joseph L. Sclafani

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Joseph L. Sclafani

Executive Vice President  
and Controller  
[Principal Accounting Officer]

Dated: April 19, 2002

EXHIBIT INDEX

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EXHIBIT 12(a)

J.P. MORGAN CHASE & CO.

**Computation of Ratio of Earnings to Fixed Charges**  
(in millions, except ratios)

	<u>Three Months Ended March 31, 2002</u>
<b><u>Excluding Interest on Deposits</u></b>	
Income before income taxes	\$1,487
Fixed charges:	
Interest expense	2,020
One-third of rents, net of income from subleases (a)	57
Total fixed charges	2,077
Less: Equity in undistributed income of affiliates	(15)
Earnings before taxes and fixed charges, excluding capitalized interest	\$3,549
Fixed charges, as above	\$2,077
Ratio of earnings to fixed charges	1.71
<b><u>Including Interest on Deposits</u></b>	
Fixed charges, as above	\$2,077
Add: Interest on deposits	1,339
Total fixed charges and interest on deposits	\$3,416
Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$3,549
Add: Interest on deposits	1,339
Total earnings before taxes, fixed charges and interest on deposits	\$4,888
Ratio of earnings to fixed charges	1.43

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

EXHIBIT 12(b)

J.P. MORGAN CHASE & CO.

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

	<u>Three Months Ended March 31, 2002</u>
<b><u>Excluding Interest on Deposits</u></b>	
Income before income taxes	\$1,487
Fixed charges:	
Interest expense	2,020
One-third of rents, net of income from subleases (a)	57
Total fixed charges	2,077
Less: Equity in undistributed income of affiliates	(15)
Earnings before taxes and fixed charges, excluding capitalized interest	\$3,549
Fixed charges, as above	\$2,077
Preferred stock dividends	13
Fixed charges including preferred stock dividends	\$2,090
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.70
<b><u>Including Interest on Deposits</u></b>	
Fixed charges including preferred stock dividends, as above	\$2,090
Add: Interest on deposits	1,339
Total fixed charges including preferred stock dividends and interest on deposits	\$3,429
Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$3,549
Add: Interest on deposits	1,339
Total earnings before taxes, fixed charges and interest on deposits	\$4,888
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.43

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

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



News release: IMMEDIATE RELEASE

## JPMORGAN CHASE REPORTS 2002 FIRST QUARTER RESULTS

**New York, April 17, 2002** – J.P. Morgan Chase & Co. (NYSE: JPM) today announced 2002 first quarter operating earnings per share of \$0.57, compared with \$0.17 in the fourth quarter of 2001 and \$0.74 in the first quarter of 2001. Operating earnings were \$1,150 million, compared with \$356 million in the fourth quarter of 2001 and \$1,527 million one year ago. Operating earnings for 2001 have been adjusted by adding back amortization of goodwill to present 2001 results on a basis comparable to this year's first quarter, which included the impact of the implementation of SFAS 142.

Operating ROE was 11% and excluding JPMorgan Partners was 16%. The contribution to operating earnings per share of JPMorgan Partners was a loss of \$0.12 in the first quarter compared to a \$0.17 loss in the fourth quarter of 2001 and no impact in the first quarter of 2001.

Reported net income, which includes special items such as merger and restructuring costs, was \$982 million, or \$0.48 per share, in the first quarter of 2002. This compares with a loss of \$332 million, or \$0.18 per share, in the 2001 fourth quarter and profits of \$1,199 million, or \$0.58 per share, in the first quarter of 2001.

"First quarter results benefited from disciplined expense management and strong performance in our consumer businesses," said William B. Harrison, Jr., Chairman and Chief Executive Officer. "In challenging markets, our Investment Bank posted a 16% ROE for the quarter and our Investment Management & Private Banking business showed margin improvement."

### Key events for the first quarter 2002

- Retail & Middle Market Financial Services posted record revenues of \$3.1 billion and operating earnings growth of 25% from the first quarter of 2001, generating an operating ROE of 22%.
- The Investment Bank generated an operating ROE of 16% and an overhead ratio of 58% in a weak capital markets environment. For the first time, JPMorgan was the third-leading underwriter of stocks and bonds globally (per Thomson Financial).
- Investment Management & Private Banking pre-tax margin improved to 22%, driven by expense control.
- JPMorgan Partners had private equity losses of \$255 million, driven primarily by the decline in the market price of Triton PCS.
- Credit costs declined from the fourth quarter of 2001 and equaled managed net charge-offs of \$1,074 million in the first quarter of 2002.
- Commercial loans continued to decline, down 3% from year-end and down 10% from the first quarter of 2001. The Tier 1 capital ratio increased from year-end 2001 to 8.5%.

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Operating expenses in the 2002 first quarter were \$5.1 billion, an 8% decline from first quarter of 2001 but a 7% increase from the 2001 fourth quarter. Expense growth from the fourth quarter included \$106 million in non-merger related severance costs, \$78 million related to the settlement of litigation with Sumitomo and \$46 million in operating costs related to the acquisition of the credit card master trust of Providian. Given the weak market environment, management is continuing to take actions to reduce expenses and implement other productivity programs. Costs related to these initiatives that were not associated with previously announced programs were reported in operating results in the first quarter and will continue to be reflected in operating results going forward.

#### **Business segment results**

**Retail & Middle Market Financial Services** had record operating earnings of \$526 million for the quarter, up 59% from the 2001 fourth quarter and an increase of 25% from the first quarter of 2001. Operating ROE for the first quarter was 22%, compared to 14% in the fourth quarter of 2001 and 20% for the first quarter of 2001.

Operating revenues of \$3.13 billion (including \$150 million of revenues from the card portfolio acquired from Providian) were up 7% and 18% from the fourth and first quarters of 2001, respectively. Credit card outstandings grew 31% to \$49 billion (including Providian) and there were over 900,000 new accounts originated during the quarter, the sixth consecutive quarter of such additions. Mortgage originations totaled \$33 billion in the quarter, down from \$50 billion in the 2001 fourth quarter and up from the first quarter of 2001. Auto finance originations were \$5.8 billion in the quarter, up 2% from the fourth quarter of 2001 and 34% over the first quarter of 2001. Total deposits were up 5% and 14% from the fourth and first quarters of 2001, respectively.

Operating expenses of \$1.56 billion increased by 4% from the fourth quarter of 2001 and by 13% from the first quarter of 2001. The increases reflected the impact of the Providian acquisition as well as higher expenses related to production volumes. Partially offsetting these increases were savings related to Six Sigma productivity programs.

Credit costs of \$726 million were 22% lower than the 2001 fourth quarter, which included \$250 million in provision in excess of charge-offs. Credit costs were 22% higher than the first quarter of 2001, partially due to higher outstandings. The allowance for loan losses was higher than at year-end due to reserves established for the acquired card portfolio.

**Investment Management & Private Banking** had operating earnings of \$126 million, up 30% from the 2001 fourth quarter and 19% better than the first quarter of 2001. Pre-tax margin in the first quarter was 22% compared with 16% in each of the fourth and first quarters of 2001.

Operating revenues of \$741 million in the first quarter were 1% better than the 2001 fourth quarter but 10% lower than the first quarter of 2001. Operating expenses of \$557 million for the first quarter were 5% lower than the 2001 fourth quarter and down 19% from the first quarter of 2001 reflecting the impact of cost

reductions taken in 2001. Credit costs in private banking were lower than in the 2001 fourth quarter and higher than the first quarter of 2001.

Strong growth in retail mutual funds across all asset classes was more than offset by outflows within the institutional segment, primarily outflows from lower-fee money market funds. Total assets under management at quarter-end of \$583 billion were 4% lower than in each of the fourth and first quarters of 2001. In the retail segment, JPMorgan Flemings international mutual funds received 82 awards for performance including Best Overall Group and Best-Mixed Asset Manager.<sup>1</sup>

**The Investment Bank** had operating earnings of \$755 million in the first quarter, more than double the fourth quarter of 2001 but 27% lower than the first quarter of 2001. Operating ROE was 16% for the quarter compared to 8% for the 2001 fourth quarter and 21% for the first quarter of 2001.

Operating revenues of \$3.62 billion in the first quarter of 2002 were 17% better than the 2001 fourth quarter but 16% lower than the first quarter of 2001.

Trading revenues (including related net interest income) of \$1.70 billion increased 66% from the fourth quarter of 2001 but were down 19% from the first quarter of 2001. The significant increase over the prior quarter reflected higher revenues across most businesses and was partly attributable to markdowns recorded against counterparty exposures in the fourth quarter of 2001. The decline from the first quarter of 2001 was primarily due to lower equity trading revenues as a result of lower client activity and lower volatility. Fixed income trading was lower compared to the first quarter of 2001 as strong credit trading results in the quarter were offset by lower interest rate trading, reflecting reduced opportunities from declining rates than existed one year ago.

Investment banking fees totaled \$741 million in the first quarter, declining 21% from each of the fourth and the first quarters of 2001. The declines reflected continued weakness in M&A and equity underwriting markets as well as lower loan syndication activity during the quarter. For the quarter, leadership positions were maintained in syndicated lending (#1) and high-grade bonds (#2).<sup>2</sup>

Fees and commissions of \$380 million in the first quarter increased by 5% from the fourth quarter of 2001 but declined 10% from the first quarter of 2001. The year-on-year decline was primarily due to lower margins from equity brokerage activities.

Operating expenses for the first quarter of \$2.12 billion increased by 14% from the fourth quarter of 2001 but declined 17% from the first quarter of last year. Expenses in the first quarter included the cost of the Sumitomo settlement and severance-related costs. The overhead ratio for the quarter was 58% reflecting ongoing productivity and expense management initiatives intended to allow the Investment Bank to make strategic investments despite the current revenue environment.

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<sup>1</sup> Source: Lipper, March 2002

<sup>2</sup> Derived from Thomson Financial Securities Data, based on proceeds

**Treasury & Securities Services** had operating earnings of \$141 million, down 14% from the 2001 fourth quarter and down 16% from the first quarter of 2001. Operating ROE for the quarter was 19% compared to 23% in the 2001 fourth quarter and 24% in the first quarter of 2001.

Operating revenues were \$935 million in the first quarter of 2002, down 1% from the 2001 fourth quarter and down 2% from the first quarter of 2001. Revenues in Investor Services were down 10% from the first quarter of 2001 to \$393 million as a result of weak global equity markets and lower asset levels, reduced money flows and lower business activity. Investor Services revenues were flat from the fourth quarter. Institutional Trust Services revenues increased 6% from each of the fourth and first quarters of 2001. Treasury Services revenues were down 5% from the fourth quarter but up 4% from the first quarter of 2001, as the effect of lower interest rates was offset by higher overall deposit levels resulting from increased business volumes.

Operating expenses rose 4% from the 2001 fourth quarter and 3% from the first quarter of 2001.

**JPMorgan Partners** had an operating loss of \$248 million for the quarter compared to an operating loss of \$345 million in the 2001 fourth quarter and an operating loss of \$4 million in the first quarter of 2001.

Total private equity gains were negative \$255 million, of which net unrealized losses were \$242 million. The decline in value of Triton PCS was the largest contributor to unrealized losses. Hedging put in place to partially offset fluctuations in the values of public securities contributed \$47 million in gains in the first quarter. Total private equity gains were negative \$398 million in the 2001 fourth quarter and \$139 million positive in the first quarter of 2001. Although private equity exit opportunities remain muted, market conditions have started to improve across several industry sectors.

### **Credit**

**Commercial** net charge-offs in the first quarter of 2002 were \$320 million, compared to \$433 million in the 2001 fourth quarter and \$148 million in the first quarter of 2001. The charge-off ratio was 1.27% for the first quarter of 2002, 1.58% for the fourth quarter of 2001 and 0.50% for the first quarter of 2001.

**Consumer** net charge-offs on a managed basis (i.e., including securitized assets) were \$754 million, up from \$649 million in the fourth quarter of 2001 and \$540 million in the first quarter of 2001. On a managed basis, the credit card net charge-off ratio, including the Providian assets acquired on February 1, 2002, was 5.87% in the first quarter of 2002, compared to 5.48% for the fourth quarter of 2001 and 5.05% for the first quarter of 2001. The Providian credit card receivables will contribute to a higher managed charge-off ratio over the remainder of the year.

**Provisions** equaled charge-offs in the quarter. In the fourth quarter of 2001, \$650 million of provisions in excess of charge-offs were recorded.

**Total Nonperforming Assets** were \$4.31 billion at March 31, 2002, which includes \$1.13 billion related to the Enron surety receivables and letter of credit. Excluding this amount, which is the subject of litigation with credit-worthy entities, nonperforming assets totaled \$3.18 billion. This compares to \$2.79 billion at December 31, 2001 and \$2.23 billion as of March 31, 2001.

### **Total assets and capital**

Total assets as of March 31, 2002 were \$713 billion, compared with \$694 billion at December 31, 2001 and \$714 billion as of March 31, 2001. The increase over December 31, 2001 was largely driven by growth in trading assets. Commercial loans declined 3%, or \$3.1 billion, from the fourth quarter of 2001 and 10%, or \$11.5 billion, from the first quarter of 2001. Consumer loans were up slightly from year-end and increased 9% from the first quarter of 2001. The Tier 1 capital ratio was 8.5% at March 31, 2002, compared to 8.3% at December 31, 2001 and 8.7% at March 31, 2001.

### **Other financial information**

**Special Items** in the first quarter of 2002 included \$255 million (pre-tax) in merger and restructuring costs. Special items in the fourth quarter of 2001 included merger and restructuring costs of \$841 million (pre-tax). Special items in the first quarter of 2001 included merger and restructuring costs (pre-tax) of \$328 million and the cumulative effect of a transition adjustment of negative \$25 million (after-tax) related to the adoption of SFAS 133 for the accounting for derivative instruments and hedging activities.

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of \$713 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 and retail and middle market financial services. A component of the Dow Jones Industrial Average, JPMorgan Chase is headquartered in New York and serves more than 30 million consumer customers and the world's most prominent corporate, institutional and government clients. Information about JPMorgan Chase is available on the internet at [www.jpmorganchase.com](http://www.jpmorganchase.com).

JPMorgan Chase will hold a presentation for the investment community on Wednesday, April 17, 2002 at 11:00 a.m. (Eastern Daylight Time) to review first quarter 2002 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) 872-3100. A telephone replay of the presentation will be available beginning at 1:00 p.m. (EDT) on April 17, 2002 and continuing through 6:00 p.m. (EDT) on April 23, 2002 at (973) 341-3080 pin #3183365. The replay also will be available on [www.jpmorganchase.com](http://www.jpmorganchase.com). Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available on the JPMorgan Chase web site ([www.jpmorganchase.com](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 could cause our results to differ materially from such forward-looking statements. Such risks and uncertainties are described in our 2001 Annual Report on Form 10-K, 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.*

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



	1QTR 2002	4QTR 2001	1QTR 2001
<b>OPERATING INCOME STATEMENT (a),(b)</b>			
<b>OPERATING REVENUE:</b>			
Investment Banking Fees	\$ 755	\$ 931	\$ 941
Trading-Related Revenue (Including Trading NII)	1,720	904	2,167
Fees and Commissions	2,493	2,340	2,082
Private Equity — Realized Gains (Losses)	(10)	81	412
Private Equity — Unrealized Gains (Losses)	(228)	(505)	(285)
Securities Gains	114	202	455
Other Revenue	137	138	257
Net Interest Income (Excluding Trading NII)	2,938	2,825	2,537
<b>TOTAL OPERATING REVENUE</b>	<b>7,919</b>	<b>6,916</b>	<b>8,566</b>
<b>OPERATING EXPENSE:</b>			
Compensation Expense	2,823	2,622	3,336
Noncompensation Expense	2,280	2,138	2,193
<b>TOTAL OPERATING EXPENSE</b>	<b>5,103</b>	<b>4,760</b>	<b>5,529</b>
Credit Costs	1,074	1,732	688
Operating Income before Taxes	1,742	424	2,349
Income Taxes	592	68	822
<b>OPERATING EARNINGS</b>	<b>\$ 1,150</b>	<b>\$ 356</b>	<b>\$ 1,527</b>
Special Items & Net Effect of Change in Acctng Principle	(168)	(579)	(237)
Amortization of Goodwill, Net of Taxes (c)	—	(109)	(91)
<b>NET INCOME (LOSS)</b>	<b>\$ 982</b>	<b>\$ (332)</b>	<b>\$ 1,199</b>
<b>OPERATING BASIS</b>			
Diluted Earnings per Share	\$ 0.57	\$ 0.17	\$ 0.74
Shareholder Value Added	(59)	(915)	285
Return on Managed Assets	0.63%	0.19%	0.83%
Return on Common Equity	11.4	3.3	14.8
Overhead Ratio	64	69	65
Common Dividend Payout Ratio	60	199	45
Compensation Expense as a % of Revenue	36	38	39
Noncompensation Expense as a % of Revenue	29	31	26
<b>NET INCOME (LOSS) PER COMMON SHARE (d)</b>			
Basic	\$ 0.49	\$ (0.18)	\$ 0.60
Diluted	0.48	(0.18)	0.58
<b>COMMON SHARES OUTSTANDING</b>			
Basic Average Shares Outstanding	1,978.2	1,969.6	1,966.6
Diluted Average Shares Outstanding	2,005.8	2,007.4	2,032.2
Common Shares Outstanding — at Period End	1,990.2	1,973.4	1,984.2
<b>CASH DIVIDENDS DECLARED PER SHARE</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>
<b>BOOK VALUE PER SHARE</b>	<b>20.16</b>	<b>20.32</b>	<b>21.17</b>
<b>CAPITAL RATIOS</b>			
Tier I Capital Ratio	8.5%(e)	8.3%	8.7%
Total Capital Ratio	12.4(e)	11.9	12.3
Tier I Leverage	5.4(e)	5.2	5.4

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>OPERATING INCOME STATEMENT (a),(b)</b>		
<b>OPERATING REVENUE:</b>		
Investment Banking Fees	(19)%	(20)%
Trading-Related Revenue (Including Trading NII)	90	(21)

Fees and Commissions	7	20
Private Equity — Realized Gains (Losses)	NM	NM
Private Equity — Unrealized Gains (Losses)	55	20
Securities Gains	(44)	(75)
Other Revenue	(1)	(47)
Net Interest Income (Excluding Trading NII)	4	16
<b>TOTAL OPERATING REVENUE</b>	<b>15</b>	<b>(8)</b>
<b>OPERATING EXPENSE:</b>		
Compensation Expense	8	(15)
Noncompensation Expense	7	4
<b>TOTAL OPERATING EXPENSE</b>	<b>7</b>	<b>(8)</b>
Credit Costs	(38)	56
Operating Income before Taxes	311	(26)
Income Taxes	NM	(28)
<b>OPERATING EARNINGS</b>	<b>223</b>	<b>(25)</b>
Special Items & Net Effect of Change in Acctng Principle	71	29
Amortization of Goodwill, Net of Taxes (c)	NM	NM
<b>NET INCOME (LOSS)</b>	<b>NM</b>	<b>(18)</b>
<b>OPERATING BASIS</b>		
Diluted Earnings per Share	235	(23)
Shareholder Value Added	94	NM
Return on Managed Assets	44bp	(20)bp
Return on Common Equity	810	(340)
Overhead Ratio	(500)	(100)
Common Dividend Payout Ratio	(13,900)	1,500
Compensation Expense as a % of Revenue	(200)	(300)
Noncompensation Expense as a % of Revenue	(200)	300
<b>NET INCOME (LOSS) PER COMMON SHARE (d)</b>		
Basic	NM	(18)%
Diluted	NM	(17)
<b>COMMON SHARES OUTSTANDING</b>		
Basic Average Shares Outstanding	—%	1
Diluted Average Shares Outstanding	—	(1)
Common Shares Outstanding — at Period End	1	—
<b>CASH DIVIDENDS DECLARED PER SHARE</b>	<b>—</b>	<b>—</b>
<b>BOOK VALUE PER SHARE</b>	<b>(1)</b>	<b>(5)</b>
<b>CAPITAL RATIOS</b>		
Tier I Capital Ratio	20bp	(20)bp
Total Capital Ratio	50	10
Tier I Leverage	20	—

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

- (a) See page 10 for a reconciliation between reported results and operating results.
- (b) In the first quarter of 2002, the Firm implemented EITF 01-14, “Income Statement Characterization of Reimbursements Received for ‘Out-of-Pocket’ Expenses Incurred (Formerly EITF Abstracts, Topic D-103).” Consequently, prior period amounts have been restated.
- (c) Reported net income for the first quarter 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Previously reported operating earnings for 2001 have been adjusted by adding back amortization of goodwill to make 2001 results comparable to 2002.
- (d) Basic and diluted earnings per share have been reduced by \$0.01 in the first quarter of 2001 due to the impact of the adoption of SFAS 133 relating to the accounting for derivative instruments and hedging activities.
- (e) Estimated
- bp - Denotes basis points; 100 bp equals 1%

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



	1QTR 2002	4QTR 2001	1QTR 2001
<b><u>OPERATING REVENUE</u></b>			
Investment Bank	\$3,620	\$3,088	\$4,327
Treasury & Securities Services	935	941	953
Investment Management & Private Banking	741	731	822
Retail & Middle Market Financial Services	3,131	2,936	2,654
Corporate (a)	(205)	(328)	(277)
<b>OPERATING REVENUE EXCLUDING JPMP</b>	<b>8,222</b>	<b>7,368</b>	<b>8,479</b>
JPMorgan Partners	(303)	(452)	87
<b>OPERATING REVENUE (b)</b>	<b>\$7,919</b>	<b>\$6,916</b>	<b>\$8,566</b>
<b><u>EARNINGS</u></b>			
Investment Bank	\$ 755	\$ 367	\$1,033
Treasury & Securities Services	141	164	168
Investment Management & Private Banking	126	97	106
Retail & Middle Market Financial Services	526	330	421
Corporate (a)	(150)	(257)	(197)
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	<b>1,398</b>	<b>701</b>	<b>1,531</b>
JPMorgan Partners	(248)	(345)	(4)
<b>OPERATING EARNINGS (b)</b>	<b>1,150</b>	<b>356</b>	<b>1,527</b>
Special Items & Net Effect of Change in Acctng Principle	(168)	(579)	(237)
Amortization of Goodwill, Net of Taxes	—	(109)	(91)
<b>NET INCOME (LOSS) (b)</b>	<b>\$ 982</b>	<b>\$ (332)</b>	<b>\$1,199</b>
<b><u>EARNINGS PER SHARE — DILUTED</u></b>			
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	<b>\$ 0.69</b>	<b>\$ 0.34</b>	<b>\$ 0.74</b>
Impact of JPMP	(0.12)	(0.17)	—
<b>OPERATING EARNINGS (b)</b>	<b>0.57</b>	<b>0.17</b>	<b>0.74</b>
Special Items & Net Effect of Change in Acctng Principle	(0.09)	(0.29)	(0.12)
Amortization of Goodwill, Net of Taxes	—	(0.05)	(0.04)
<b>NET INCOME (LOSS) (b)</b>	<b>\$ 0.48</b>	<b>\$ (0.18)(c)</b>	<b>\$ 0.58</b>
<b><u>OPERATING RETURN ON COMMON EQUITY</u></b>			
Investment Bank	15.9%	7.6%	20.8%
Treasury & Securities Services	19.1	22.6	23.5
Investment Management & Private Banking	8.4	6.2	6.4
Retail & Middle Market Financial Services	21.5	14.2	19.9
<b>OPERATING RETURN ON COMMON EQUITY (b)</b>	<b>11.4</b>	<b>3.3</b>	<b>14.8</b>

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4QTR 2001	1QTR 2001
<b><u>OPERATING REVENUE</u></b>		
Investment Bank	17 %	(16)%
Treasury & Securities Services	(1)	(2)
Investment Management & Private Banking	1	(10)
Retail & Middle Market Financial Services	7	18
Corporate (a)	38	26
<b>OPERATING REVENUE EXCLUDING JPMP</b>	<b>12</b>	<b>(3)</b>

JPMorgan Partners	33	NM
<b>OPERATING REVENUE (b)</b>	15	(8)
<b><u>EARNINGS</u></b>		
Investment Bank	106	(27)
Treasury & Securities Services	(14)	(16)
Investment Management & Private Banking	30	19
Retail & Middle Market Financial Services	59	25
Corporate (a)	42	24
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	99	(9)
JPMorgan Partners	28	NM
<b>OPERATING EARNINGS (b)</b>	223	(25)
Special Items & Net Effect of Change in Acctng Principle	71	29
Amortization of Goodwill, Net of Taxes	NM	NM
<b>NET INCOME (LOSS) (b)</b>	NM	(18)
<b><u>EARNINGS PER SHARE — DILUTED</u></b>		
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	103	(7)
Impact of JPMP	29	NM
<b>OPERATING EARNINGS (b)</b>	235	(23)
Special Items & Net Effect of Change in Acctng Principle	69	25
Amortization of Goodwill, Net of Taxes	NM	NM
<b>NET INCOME (LOSS) (b)</b>	NM	(17)
<b><u>OPERATING RETURN ON COMMON EQUITY</u></b>		
Investment Bank	830bp	(490)bp
Treasury & Securities Services	(350)	(440)
Investment Management & Private Banking	220	200
Retail & Middle Market Financial Services	730	160
<b>OPERATING RETURN ON COMMON EQUITY (b)</b>	810	(340)

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

(b) Represents consolidated JPMorgan Chase.

(c) Diluted EPS is reported as \$(0.18) which is the same as basic EPS, instead of \$(0.17), since using diluted average shares outstanding would cause antidilution. As a result, the net loss earnings per share does not foot by \$(0.01).



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



	Mar 31st 2002	Dec 31st 2001	Mar 31st 2001
<b>ASSETS</b>			
Cash and Due from Banks	\$ 22,637	\$ 22,600	\$ 22,371
Deposits with Banks	9,691	12,743	7,979
Federal Funds Sold and Securities Purchased under Resale Agreements	76,719	63,727	71,147
Securities Borrowed	40,880	36,580	37,264
Trading Assets:			
Debt and Equity Instruments	144,992	118,248	138,270
Derivative Receivables	63,224	71,157	78,907
Securities	61,225	59,760	69,731
Loans (Net of Allowance for Loan Losses)	209,541	212,920	213,116
Goodwill	7,924	8,205	8,667
Other Intangibles:			
Mortgage Servicing Rights	6,918	6,579	6,062
Purchased Credit Card Relationships	1,508	519	574
All Other Intangibles	327	44	48
Private Equity Investments	8,553	9,197	10,877
Other Assets	58,369	71,296	48,611
<b>TOTAL ASSETS</b>	<b>\$712,508</b>	<b>\$693,575</b>	<b>\$713,624</b>
<b>LIABILITIES</b>			
Deposits	\$282,037	\$293,650	\$272,572
Federal Funds Purchased and Securities Sold under Repurchase Agreements	152,837	128,445	145,703
Commercial Paper	23,726	18,510	16,281
Other Borrowed Funds	16,968	10,835	28,716
Trading Liabilities:			
Debt and Equity Instruments	71,141	52,988	52,501
Derivative Payables	44,997	56,063	73,312
Accounts Payable and Other Liabilities (Including the Allowance for Credit Losses)	36,910	47,813	33,575
Long-Term Debt	37,322	39,183	42,609
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	5,439	4,439	4,439
<b>TOTAL LIABILITIES</b>	<b>671,377</b>	<b>651,926</b>	<b>669,708</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>—</b>	<b>550</b>	<b>550</b>
<b>STOCKHOLDERS' EQUITY</b>			
Preferred Stock	1,009	1,009	1,362
Common Stock	2,016	1,997	1,984
Capital Surplus	12,783	12,495	11,663
Retained Earnings	27,278	26,993	28,592
Accumulated Other Comprehensive Income (Loss)	(909)	(442)	(214)
Treasury Stock, at Cost	(1,046)	(953)	(21)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>41,131</b>	<b>41,099</b>	<b>43,366</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>\$712,508</b>	<b>\$693,575</b>	<b>\$713,624</b>

[Additional columns below]

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

	Mar 31, 2002 Over (Under)	
	Dec 31, 01	Mar 31, 01
<b>ASSETS</b>		
Cash and Due from Banks	— %	1 %

Deposits with Banks	(24)	21
Federal Funds Sold and Securities Purchased under Resale Agreements	20	8
Securities Borrowed	12	10
Trading Assets:		
Debt and Equity Instruments	23	5
Derivative Receivables	(11)	(20)
Securities	2	(12)
Loans (Net of Allowance for Loan Losses)	(2)	(2)
Goodwill	(3)	(9)
Other Intangibles:		
Mortgage Servicing Rights	5	14
Purchased Credit Card Relationships	191	163
All Other Intangibles	NM	NM
Private Equity Investments	(7)	(21)
Other Assets	(18)	20
<b>TOTAL ASSETS</b>	<b>3</b>	<b>—</b>
<b>LIABILITIES</b>		
Deposits	(4)	3
Federal Funds Purchased and Securities Sold under Repurchase Agreements	19	5
Commercial Paper	28	46
Other Borrowed Funds	57	(41)
Trading Liabilities:		
Debt and Equity Instruments	34	36
Derivative Payables	(20)	(39)
Accounts Payable and Other Liabilities (Including the Allowance for Credit Losses)	(23)	10
Long-Term Debt	(5)	(12)
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	23	23
<b>TOTAL LIABILITIES</b>	<b>3</b>	<b>—</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>NM</b>	<b>NM</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock	—	(26)
Common Stock	1	2
Capital Surplus	2	10
Retained Earnings	1	(5)
Accumulated Other Comprehensive Income (Loss)	(106)	(325)
Treasury Stock, at Cost	10	NM
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>—</b>	<b>(5)</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>3</b>	<b>—</b>

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



	Mar 31st 2002	Dec 31st 2001	Mar 31st 2001
<b>CREDIT-RELATED ASSETS:</b>			
Commercial Loans	\$101,752	\$104,864	\$113,217
Derivative and FX Contracts	63,224	71,157	78,907
Total Commercial Credit-Related Assets (a)	164,976	176,021	192,124
Managed Consumer Loans (b)	136,019	134,004	120,196
<b>Total Managed Credit-Related Assets</b>	<b>\$300,995</b>	<b>\$310,025</b>	<b>\$312,320</b>
<b>NET CHARGE-OFFS: (c)</b>			
Commercial Loans	\$ 320	\$ 433	\$ 148
Credit Card — Managed	658	538	459
All Other Consumer	96	111	81
Managed Consumer Loans	754	649	540
<b>Total Managed Net Charge-offs</b>	<b>\$ 1,074</b>	<b>\$ 1,082</b>	<b>\$ 688</b>
<b>NET CHARGE-OFF RATES — ANNUALIZED:</b>			
Total Commercial Loans	1.27%	1.58%	0.50%
Credit Card — Managed	5.87	5.48	5.05
Total Managed Loans	1.82	1.80	1.17
<b>NONPERFORMING ASSETS:</b>			
Commercial Loans	\$ 2,359	\$ 1,997	\$ 1,637
Derivative and FX Contracts	155	170	109
Consumer Loans (b)	534	499	377
Assets Acquired in Loan Satisfaction	130	124	111
Total	3,178	2,790	2,234
Other Receivables (d)	1,130	1,130	—
<b>Total Nonperforming Assets</b>	<b>\$ 4,308(e)</b>	<b>\$ 3,920</b>	<b>\$ 2,234</b>
<b>SELECTED COUNTRY TOTAL EXPOSURE</b>			
(in billions)			
Argentina	\$ 0.5(f)	\$ 0.6	\$ 1.8
Brazil	2.7(f)	3.3	1.9
Turkey	0.1(f)	0.3	0.3
Venezuela	0.2(f)	0.3	0.4

[Additional columns below]

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

	Mar 31, 2002 Over (Under)	
	Dec 31, 01	Mar 31, 01
<b>CREDIT-RELATED ASSETS:</b>		
Commercial Loans	(3)%	(10)%
Derivative and FX Contracts	(11)	(20)
Total Commercial Credit-Related Assets (a)	(6)	(14)
Managed Consumer Loans (b)	2	13
<b>Total Managed Credit-Related Assets</b>	<b>(3)</b>	<b>(4)</b>
<b>NET CHARGE-OFFS: (c)</b>		
Commercial Loans	(26)	116

Credit Card — Managed	22	43
All Other Consumer	(14)	19
Managed Consumer Loans	16	40
<b>Total Managed Net Charge-offs</b>	<b>(1)</b>	<b>56</b>
<b>NET CHARGE-OFF RATES — ANNUALIZED:</b>		
Total Commercial Loans	(31)bp	77bp
Credit Card — Managed	39	82
Total Managed Loans	2	65
<b>NONPERFORMING ASSETS:</b>		
Commercial Loans	18%	44%
Derivative and FX Contracts	(9)	42
Consumer Loans (b)	7	42
Assets Acquired in Loan Satisfaction	5	17
Total	14	42
Other Receivables (d)	—	NM
<b>Total Nonperforming Assets</b>	<b>10</b>	<b>93</b>
<b>SELECTED COUNTRY TOTAL EXPOSURE</b>		
(in billions)		
Argentina	(17)	(72)
Brazil	(18)	42
Turkey	(67)	(67)
Venezuela	(33)	(50)

- (a) Unfunded commercial lending-related commitments totaled \$245 billion at March 31, 2002, \$248 billion at December 31, 2001 and \$262 billion at March 31, 2001.
- (b) Includes credit card receivables that have been securitized.
- (c) Net charge-offs are presented for the quarter ended as of the date indicated.
- (d) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities.
- (e) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) aggregating \$42 million related to nonperforming counterparties at March 31, 2002.
- (f) Estimated

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



	FIRST QUARTER 2002			
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS
<b>INCOME STATEMENT</b>				
Revenue	\$7,598	\$321	\$ —	\$7,919
Expense	5,034	—	—	5,034
Amortization of Intangibles	69	—	—	69
Operating Margin	2,495	321	—	2,816
Credit Costs	753	321	—	1,074
Income before Merger and Restructuring Costs	1,742	—	—	1,742
Merger and Restructuring Costs	255	—	(255)	—
Income before Tax Expense	1,487	—	255	1,742
Tax Expense	505	—	87	592
Income before Effect of Acctng Change	982	—	168	1,150
Net Effect of Change in Acctng Principle	—	—	—	—
Net Income	\$ 982	\$ —	\$ 168	\$1,150
<b>NET INCOME PER SHARE</b>				
Basic	\$ 0.49			\$ 0.57
Diluted	0.48			0.57

[Additional columns below]

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

	FIRST QUARTER 2001				
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	AMORTIZATION OF GOODWILL (d)	OPERATING BASIS
<b>INCOME STATEMENT</b>					
Revenue	\$8,325	\$241	\$ —	\$ —	\$8,566
Expense	5,493	—	—	—	5,493
Amortization of Intangibles	177	—	—	(141)	36
Operating Margin	2,655	241	—	141	3,037
Credit Costs	447	241	—	—	688
Income before Merger and Restructuring Costs	2,208	—	—	141	2,349
Merger and Restructuring Costs	328	—	(328)	—	—
Income before Tax Expense	1,880	—	328	141	2,349
Tax Expense	656	—	116	50	822
Income before Effect of Acctng Change	1,224	—	212	91	1,527
Net Effect of Change in Acctng Principle	(25)	—	25	—	—
Net Income	\$1,199	\$ —	\$ 237	\$ 91	\$1,527
<b>NET INCOME PER SHARE</b>					
Basic	\$ 0.60(e)				\$ 0.77
Diluted	0.58(e)				0.74

FOURTH QUARTER 2001

REPORTED      CREDIT      SPECIAL      AMORTIZATION      OPERATING

	RESULTS (a)	CARD (b)	ITEMS (c)	OF GOODWILL (d)	BASIS
<b>INCOME STATEMENT</b>					
Revenue	\$6,652	\$264	\$ —	\$ —	\$6,916
Expense	4,724	—	—	—	4,724
Amortization of Intangibles	187	—	—	(151)	36
Operating Margin	1,741	264	—	151	2,156
Credit Costs	1,468	264	—	—	1,732
Income before Merger and Restructuring Costs	273	—	—	151	424
Merger and Restructuring Costs	841	—	(841)	—	—
Income (Loss) before Tax Expense	(568)	—	841	151	424
Tax Expense (Benefit)	(236)	—	262	42	68
Net Income (Loss)	\$ (332)	\$ —	\$ 579	\$ 109	\$ 356
<b>NET INCOME (LOSS) PER SHARE</b>					
Basic	\$ (0.18)				\$ 0.17
Diluted	(0.18)				0.17

- (a) Represents condensed results as reported in JPMorgan Chase's financial statements.
- (b) This column excludes the impact of credit card securitizations. For receivables that have been securitized, amounts that would have been reported as net interest income and as provision for loan losses are instead reported as components of noninterest revenue.
- (c) Includes merger and restructuring costs and special items. The 2002 first quarter includes \$255 million in merger and restructuring expenses. The 2001 first quarter includes \$328 million in merger and restructuring expenses. The 2001 fourth quarter includes \$841 million in merger and restructuring expenses.
- (d) Reported net income for the first quarter 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Previously reported operating earnings for 2001 have been adjusted by adding back amortization of goodwill to make 2001 results comparable to 2002.
- (e) Includes the effect of the accounting change. Excluding the accounting change, basic and diluted net income per share were \$0.61 and \$0.59, respectively.



**PRESS RELEASE FINANCIAL SUPPLEMENT**

**FIRST QUARTER 2002**

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



	1QTR	4QTR	3QTR	2QTR	1QTR
	2002	2001	2001	2001	2001
<b>REVENUE</b>					
Investment Banking Fees	\$ 755	\$ 931	\$ 811	\$ 929	\$ 941
Trading Revenue	1,299	355	1,301	1,261	2,001
Fees and Commissions	2,584	2,493	2,397	2,460	2,131
Private Equity — Realized Gains (Losses)	(10)	81	204	(46)	412
Private Equity — Unrealized Gains (Losses)	(228)	(505)	(311)	(783)	(285)
Securities Gains	114	202	142	67	455
Other Revenue	157	151	218	280	252
<b>Total Noninterest Revenue</b>	<b>4,671</b>	<b>3,708</b>	<b>4,762</b>	<b>4,168</b>	<b>5,907</b>
Interest Income	6,286	6,823	7,709	8,469	9,180
Interest Expense	3,359	3,879	5,050	5,688	6,762
<b>Net Interest Income</b>	<b>2,927</b>	<b>2,944</b>	<b>2,659</b>	<b>2,781</b>	<b>2,418</b>
Revenue before Provision for Loan Losses	7,598	6,652	7,421	6,949	8,325
Provision for Loan Losses	753	1,468	745	525	447
<b>TOTAL NET REVENUE</b>	<b>6,845</b>	<b>5,184</b>	<b>6,676</b>	<b>6,424</b>	<b>7,878</b>
<b>EXPENSE</b>					
Compensation Expense	2,823	2,622	2,860	3,026	3,336
Occupancy Expense	338	334	339	327	348
Technology and Communications Expense	665	640	663	674	654
Merger and Restructuring Costs	255	841	876	478	328
Amortization of Intangibles	69	187	182	183	177
Other Expense	1,208	1,128	1,087	1,151	1,155
<b>TOTAL NONINTEREST EXPENSE</b>	<b>5,358</b>	<b>5,752</b>	<b>6,007</b>	<b>5,839</b>	<b>5,998</b>
Income (Loss) before Income Tax Expense and Effect of Accounting Change	1,487	(568)	669	585	1,880
Income Tax Expense (Benefit)	505	(236)	220	207	656
<b>INCOME BEFORE EFFECT OF ACCOUNTING CHANGE</b>	<b>982</b>	<b>(332)</b>	<b>449</b>	<b>378</b>	<b>1,224</b>
Net Effect of Change in Accounting Principle	—	—	—	—	(25)
<b>NET INCOME (LOSS)</b>	<b>\$ 982</b>	<b>\$ (332)</b>	<b>\$ 449</b>	<b>\$ 378</b>	<b>\$ 1,199</b>
<b>NET INCOME (LOSS) PER SHARE (a)</b>					
Basic	\$ 0.49	\$ (0.18)	\$ 0.22	\$ 0.18	\$ 0.60
Diluted	0.48	(0.18)	0.22	0.18	0.58
<b>PERFORMANCE RATIOS</b>					
Return on Average Assets	0.55 %	NM	0.24 %	0.21 %	0.67 %
Return on Average Common Equity	9.7	NM	4.2	3.5	11.6
<b>FULL-TIME EQUIVALENT EMPLOYEES (b)</b>	<b>96,938</b>	<b>95,812</b>	<b>96,633</b>	<b>97,224</b>	<b>98,518</b>

[Additional columns below]

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

	<b>1QTR 2002 Over (Under)</b>	
	<b>4Q 2001</b>	<b>1Q 2001</b>
<b>REVENUE</b>		
Investment Banking Fees	(19)%	(20)%
Trading Revenue	266	(35)
Fees and Commissions	4	21
Private Equity — Realized Gains (Losses)	NM	NM
Private Equity — Unrealized Gains (Losses)	55	20
Securities Gains	(44)	(75)
Other Revenue	4	(38)
<b>Total Noninterest Revenue</b>	<b>26</b>	<b>(21)</b>
Interest Income	(8)	(32)
Interest Expense	(13)	(50)
<b>Net Interest Income</b>	<b>(1)</b>	<b>21</b>
Revenue before Provision for Loan Losses	14	(9)
Provision for Loan Losses	(49)	68
<b>TOTAL NET REVENUE</b>	<b>32</b>	<b>(13)</b>
<b>EXPENSE</b>		
Compensation Expense	8	(15)
Occupancy Expense	1	(3)
Technology and Communications Expense	4	2
Merger and Restructuring Costs	(70)	(22)
Amortization of Intangibles	(63)	(61)
Other Expense	7	5
<b>TOTAL NONINTEREST EXPENSE</b>	<b>(7)</b>	<b>(11)</b>
Income (Loss) before Income Tax Expense and Effect of Accounting Change	NM	(21)
Income Tax Expense (Benefit)	NM	(23)
<b>INCOME BEFORE EFFECT OF ACCOUNTING CHANGE</b>	<b>NM</b>	<b>(20)</b>
Net Effect of Change in Accounting Principle	NM	NM
<b>NET INCOME (LOSS)</b>	<b>NM</b>	<b>(18)</b>
<b>NET INCOME (LOSS) PER SHARE (a)</b>		
Basic	NM	(18)
Diluted	NM	(17)
<b>PERFORMANCE RATIOS</b>		
Return on Average Assets	NM	(12)bp
Return on Average Common Equity	NM	(190)
<b>FULL-TIME EQUIVALENT EMPLOYEES (b)</b>	<b>1%</b>	<b>(2)%</b>

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

(a) Basic and diluted earnings per share have been reduced by \$0.01 in the first quarter of 2001 due to the impact of the adoption of SFAS 133 relating to the accounting for derivative instruments and hedging activities.

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

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



	1QTR	4QTR	3QTR	2QTR	1QTR
	2002	2001	2001	2001	2001
<b>OPERATING REVENUE</b>					
Investment Bank	\$3,620	\$3,088	\$3,544	\$3,716	\$4,327
Treasury & Securities Services	935	941	974	964	953
Investment Management & Private Banking	741	731	741	806	822
Retail & Middle Market Financial Services	3,131	2,936	2,855	2,746	2,654
Corporate (a)	(205)	(328)	(246)	(123)	(277)
<b>OPERATING REVENUE EXCLUDING JPMP</b>	<b>8,222</b>	<b>7,368</b>	<b>7,868</b>	<b>8,109</b>	<b>8,479</b>
JPMorgan Partners	(303)	(452)	(177)	(887)	87
<b>OPERATING REVENUE (b)</b>	<b>\$7,919</b>	<b>\$6,916</b>	<b>\$7,691</b>	<b>\$7,222</b>	<b>\$8,566</b>
<b>EARNINGS</b>					
Investment Bank	\$ 755	\$ 367	\$ 706	\$ 791	\$1,033
Treasury & Securities Services	141	164	178	158	168
Investment Management & Private Banking	126	97	121	120	106
Retail & Middle Market Financial Services	526	330	425	425	421
Corporate (a)	(150)	(257)	(143)	(98)	(197)
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	<b>1,398</b>	<b>701</b>	<b>1,287</b>	<b>1,396</b>	<b>1,531</b>
JPMorgan Partners	(248)	(345)	(154)	(610)	(4)
<b>OPERATING EARNINGS (b)</b>	<b>1,150</b>	<b>356</b>	<b>1,133</b>	<b>786</b>	<b>1,527</b>
Special Items & Net Effect of Change in Acctng Principle	(168)	(579)	(587)	(312)	(237)
Amortization of Goodwill, Net of Taxes	—	(109)	(97)	(96)	(91)
<b>NET INCOME (LOSS) (b)</b>	<b>\$ 982</b>	<b>\$ (332)</b>	<b>\$ 449</b>	<b>\$ 378</b>	<b>\$1,199</b>
<b>EARNINGS PER SHARE — DILUTED</b>					
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	<b>\$ 0.69</b>	<b>\$ 0.34</b>	<b>\$ 0.63</b>	<b>\$ 0.68</b>	<b>\$ 0.74</b>
Impact of JPMP	(0.12)	(0.17)	(0.08)	(0.30)	—
<b>OPERATING EARNINGS (b)</b>	<b>0.57</b>	<b>0.17</b>	<b>0.55</b>	<b>0.38</b>	<b>0.74</b>
Special Items & Net Effect of Change in Acctng Principle	(0.09)	(0.29)	(0.29)	(0.15)	(0.12)
Amortization of Goodwill, Net of Taxes	—	(0.05)	(0.04)	(0.05)	(0.04)
<b>NET INCOME (LOSS) (b)</b>	<b>\$ 0.48</b>	<b>\$ (0.18)(c)</b>	<b>\$0.22</b>	<b>\$ 0.18</b>	<b>\$ 0.58</b>
<b>OPERATING RETURN ON COMMON EQUITY</b>					
Investment Bank	15.9%	7.6%	15.2%	16.8%	20.8%
Treasury & Securities Services	19.1	22.6	24.3	20.7	23.5
Investment Management & Private Banking	8.4	6.2	7.7	7.5	6.4
Retail & Middle Market Financial Services	21.5	14.2	18.6	19.3	19.9
<b>OPERATING RETURN ON COMMON EQUITY (b)</b>	<b>11.4</b>	<b>3.3</b>	<b>10.7</b>	<b>7.4</b>	<b>14.8</b>

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>OPERATING REVENUE</b>		
Investment Bank	17 %	(16)%
Treasury & Securities Services	(1)	(2)
Investment Management & Private Banking	1	(10)
Retail & Middle Market Financial Services	7	18
Corporate (a)	38	26
<b>OPERATING REVENUE EXCLUDING JPMP</b>	<b>12</b>	<b>(3)</b>

JPMorgan Partners	33	NM
<b>OPERATING REVENUE (b)</b>	15	(8)
<b><u>EARNINGS</u></b>		
Investment Bank	106	(27)
Treasury & Securities Services	(14)	(16)
Investment Management & Private Banking	30	19
Retail & Middle Market Financial Services	59	25
Corporate (a)	42	24
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	99	(9)
JPMorgan Partners	28	NM
<b>OPERATING EARNINGS (b)</b>	223	(25)
Special Items & Net Effect of Change in Acctng Principle	71	29
Amortization of Goodwill, Net of Taxes	NM	NM
<b>NET INCOME (LOSS) (b)</b>	NM	(18)
<b><u>EARNINGS PER SHARE — DILUTED</u></b>		
<b>OPERATING EARNINGS EXCLUDING JPMP</b>	103	(7)
Impact of JPMP	29	NM
<b>OPERATING EARNINGS (b)</b>	235	(23)
Special Items & Net Effect of Change in Acctng Principle	69	25
Amortization of Goodwill, Net of Taxes	NM	NM
<b>NET INCOME (LOSS) (b)</b>	NM	(17)
<b><u>OPERATING RETURN ON COMMON EQUITY</u></b>		
Investment Bank	830bp	(490)bp
Treasury & Securities Services	(350)	(440)
Investment Management & Private Banking	220	200
Retail & Middle Market Financial Services	730	160
<b>OPERATING RETURN ON COMMON EQUITY (b)</b>	810	(340)

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

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



	1QTR	4QTR	3QTR	2QTR	1QTR
	2002	2001	2001	2001	2001
<b>OPERATING REVENUE</b>					
Investment Banking Fees	\$ 755	\$ 932	\$ 812	\$ 928	\$ 942
Trading-Related Revenue (Including Trading NII)	1,710	896	1,608	1,587	2,148
Fees and Commissions	2,466	2,297	2,289	2,403	2,069
Private Equity — Realized Gains (Losses)	3	(26)	—	10	(8)
Private Equity — Unrealized Gains (Losses)	14	—	(5)	(16)	(4)
Securities Gains	114	202	142	67	455
Other Revenue	133	157	206	285	249
Net Interest Income (Excluding Trading NII)	3,027	2,910	2,816	2,845	2,628
<b>TOTAL OPERATING REVENUE</b>	<b>8,222</b>	<b>7,368</b>	<b>7,868</b>	<b>8,109</b>	<b>8,479</b>
<b>OPERATING EXPENSE</b>					
Compensation Expense	2,783	2,583	2,826	2,993	3,292
Noncompensation Expense	2,231	2,085	2,092	2,150	2,139
<b>TOTAL OPERATING EXPENSE</b>	<b>5,014</b>	<b>4,668</b>	<b>4,918</b>	<b>5,143</b>	<b>5,431</b>
Credit Costs	1,074	1,732	1,015	798	688
Operating Income before Taxes	2,134	968	1,935	2,168	2,360
Income Taxes	736	267	648	772	829
<b>OPERATING EARNINGS</b>	<b>\$1,398</b>	<b>\$ 701</b>	<b>\$1,287</b>	<b>\$1,396</b>	<b>\$1,531</b>
<b>OPERATING BASIS</b>					
Diluted Earnings per Share	\$ 0.69	\$ 0.34	\$ 0.63	\$ 0.68	\$ 0.74
Return on Common Equity	16.2 %	7.7 %	14.3 %	15.8 %	18.0 %
Overhead Ratio	61	63	63	63	64
Compensation Expense as a % of Operating Revenue	34	35	36	37	39
Noncompensation Expense as a % of Operating Revenue	27	28	27	27	25

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>OPERATING REVENUE</b>		
Investment Banking Fees	(19)%	(20)%
Trading-Related Revenue (Including Trading NII)	91	(20)
Fees and Commissions	7	19
Private Equity — Realized Gains (Losses)	NM	NM
Private Equity — Unrealized Gains (Losses)	NM	NM
Securities Gains	(44)	(75)
Other Revenue	(15)	(47)
Net Interest Income (Excluding Trading NII)	4	15
<b>TOTAL OPERATING REVENUE</b>	<b>12</b>	<b>(3)</b>
<b>OPERATING EXPENSE</b>		
Compensation Expense	8	(15)
Noncompensation Expense	7	4
<b>TOTAL OPERATING EXPENSE</b>	<b>7</b>	<b>(8)</b>
Credit Costs	(38)	56

Operating Income before Taxes	120	(10)
Income Taxes	176	(11)
<b>OPERATING EARNINGS</b>	<b>99</b>	<b>(9)</b>
<b><u>OPERATING BASIS</u></b>		
Diluted Earnings per Share	103	(7)
Return on Common Equity	850bp	(180)bp
Overhead Ratio	(200)	(300)
Compensation Expense as a % of Operating Revenue	(100)	(500)
Noncompensation Expense as a % of Operating Revenue	(100)	200

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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>OPERATING REVENUE</b>					
Investment Banking Fees	\$ 755	\$ 931	\$ 811	\$ 929	\$ 941
Trading-Related Revenue (Including Trading NII)	1,720	904	1,614	1,594	2,167
Fees and Commissions	2,493	2,340	2,297	2,422	2,082
Private Equity — Realized Gains (Losses)	(10)	81	204	(46)	412
Private Equity — Unrealized Gains (Losses)	(228)	(505)	(311)	(783)	(285)
Securities Gains	114	202	142	67	455
Other Revenue	137	138	209	280	257
Net Interest Income (Excluding Trading NII)	2,938	2,825	2,725	2,759	2,537
<b>TOTAL OPERATING REVENUE</b>	<b>7,919</b>	<b>6,916</b>	<b>7,691</b>	<b>7,222</b>	<b>8,566</b>
<b>OPERATING EXPENSE</b>					
Compensation Expense	2,823	2,622	2,860	3,026	3,336
Noncompensation Expense	2,280	2,138	2,125	2,188	2,193
<b>TOTAL OPERATING EXPENSE</b>	<b>5,103</b>	<b>4,760</b>	<b>4,985</b>	<b>5,214</b>	<b>5,529</b>
Credit Costs	1,074	1,732	1,015	798	688
Operating Income before Taxes	1,742	424	1,691	1,210	2,349
Income Taxes	592	68	558	424	822
<b>OPERATING EARNINGS</b>	<b>\$1,150</b>	<b>\$ 356</b>	<b>\$1,133</b>	<b>\$ 786</b>	<b>\$1,527</b>
<b>OPERATING BASIS</b>					
Diluted Earnings per Share	\$ 0.57	\$ 0.17	\$ 0.55	\$ 0.38	\$ 0.74
SVA	(59)	(915)	(136)	(481)	285
Return on Managed Assets	0.63%	0.19%	0.59%	0.42%	0.83%
Return on Common Equity	11.4	3.3	10.7	7.4	14.8
Overhead Ratio	64	69	65	72	65
Common Dividend Payout Ratio	60	199	61	89	45
Effective Tax Rate	34	16	33	35	35
Compensation Expense as a % of Operating Revenue	36	38	37	42	39
Noncompensation Expense as a % of Operating Revenue	29	31	28	30	26

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>OPERATING REVENUE</b>		
Investment Banking Fees	(19)%	(20)%
Trading-Related Revenue (Including Trading NII)	90	(21)
Fees and Commissions	7	20
Private Equity — Realized Gains (Losses)	NM	NM
Private Equity — Unrealized Gains (Losses)	55	20
Securities Gains	(44)	(75)
Other Revenue	(1)	(47)
Net Interest Income (Excluding Trading NII)	4	16
<b>TOTAL OPERATING REVENUE</b>	<b>15</b>	<b>(8)</b>
<b>OPERATING EXPENSE</b>		
Compensation Expense	8	(15)
Noncompensation Expense	7	4

<b>TOTAL OPERATING EXPENSE</b>	7	(8)
Credit Costs	(38)	56
Operating Income before Taxes	311	(26)
Income Taxes	NM	(28)
<b>OPERATING EARNINGS</b>	223	(25)
<b>OPERATING BASIS</b>		
Diluted Earnings per Share	235	(23)
SVA	94	NM
Return on Managed Assets	44bp	(20)bp
Return on Common Equity	810	(340)
Overhead Ratio	(500)	(100)
Common Dividend Payout Ratio	(13,900)	1,500
Effective Tax Rate	1,800	(100)
Compensation Expense as a % of Operating Revenue	(200)	(300)
Noncompensation Expense as a % of Operating Revenue	(200)	300

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



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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>REVENUE</b>					
<b>TRADING REVENUE</b>					
Reported	\$1,299	\$ 355	\$1,301	\$1,261	\$2,001
Trading-Related NII	421	549	313	333	166
<b>Operating</b>	<b>\$1,720</b>	<b>\$ 904</b>	<b>\$1,614</b>	<b>\$1,594</b>	<b>\$2,167</b>
<b>CREDIT CARD REVENUE (a)</b>					
Reported	\$ 587	\$ 662	\$ 548	\$ 465	\$ 433
Credit Card Securitizations	(91)	(153)	(100)	(38)	(49)
<b>Operating</b>	<b>\$ 496</b>	<b>\$ 509</b>	<b>\$ 448</b>	<b>\$ 427</b>	<b>\$ 384</b>
<b>OTHER REVENUE</b>					
Reported	\$ 157	\$ 151	\$ 218	\$ 280	\$ 252
Credit Card Securitizations	(20)	(13)	(9)	—	5
<b>Operating</b>	<b>\$ 137</b>	<b>\$ 138</b>	<b>\$ 209</b>	<b>\$ 280</b>	<b>\$ 257</b>
<b>NET INTEREST INCOME</b>					
Reported	\$2,927	\$2,944	\$2,659	\$2,781	\$2,418
Credit Card Securitizations	432	430	379	311	285
Trading-Related NII	(421)	(549)	(313)	(333)	(166)
<b>Operating</b>	<b>\$2,938</b>	<b>\$2,825</b>	<b>\$2,725</b>	<b>\$2,759</b>	<b>\$2,537</b>
<b>TOTAL REVENUE</b>					
Reported	\$7,598	\$6,652	\$7,421	\$6,949	\$8,325
Credit Card Securitizations	321	264	270	273	241
<b>Total Operating Revenue</b>	<b>\$7,919</b>	<b>\$6,916</b>	<b>\$7,691</b>	<b>\$7,222</b>	<b>\$8,566</b>
<b>EXPENSE</b>					
Reported	\$5,358	\$5,752	\$6,007	\$5,839	\$5,998
Merger and Restructuring Costs	(255)	(841)	(876)	(478)	(328)
Amortization of Goodwill	—	(151)	(146)	(147)	(141)
<b>Operating Expense</b>	<b>\$5,103</b>	<b>\$4,760</b>	<b>\$4,985</b>	<b>\$5,214</b>	<b>\$5,529</b>
<b>CREDIT COSTS</b>					
Provision for Loan Losses — Reported	\$ 753	\$1,468	\$ 745	\$ 525	\$ 447
Credit Card Securitizations	321	264	270	273	241
<b>Credit Costs — Operating</b>	<b>\$1,074</b>	<b>\$1,732</b>	<b>\$1,015</b>	<b>\$ 798</b>	<b>\$ 688</b>

[Additional columns below]

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	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>REVENUE</b>		
<b>TRADING REVENUE</b>		
Reported	266%	(35) %
Trading-Related NII	(23)	154
<b>Operating</b>	<b>90</b>	<b>(21)</b>

**CREDIT CARD REVENUE (a)**

Reported	(11)	36
Credit Card Securitizations	(41)	86

**Operating** (3) 29

**OTHER REVENUE**

Reported	4	(38)
Credit Card Securitizations	54	NM

**Operating** (1) (47)

**NET INTEREST INCOME**

Reported	(1)	21
Credit Card Securitizations	—	52
Trading-Related NII	(23)	154

**Operating** 4 16

**TOTAL REVENUE**

Reported	14	(9)
Credit Card Securitizations	22	33

**Total Operating Revenue** 15 (8)

**EXPENSE**

Reported	(7)	(11)
Merger and Restructuring Costs	(70)	(22)
Amortization of Goodwill	NM	NM

**Operating Expense** 7 (8)

**CREDIT COSTS**

Provision for Loan Losses — Reported	(49)	68
Credit Card Securitizations	22	33

**Credit Costs — Operating** (38) 56

(a) Included in Fees and Commissions.

SEGMENT DETAIL

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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b><u>OPERATING INCOME STATEMENT</u></b>					
<b>REVENUE:</b>					
Trading Revenue (Including Trading NII)	\$ 1,696	\$ 1,021	\$ 1,498	\$ 1,548	\$ 2,093
Investment Banking Fees	741	934	806	920	939
Net Interest Income	727	793	764	714	684
Fees and Commissions	380	363	349	357	420
All Other Revenue	76	(23)	127	177	191
<b>TOTAL OPERATING REVENUE</b>	<b>3,620</b>	<b>3,088</b>	<b>3,544</b>	<b>3,716</b>	<b>4,327</b>
<b>EXPENSE:</b>					
Compensation Expense	1,191	1,132	1,257	1,348	1,598
Noncompensation Expense	925	732	882	918	950
<b>TOTAL OPERATING EXPENSE</b>	<b>2,116</b>	<b>1,864</b>	<b>2,139</b>	<b>2,266</b>	<b>2,548</b>
Operating Margin	1,504	1,224	1,405	1,450	1,779
Credit Costs	282	617	268	167	95
Operating Income Before Taxes	1,222	607	1,137	1,283	1,684
Income Taxes	467	240	431	492	651
<b>OPERATING EARNINGS</b>	<b>\$ 755</b>	<b>\$ 367</b>	<b>\$ 706</b>	<b>\$ 791</b>	<b>\$ 1,033</b>
Average Common Equity	\$ 19,109	\$ 18,790	\$ 18,307	\$ 18,699	\$ 19,984
Average Assets	467,582	510,638	513,206	506,282	510,817
SVA	184	(207)	147	224	433
Return on Common Equity	15.9%	7.6%	15.2%	16.8%	20.8%
Overhead Ratio	58	60	60	61	59
Compensation Expense as a % of Operating Revenue	33	37	35	36	37
<b><u>TRADING-RELATED REVENUE</u></b>					
Equities	\$ 195	\$ 67	\$ 231	\$ 412	\$ 478
Fixed Income and Other	1,501	954	1,267	1,136	1,615
<b>Total</b>	<b>\$ 1,696</b>	<b>\$ 1,021</b>	<b>\$ 1,498</b>	<b>\$ 1,548</b>	<b>\$ 2,093</b>
<b><u>INVESTMENT BANKING FEES</u></b>					
Advisory	\$ 191	\$ 269	\$ 330	\$ 303	\$ 344
Underwriting and Other Fees	550	665	476	617	595
<b>Total</b>	<b>\$ 741</b>	<b>\$ 934</b>	<b>\$ 806</b>	<b>\$ 920</b>	<b>\$ 939</b>

**MARKET SHARE/****RANKINGS: (a)**

Global Syndicated Loans	23.8% / #1	24.4% / #1	21.8% / #1	31.0% / #1	27.3% / #1
U.S. Investment Grade Bonds	15.9% / #2	13.2% / #2	14.7% / #2	13.6% / #2	15.4% / #2
Euro-Denominated High Grade Bonds	5.8% / #4	6.1% / #6	9.5% / #1	8.2% / #2	5.5% / #5
Global Equity and Equity-Related	4.8% / #6	5.0% / #8	5.0% / #7	1.7% / #9	2.7% / #11
U.S. Equity and Equity-Related	4.3% / #7	7.8% / #5	5.5% / #7	1.8% / #8	1.1% / #9
Global Announced M&A	11.0% / #8	26.5% / #4	31.1% / #5	12.1% / #8	18.7% / #4

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>OPERATING INCOME STATEMENT</b>		
<b>REVENUE:</b>		
Trading Revenue (Including Trading NII)	66%	(19)%
Investment Banking Fees	(21)	(21)
Net Interest Income	(8)	6
Fees and Commissions	5	(10)
All Other Revenue	NM	(60)
<b>TOTAL OPERATING REVENUE</b>	17	(16)
<b>EXPENSE:</b>		
Compensation Expense	5	(25)
Noncompensation Expense	26	(3)
<b>TOTAL OPERATING EXPENSE</b>	14	(17)
Operating Margin	23	(15)
Credit Costs	(54)	197
Operating Income Before Taxes	101	(27)
Income Taxes	95	(28)
<b>OPERATING EARNINGS</b>	106	(27)
Average Common Equity	2	(4)
Average Assets	(8)	(8)
SVA	189	(58)
Return on Common Equity	830bp	(490)bp
Overhead Ratio	(200)	(100)
Compensation Expense as a % of Operating Revenue	(400)	(400)
<b>TRADING-RELATED REVENUE</b>		
Equities	191%	(59)%
Fixed Income and Other	57	(7)
<b>Total</b>	66	(19)
<b>INVESTMENT BANKING FEES</b>		
Advisory	(29)	(44)
Underwriting and Other Fees	(17)	(8)
<b>Total</b>	(21)	(21)

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



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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b><u>OPERATING INCOME STATEMENT</u></b>					
<b>REVENUE:</b>					
Fees and Commissions	\$ 586	\$ 576	\$ 562	\$ 576	\$ 555
Net Interest Income	314	331	355	339	357
All Other Revenue	35	34	57	49	41
<b>TOTAL OPERATING REVENUE</b>	<b>935</b>	<b>941</b>	<b>974</b>	<b>964</b>	<b>953</b>
<b>EXPENSE:</b>					
Compensation Expense	307	278	291	291	302
Noncompensation Expense	409	409	407	428	390
<b>TOTAL OPERATING EXPENSE</b>	<b>716</b>	<b>687</b>	<b>698</b>	<b>719</b>	<b>692</b>
Operating Margin	219	254	276	245	261
Credit Costs	1	4	1	2	1
Operating Income Before Taxes	218	250	275	243	260
Income Taxes	77	86	97	85	92
<b>OPERATING EARNINGS</b>	<b>\$ 141</b>	<b>\$ 164</b>	<b>\$ 178</b>	<b>\$ 158</b>	<b>\$ 168</b>
Average Common Equity	\$ 2,982	\$ 2,862	\$ 2,892	\$ 3,037	\$ 2,864
Average Assets	16,433	17,855	18,420	18,566	17,131
SVA	52	76	90	66	81
Return on Common Equity	19.1%	22.6%	24.3%	20.7%	23.5%
Overhead Ratio	77	73	72	75	73
<b><u>OPERATING REVENUE BY BUSINESS:</u></b>					
Treasury Services	\$ 334	\$ 352	\$ 345	\$ 333	\$ 321
Investor Services	393	393	435	429	437
Institutional Trust Services	202	191	189	197	191
Other	6	5	5	5	4
<b>Total Treasury &amp; Securities Services</b>	<b>\$ 935</b>	<b>\$ 941</b>	<b>\$ 974</b>	<b>\$ 964</b>	<b>\$ 953</b>

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b><u>OPERATING INCOME STATEMENT</u></b>		
<b>REVENUE:</b>		
Fees and Commissions	2%	6%
Net Interest Income	(5)	(12)
All Other Revenue	3	(15)
<b>TOTAL OPERATING REVENUE</b>	<b>(1)</b>	<b>(2)</b>
<b>EXPENSE:</b>		
Compensation Expense	10	2
Noncompensation Expense	—	5
<b>TOTAL OPERATING EXPENSE</b>	<b>4</b>	<b>3</b>
Operating Margin	(14)	(16)
Credit Costs	(75)	—
Operating Income Before Taxes	(13)	(16)
Income Taxes	(10)	(16)
<b>OPERATING EARNINGS</b>	<b>(14)</b>	<b>(16)</b>
Average Common Equity	4	4
Average Assets	(8)	(4)
SVA	(32)	(36)
Return on Common Equity	(350)bp	(440)bp
Overhead Ratio	400	400
<b><u>OPERATING REVENUE BY BUSINESS:</u></b>		
Treasury Services	(5)%	4%
Investor Services	—	(10)
Institutional Trust Services	6	6
Other	20	50
<b>Total Treasury &amp; Securities Services</b>	<b>(1)</b>	<b>(2)</b>

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



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



	1QTR 2002		4QTR 2001		3QTR 2001		2QTR 2001		1QTR 2001
<b><u>OPERATING INCOME STATEMENT</u></b>									
<b>REVENUE:</b>									
Fees and Commissions	\$ 568		\$ 559		\$ 562		\$ 595		\$ 599
Net Interest Income	111		134		128		139		146
All Other Revenue	62		38		51		72		77
<b>TOTAL OPERATING REVENUE</b>	<b>741</b>		<b>731</b>		<b>741</b>		<b>806</b>		<b>822</b>
<b>EXPENSE:</b>									
Compensation Expense	277		283		297		334		374
Noncompensation Expense	280		301		284		314		316
<b>TOTAL OPERATING EXPENSE</b>	<b>557</b>		<b>584</b>		<b>581</b>		<b>648</b>		<b>690</b>
Operating Margin	184		147		160		158		132
Credit Costs	23		31		3		3		(1)
Operating Income Before Taxes	161		116		157		155		133
Income Taxes	35		19		36		35		27
<b>OPERATING EARNINGS</b>	<b>\$ 126</b>		<b>\$ 97</b>		<b>\$ 121</b>		<b>\$ 120</b>		<b>\$ 106</b>
Average Common Equity	\$ 6,027		\$ 6,072		\$ 6,136		\$ 6,297		\$ 6,520
Average Assets	35,180		34,110		34,570		34,021		35,774
SVA	(54)		(89)		(67)		(71)		(90)
Return on Common Equity	8.4%		6.2%		7.7%		7.5%		6.4%
Overhead Ratio	75		80		78		80		84

<b>(in billions)</b>									
<b><u>ASSETS UNDER MANAGEMENT (a)</u></b>									
Private Banking	141	(b)	141		137		144		146
Institutional	373	(b)	404		390		406		404
Retail	69	(b)	60		57		61		58
<b>ASSETS UNDER MANAGEMENT</b>	<b>\$ 583</b>	<b>(b)</b>	<b>\$ 605</b>		<b>\$ 584</b>		<b>\$ 611</b>		<b>\$ 608</b>
Americas	419	(b)	441		423		433		429
Europe and Asia	164	(b)	164		161		178		179
<b>ASSETS UNDER MANAGEMENT</b>	<b>\$ 583</b>	<b>(b)</b>	<b>\$ 605</b>		<b>\$ 584</b>		<b>\$ 611</b>		<b>\$ 608</b>
Fixed Income and Cash	313	(b)	329		314		308		310
Equities and Other	270	(b)	276		270		303		298
<b><u>CLIENT POSITIONS (c)</u></b>									
Private Banking	\$ 278	(b)	\$ 302		\$ 302		\$ 316		\$ 320

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b><u>OPERATING INCOME STATEMENT</u></b>		
<b>REVENUE:</b>		
Fees and Commissions	2%	(5)%
Net Interest Income	(17)	(24)
All Other Revenue	63	(19)
<b>TOTAL OPERATING REVENUE</b>	<b>1</b>	<b>(10)</b>
<b>EXPENSE:</b>		
Compensation Expense	(2)	(26)
Noncompensation Expense	(7)	(11)
<b>TOTAL OPERATING EXPENSE</b>	<b>(5)</b>	<b>(19)</b>
Operating Margin	25	39
Credit Costs	(26)	NM
Operating Income Before Taxes	39	21
Income Taxes	84	30
<b>OPERATING EARNINGS</b>	<b>30</b>	<b>19</b>
Average Common Equity	(1)	(8)
Average Assets	3	(2)
SVA	39	40
Return on Common Equity	220bp	200bp
Overhead Ratio	(500)	(900)
<b>(in billions)</b>		
<b><u>ASSETS UNDER MANAGEMENT (a)</u></b>	<b>(4)%</b>	<b>(4)%</b>
Private Banking	—	(3)
Institutional	(8)	(8)
Retail	15	19
<b>ASSETS UNDER MANAGEMENT</b>	<b>(4)</b>	<b>(4)</b>
Americas	(5)	(2)
Europe and Asia	—	(8)
<b>ASSETS UNDER MANAGEMENT</b>	<b>(4)</b>	<b>(4)</b>
Fixed Income and Cash	(5)	1
Equities and Other	(2)	(9)
<b><u>CLIENT POSITIONS (c)</u></b>		
Private Banking	(8)	(13)

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

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

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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b><u>OPERATING INCOME STATEMENT</u></b>					
<b>REVENUE:</b>					
Private Equity:					
Realized Gains (Losses)	\$ (13)	\$ 107	\$ 204	\$ (56)	\$ 420
Unrealized Gains (Losses)	(242)	(505)	(306)	(767)	(281)
Total Private Equity Gains (Losses)	(255)	(398)	(102)	(823)	139
Net Interest Income (Loss)	(89)	(85)	(91)	(86)	(91)
Fees and Other Revenue	41	31	16	22	39
<b>TOTAL OPERATING REVENUE</b>	<b>(303)</b>	<b>(452)</b>	<b>(177)</b>	<b>(887)</b>	<b>87</b>
<b>EXPENSE:</b>					
Compensation Expense	40	39	34	33	44
Noncompensation Expense	49	53	33	38	54
<b>TOTAL OPERATING EXPENSE</b>	<b>89</b>	<b>92</b>	<b>67</b>	<b>71</b>	<b>98</b>
Operating Margin	(392)	(544)	(244)	(958)	(11)
Credit Costs	—	—	—	—	—
Operating Income (Loss) Before Taxes	(392)	(544)	(244)	(958)	(11)
Income Taxes (Benefit)	(144)	(199)	(90)	(348)	(7)
<b>OPERATING EARNINGS (LOSS)</b>	<b>\$ (248)</b>	<b>\$ (345)</b>	<b>\$ (154)</b>	<b>\$ (610)</b>	<b>\$ (4)</b>
Average Common Equity	\$ 5,708	\$ 6,131	\$ 6,120	\$ 6,601	\$ 7,138
Average Assets	10,599	11,717	11,357	12,235	13,653
SVA	(461)	(579)	(387)	(860)	(271)

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b><u>OPERATING INCOME STATEMENT</u></b>		
<b>REVENUE:</b>		
Private Equity:		
Realized Gains (Losses)	NM	NM
Unrealized Gains (Losses)	52 %	14 %
Total Private Equity Gains (Losses)	36	NM
Net Interest Income (Loss)	(5)	2
Fees and Other Revenue	32	5
<b>TOTAL OPERATING REVENUE</b>	<b>33</b>	<b>NM</b>
<b>EXPENSE:</b>		
Compensation Expense	3	(9)
Noncompensation Expense	(8)	(9)
<b>TOTAL OPERATING EXPENSE</b>	<b>(3)</b>	<b>(9)</b>
Operating Margin	28	NM
Credit Costs	NM	NM
Operating Income (Loss) Before Taxes	28	NM
Income Taxes (Benefit)	28	NM

<b>OPERATING EARNINGS (LOSS)</b>	28	NM
Average Common Equity	(7)	(20)
Average Assets	(10)	(22)
SVA	20	(70)

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

	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	Mar 31st 2001
<b>PORTFOLIO INFORMATION</b>					
Public Securities (144 companies) (a) (b)					
Carrying Value	\$ 705	\$ 998	\$ 1,149	\$ 1,680	\$ 1,611
Cost	809	802	829	974	1,018
Private Direct Securities (934 companies) (b)					
Carrying Value	6,054	6,289	6,371	6,089	7,144
Cost	7,317	7,544	7,322	6,998	7,318
Private Fund Investments (325 funds) (b)					
Carrying Value	1,794	1,910	2,108	2,086	2,122
Cost	2,119	2,182	2,217	2,201	2,141
Total Investment Portfolio — Carrying Value	\$ 8,553	\$ 9,197	\$ 9,628	\$ 9,855	\$10,877
Total Investment Portfolio — Cost	\$10,245	\$10,528	\$10,368	\$10,173	\$10,477

[Additional columns below]

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

Mar 31, 2002	
Over (Under)	
Dec 31, 01	Mar 31, 01

<b>PORTFOLIO INFORMATION</b>		
Public Securities (144 companies) (a) (b)		
Carrying Value	(29)%	(56)%
Cost	1	(21)
Private Direct Securities (934 companies) (b)		
Carrying Value	(4)	(15)
Cost	(3)	—
Private Fund Investments (325 funds) (b)		
Carrying Value	(6)	(15)
Cost	(3)	(1)
Total Investment Portfolio — Carrying Value	(7)	(21)
Total Investment Portfolio — Cost	(3)	(2)

**Public Securities Investments at March 31, 2002**

(dollars and shares in millions)

	Symbol	Shares	Quoted Public Value	Cost
Triton PCS Holdings, Inc.	TPC	16.0	\$163	\$ 70
Encore Acquisition Company	EAC	4.9	72	34
Guitar Center, Inc.	GTRC	4.0	69	42
Fisher Scientific International Inc.	FSH	2.4	66	21
AT&T Wireless Services, Inc. (c)	AWE	7.0	62	5
1-800-FLOWERS.COM, Inc.	FLWS	3.9	53	14
dj Orthopedics, Inc.	DJO	5.9	47	54
Crown Media Holdings, Inc.	CRWN	2.7	34	40
United Auto Group, Inc.	UAG	1.5	33	18
American Tower Corporation	AMT	5.9	32	19
<b>Top Ten Public Securities</b>			\$631	\$317
Other Public Securities (134 companies)			350	492
<b>Total Public Securities (144 companies)</b>			\$981	\$809

- (a) Publicly traded positions only.
- (b) Represents the number of companies and funds at March 31, 2002.
- (c) Does not include 3.3 million shares held directly by the holding company, received upon a distribution from JPMP.

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



	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>OPERATING INCOME STATEMENT</b>					
<b>REVENUE:</b>					
Net Interest Income	\$ 2,033	\$ 1,851	\$ 1,810	\$ 1,747	\$ 1,662
Fees and Commissions	919	792	802	860	487
Securities Gains	(13)	61	1	—	316
All Other Revenue	192	232	242	139	189
<b>TOTAL OPERATING REVENUE</b>	<b>3,131</b>	<b>2,936</b>	<b>2,855</b>	<b>2,746</b>	<b>2,654</b>
<b>EXPENSE:</b>					
Compensation Expense	655	605	620	600	568
Noncompensation Expense	900	892	833	827	808
<b>TOTAL OPERATING EXPENSE</b>	<b>1,555</b>	<b>1,497</b>	<b>1,453</b>	<b>1,427</b>	<b>1,376</b>
Operating Margin	1,576	1,439	1,402	1,319	1,278
Credit Costs	726	925	722	628	597
Operating Income Before Taxes	850	514	680	691	681
Income Taxes	324	184	255	266	260
<b>OPERATING EARNINGS</b>	<b>\$ 526</b>	<b>\$ 330</b>	<b>\$ 425</b>	<b>\$ 425</b>	<b>\$ 421</b>
Average Common Equity	\$ 9,833	\$ 9,171	\$ 9,005	\$ 8,766	\$ 8,520
Average Managed Assets (a)	179,275	169,335	167,349	167,356	159,992
SVA	231	50	150	159	165
Return on Common Equity	21.5 %	14.2 %	18.6 %	19.3 %	19.9 %
Overhead Ratio	50	51	51	52	52

**RETAIL & MIDDLE MARKET FINANCIAL SERVICES'**

**BUSINESSES**

**CARDMEMBER SERVICES:**

Operating Revenues	\$ 1,353	\$ 1,261	\$ 1,148	\$ 1,072	\$ 1,000
Operating Earnings	147	179	132	116	98

**HOME FINANCE:**

Operating Revenues	\$ 522	\$ 436	\$ 460	\$ 406	\$ 357
Operating Earnings	132	85	118	95	88

**REGIONAL BANKING GROUP:**

Operating Revenues	\$ 731	\$ 745	\$ 775	\$ 793	\$ 803
Operating Earnings	125	112	127	132	142

**MIDDLE MARKETS:**

Operating Revenues	\$ 334	\$ 312	\$ 320	\$ 319	\$ 328
Operating Earnings	84	66	75	61	68

**AUTO FINANCE:**

Operating Revenues	\$ 171	\$ 164	\$ 140	\$ 136	\$ 112
Operating Earnings	32	37	34	37	23

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b><u>OPERATING INCOME STATEMENT</u></b>		
<b>REVENUE:</b>		
Net Interest Income	10 %	22 %
Fees and Commissions	16	89
Securities Gains	NM	NM
All Other Revenue	(17)	2
<b>TOTAL OPERATING REVENUE</b>	<b>7</b>	<b>18</b>
<b>EXPENSE:</b>		
Compensation Expense	8	15
Noncompensation Expense	1	11
<b>TOTAL OPERATING EXPENSE</b>	<b>4</b>	<b>13</b>
Operating Margin	10	23
Credit Costs	(22)	22
Operating Income Before Taxes	65	25
Income Taxes	76	25
<b>OPERATING EARNINGS</b>	<b>59</b>	<b>25</b>
Average Common Equity	7	15
Average Managed Assets (a)	6	12
SVA	362	40
Return on Common Equity	730bp	160bp
Overhead Ratio	(100)	(200)
<b><u>RETAIL &amp; MIDDLE MARKET FINANCIAL SERVICES' BUSINESSES</u></b>		
<b>CARDMEMBER SERVICES:</b>		
Operating Revenues	7 %	35 %
Operating Earnings	(18)	50
<b>HOME FINANCE:</b>		
Operating Revenues	20	46
Operating Earnings	55	50
<b>REGIONAL BANKING GROUP:</b>		
Operating Revenues	(2)	(9)
Operating Earnings	12	(12)
<b>MIDDLE MARKETS:</b>		
Operating Revenues	7	2
Operating Earnings	27	24
<b>AUTO FINANCE:</b>		
Operating Revenues	4	53
Operating Earnings	(14)	39

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

(a) Excludes the impact of credit card securitizations.



**SUPPLEMENTAL DETAIL**

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**J.P. MORGAN CHASE & CO.**  
**NONINTEREST REVENUE AND NONINTEREST EXPENSE DETAIL ON A REPORTED BASIS**  
(in millions)

	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>NONINTEREST REVENUE</b>					
<b>Investment Banking Fees:</b>					
Advisory	\$ 191	\$ 271	\$ 329	\$ 308	\$ 340
Underwriting and Other Fees	564	660	482	621	601
<b>Total</b>	<b>\$ 755</b>	<b>\$ 931</b>	<b>\$ 811</b>	<b>\$ 929</b>	<b>\$ 941</b>
<b>Trading-Related Revenue: (a)</b>					
Equities	\$ 223	\$ 101	\$ 251	\$ 450	\$ 505
Fixed Income and Other	1,497	803	1,363	1,144	1,662
<b>Total</b>	<b>\$1,720</b>	<b>\$ 904</b>	<b>\$1,614</b>	<b>\$1,594</b>	<b>\$2,167</b>
<b>Fees and Commissions:</b>					
Investment Management, Custody and Processing Services	\$ 992	\$ 987	\$ 960	\$ 988	\$1,016
Credit Card Revenue	587	662	548	465	433
Brokerage and Investment Services	304	305	268	308	363
Mortgage Servicing Fees, Net of Amortization and Writedowns	48	(81)	9	75	(233)
Other Lending-Related Service Fees	130	118	125	122	130
Deposit Service Charges	290	277	262	258	226
Other Fees	233	225	225	244	196
<b>Total</b>	<b>\$2,584</b>	<b>\$2,493</b>	<b>\$2,397</b>	<b>\$2,460</b>	<b>\$2,131</b>
<b>Other Revenue:</b>					
Residential Mortgage Origination/Sales Activities	\$ 100	\$ 162	\$ 157	\$ 152	\$ 105
All Other Revenue	57	(11)	61	128	147
<b>Total</b>	<b>\$ 157</b>	<b>\$ 151</b>	<b>\$ 218</b>	<b>\$ 280</b>	<b>\$ 252</b>
<b>NONINTEREST EXPENSE</b>					
<b>Other Expense:</b>					
Professional Services	\$ 307	\$ 289	\$ 267	\$ 288	\$ 295
Outside Services	249	213	232	220	223
Marketing	146	179	137	144	141
Travel and Entertainment	101	78	116	137	122
All Other	405	369	335	362	374
<b>Total</b>	<b>\$1,208</b>	<b>\$1,128</b>	<b>\$1,087</b>	<b>\$1,151</b>	<b>\$1,155</b>

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>NONINTEREST REVENUE</b>		
<b>Investment Banking Fees:</b>		
Advisory	(30) %	(44) %
Underwriting and Other Fees	(15)	(6)
<b>Total</b>	<b>(19)</b>	<b>(20)</b>
<b>Trading-Related Revenue: (a)</b>		
Equities	121	(56)

Fixed Income and Other	86	(10)
<b>Total</b>	<b>90</b>	<b>(21)</b>

**Fees and Commissions:**

Investment Management, Custody and Processing Services	1	(2)
Credit Card Revenue	(11)	36
Brokerage and Investment Services	—	(16)
Mortgage Servicing Fees, Net of Amortization and Writedowns	NM	NM
Other Lending-Related Service Fees	10	—
Deposit Service Charges	5	28
Other Fees	4	19
<b>Total</b>	<b>4</b>	<b>21</b>

**Other Revenue:**

Residential Mortgage Origination/Sales Activities	(38)	(5)
All Other Revenue	NM	(61)
<b>Total</b>	<b>4</b>	<b>(38)</b>

**NONINTEREST EXPENSE**

**Other Expense:**

Professional Services	6	4
Outside Services	17	12
Marketing	(18)	4
Travel and Entertainment	29	(17)
All Other	10	8
<b>Total</b>	<b>7</b>	<b>5</b>

(a) Includes trading-related net interest income.

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

	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	Mar 31st 2001
<b>ASSETS</b>					
Cash and Due from Banks	\$ 22,637	\$ 22,600	\$ 22,299	\$ 24,219	\$ 22,371
Deposits with Banks	9,691	12,743	9,341	11,903	7,979
Federal Funds Sold and Securities Purchased under Resale					
Agreements	76,719	63,727	78,997	61,308	71,147
Securities Borrowed	40,880	36,580	37,499	38,296	37,264
Trading Assets:					
Debt and Equity Instruments	144,992	118,248	165,143	139,135	138,270
Derivative Receivables	63,224	71,157	85,407	68,910	78,907
Securities	61,225	59,760	66,468	68,488	69,731
Loans (Net of Allowance for Loan Losses)	209,541	212,920	219,411	216,245	213,116
Goodwill	7,924	8,205	8,346	8,509	8,667
Other Intangibles:					
Mortgage Servicing Rights	6,918	6,579	5,731	7,073	6,062
Purchased Credit Card Relationships	1,508	519	542	568	574
All Other Intangibles	327	44	64	74	48
Private Equity Investments	8,553	9,197	9,628	9,855	10,877
Other Assets	58,369	71,296	90,424	58,119	48,611
<b>TOTAL ASSETS</b>	<b>\$712,508</b>	<b>\$693,575</b>	<b>\$799,300</b>	<b>\$712,702</b>	<b>\$713,624</b>
<b>LIABILITIES</b>					
Deposits:					
Noninterest-Bearing	\$ 72,659	\$ 76,974	\$ 72,734	\$ 64,231	\$ 59,686
Interest-Bearing	209,378	216,676	208,870	212,573	212,886
Total Deposits	282,037	293,650	281,604	276,804	272,572
Federal Funds Purchased and Securities Sold under Repurchase					
Agreements	152,837	128,445	181,775	155,062	145,703
Commercial Paper	23,726	18,510	19,299	19,985	16,281
Other Borrowed Funds	16,968	10,835	21,941	18,418	28,716
Trading Liabilities:					
Debt and Equity Instruments	71,141	52,988	58,594	53,571	52,501
Derivative Payables	44,997	56,063	70,817	62,373	73,312
Accounts Payable, Accrued Expenses and Other Liabilities (Including the Allowance for Credit Losses)	36,910	47,813	75,231	38,157	33,575
Long-Term Debt	37,322	39,183	42,315	40,917	42,609
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	5,439	4,439	4,439	4,439	4,439
<b>TOTAL LIABILITIES</b>	<b>671,377</b>	<b>651,926</b>	<b>756,015</b>	<b>669,726</b>	<b>669,708</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>—</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>STOCKHOLDERS' EQUITY</b>					
Preferred Stock	1,009	1,009	1,009	1,025	1,362
Common Stock	2,016	1,997	1,993	1,990	1,984
Capital Surplus	12,783	12,495	12,244	12,000	11,663
Retained Earnings	27,278	26,993	28,021	28,265	28,592
Accumulated Other Comprehensive Income (Loss)	(909)	(442)	267	(834)	(214)
Treasury Stock, at Cost	(1,046)	(953)	(799)	(20)	(21)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>41,131</b>	<b>41,099</b>	<b>42,735</b>	<b>42,426</b>	<b>43,366</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>\$712,508</b>	<b>\$693,575</b>	<b>\$799,300</b>	<b>\$712,702</b>	<b>\$713,624</b>

	Dec 31, 01	Mar 31, 01
<b>ASSETS</b>		
Cash and Due from Banks	—%	1%
Deposits with Banks	(24)	21
Federal Funds Sold and Securities Purchased under Resale Agreements	20	8
Securities Borrowed	12	10
Trading Assets:		
Debt and Equity Instruments	23	5
Derivative Receivables	(11)	(20)
Securities	2	(12)
Loans (Net of Allowance for Loan Losses)	(2)	(2)
Goodwill	(3)	(9)
Other Intangibles:		
Mortgage Servicing Rights	5	14
Purchased Credit Card Relationships	191	163
All Other Intangibles	NM	NM
Private Equity Investments	(7)	(21)
Other Assets	(18)	20
<b>TOTAL ASSETS</b>	<b>3</b>	<b>—</b>
<b>LIABILITIES</b>		
Deposits:		
Noninterest-Bearing	(6)	22
Interest-Bearing	(3)	(2)
Total Deposits	(4)	3
Federal Funds Purchased and Securities Sold under Repurchase Agreements	19	5
Commercial Paper	28	46
Other Borrowed Funds	57	(41)
Trading Liabilities:		
Debt and Equity Instruments	34	36
Derivative Payables	(20)	(39)
Accounts Payable, Accrued Expenses and Other Liabilities (Including the Allowance for Credit Losses)	(23)	10
Long-Term Debt	(5)	(12)
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	23	23
<b>TOTAL LIABILITIES</b>	<b>3</b>	<b>—</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>NM</b>	<b>NM</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock	—	(26)
Common Stock	1	2
Capital Surplus	2	10
Retained Earnings	1	(5)
Accumulated Other Comprehensive Income (Loss)	(106)	(325)
Treasury Stock, at Cost	10	NM
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>—</b>	<b>(5)</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>3</b>	<b>—</b>

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

	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>AVERAGE BALANCES</b>					
<b>ASSETS</b>					
Deposits with Banks	\$ 12,326	\$ 10,810	\$ 8,583	\$ 9,535	\$ 7,517
Federal Funds Sold and Securities Purchased under Resale					
Agreements	81,004	85,582	80,396	86,556	82,836
Securities and Trading Assets	180,951	188,988	200,161	194,736	200,872
Securities Borrowed	41,739	39,213	38,122	38,006	37,261
Loans	217,847	218,625	224,125	217,447	219,133
Total Interest-Earning Assets	533,867	543,218	551,387	546,280	547,619
Noninterest-Earning Assets	184,779	196,557	185,891	189,488	183,339
<b>TOTAL ASSETS</b>	<b>\$718,646</b>	<b>\$739,775</b>	<b>\$737,278</b>	<b>\$735,768</b>	<b>\$730,958</b>
<b>LIABILITIES</b>					
Interest-Bearing Deposits	\$218,049	\$223,314	\$207,430	\$215,987	\$216,749
Federal Funds Purchased and Securities Sold under					
Repurchase Agreements	153,662	164,714	170,708	167,126	152,675
Commercial Paper	18,901	17,134	21,307	17,818	17,963
Other Borrowings (a)	67,408	55,388	67,218	63,038	70,606
Long-Term Debt	43,046	44,964	44,788	45,173	47,445
Total Interest-Bearing Liabilities	501,066	505,514	511,451	509,142	505,438
Noninterest-Bearing Liabilities	175,800	191,098	182,757	183,118	182,218
<b>TOTAL LIABILITIES</b>	<b>676,866</b>	<b>696,612</b>	<b>694,208</b>	<b>692,260</b>	<b>687,656</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>					
	<b>354</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
Preferred Stock	1,009	1,009	1,017	1,239	1,487
Common Stockholders' Equity	40,417	41,604	41,503	41,719	41,265
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>41,426</b>	<b>42,613</b>	<b>42,520</b>	<b>42,958</b>	<b>42,752</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>\$718,646</b>	<b>\$739,775</b>	<b>\$737,278</b>	<b>\$735,768</b>	<b>\$730,958</b>
<b>AVERAGE RATES</b>					
<b>INTEREST-EARNING ASSETS</b>					
Deposits with Banks	2.96%	3.76%	4.64%	4.65%	7.51%
Federal Funds Sold and Securities Purchased under Resale					
Agreements	2.45	3.18	4.19	4.98	5.86
Securities and Trading Assets	5.35	5.40	5.51	5.90	5.86
Securities Borrowed	1.77	2.00	3.17	3.66	5.37
Loans	5.87	5.97	6.54	7.55	8.27
Total Interest-Earning Assets	<b>4.79</b>	<b>5.00</b>	<b>5.56</b>	<b>6.23</b>	<b>6.81</b>
<b>INTEREST-BEARING LIABILITIES</b>					
Interest-Bearing Deposits	2.49	2.52	3.48	3.94	4.93
Federal Funds Purchased and Securities Sold under					
Repurchase Agreements	2.07	2.63	3.81	4.29	5.67
Commercial Paper	1.76	2.30	3.53	4.39	5.98
Other Borrowings	4.81	6.17	5.31	6.04	5.64
Long-Term Debt	3.35	3.58	4.43	5.63	6.36
Total Interest-Bearing Liabilities	<b>2.72</b>	<b>3.04</b>	<b>3.92</b>	<b>4.48</b>	<b>5.43</b>
<b>TOTAL INVESTABLE FUNDS</b>	<b>2.55</b>	<b>2.83</b>	<b>3.63</b>	<b>4.17</b>	<b>5.01</b>
<b>INTEREST RATE SPREAD</b>	<b>2.07%</b>	<b>1.96%</b>	<b>1.64%</b>	<b>1.75%</b>	<b>1.38%</b>
<b>NET INTEREST MARGIN</b>	<b>2.24%</b>	<b>2.17%</b>	<b>1.93%</b>	<b>2.06%</b>	<b>1.80%</b>

**NET INTEREST MARGIN ADJUSTED FOR  
SECURITIZATIONS**

2.47%

2.39%

2.13%

2.22%

1.96%

**1QTR 2002  
Over (Under)**

4Q 2001

1Q 2001

**AVERAGE BALANCES**

**ASSETS**

Deposits with Banks	14%	64%
Federal Funds Sold and Securities Purchased under Resale Agreements	(5)	(2)
Securities and Trading Assets	(4)	(10)
Securities Borrowed	6	12
Loans	—	(1)
Total Interest-Earning Assets	(2)	(3)
Noninterest-Earning Assets	(6)	1
<b>TOTAL ASSETS</b>	<b>(3)</b>	<b>(2)</b>

**LIABILITIES**

Interest-Bearing Deposits	(2)	1
Federal Funds Purchased and Securities Sold under Repurchase Agreements	(7)	1
Commercial Paper	10	5
Other Borrowings (a)	22	(5)
Long-Term Debt	(4)	(9)
Total Interest-Bearing Liabilities	(1)	(1)
Noninterest-Bearing Liabilities	(8)	(4)
<b>TOTAL LIABILITIES</b>	<b>(3)</b>	<b>(2)</b>
<b>PREFERRED STOCK OF SUBSIDIARY</b>	<b>(36)</b>	<b>(36)</b>
Preferred Stock	—	(32)
Common Stockholders' Equity	(3)	(2)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>(3)</b>	<b>(3)</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY</b>	<b>(3)</b>	<b>(2)</b>

**AVERAGE RATES**

**INTEREST-EARNING ASSETS**

Deposits with Banks	(80) bp	(455) bp
Federal Funds Sold and Securities Purchased under Resale Agreements	(73)	(341)
Securities and Trading Assets	(5)	(51)
Securities Borrowed	(23)	(360)
Loans	(10)	(240)
<b>Total Interest-Earning Assets</b>	<b>(21)</b>	<b>(202)</b>

**INTEREST-BEARING LIABILITIES**

Interest-Bearing Deposits	(3)	(244)
Federal Funds Purchased and Securities Sold under Repurchase Agreements	(56)	(360)
Commercial Paper	(54)	(422)
Other Borrowings	(136)	(83)
Long-Term Debt	(23)	(301)
<b>Total Interest-Bearing Liabilities</b>	<b>(32)</b>	<b>(271)</b>
<b>TOTAL INVESTABLE FUNDS</b>	<b>(28)</b>	<b>(246)</b>

**INTEREST RATE SPREAD**

11

69

**NET INTEREST MARGIN**

7

44

**NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS**

8

51

(a) Includes securities sold but not yet purchased, structured notes and trust preferred notes.

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

	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	Mar 31st 2001
<b>CREDIT-RELATED ASSETS</b>					
<b>COMMERCIAL LOANS</b>					
Domestic Commercial	\$ 64,068	\$ 66,436	\$ 77,712	\$ 74,563	\$ 73,046
Foreign Commercial	37,684	38,428	38,866	38,227	40,171
Total Commercial Loans	101,752	104,864	116,578	112,790	113,217
Derivative and FX Contracts	63,224	71,157	85,407	68,910	78,907
<b>TOTAL COMMERCIAL CREDIT-RELATED</b>	<b>164,976</b>	<b>176,021</b>	<b>201,985</b>	<b>181,700</b>	<b>192,124</b>
<b>CONSUMER LOANS</b>					
Credit Card — Reported	24,746	19,387	19,255	19,531	19,835
Credit Card — Securitizations	23,225	21,424	18,724	17,753	16,625
Credit Card — Managed	47,971	40,811	37,979	37,284	36,460
1-4 Family Residential Mortgages	54,460	59,430	55,160	56,743	54,143
Auto Financings	26,002	25,667	24,448	23,322	21,457
Other Consumer (a)	7,586	8,096	7,844	7,532	8,136
<b>TOTAL MANAGED CONSUMER LOANS</b>	<b>136,019</b>	<b>134,004</b>	<b>125,431</b>	<b>124,881</b>	<b>120,196</b>
<b>TOTAL MANAGED CREDIT-RELATED ASSETS</b>	<b>\$300,995</b>	<b>\$310,025</b>	<b>\$327,416</b>	<b>\$306,581</b>	<b>\$312,320</b>
<b>NONPERFORMING ASSETS AND RATIOS</b>					
<b>COMMERCIAL LOANS</b>					
Domestic Commercial	\$ 1,399	\$ 1,275	\$ 1,438	\$ 1,528	\$ 1,209
Foreign Commercial	960	722	580	362	428
Total Commercial Loans	2,359	1,997	2,018	1,890	1,637
Derivative and FX Contracts	155	170	46	88	109
<b>TOTAL</b>	<b>2,514</b>	<b>2,167</b>	<b>2,064</b>	<b>1,978</b>	<b>1,746</b>
<b>CONSUMER LOANS</b>					
Credit Card — Reported	19	22	23	25	24
Credit Card — Securitizations	—	—	—	—	—
Credit Card — Managed	19	22	23	25	24
1-4 Family Residential Mortgages	351	280	273	263	254
Auto Financings	98	118	110	97	84
Other Consumer (a)	66	79	53	16	15
Total Consumer Loans	534	499	459	401	377
<b>TOTAL</b>	<b>3,048</b>	<b>2,666</b>	<b>2,523</b>	<b>2,379</b>	<b>2,123</b>
Assets Acquired in Loan Satisfaction	130	124	123	119	111
<b>TOTAL</b>	<b>3,178</b>	<b>2,790</b>	<b>2,646</b>	<b>2,498</b>	<b>2,234</b>
Other Receivables (b)	1,130	1,130	—	—	—
<b>TOTAL NONPERFORMING ASSETS</b>	<b>\$ 4,308 (c)</b>	<b>\$ 3,920</b>	<b>\$ 2,646</b>	<b>\$ 2,498</b>	<b>\$ 2,234</b>
<b>TOTAL NONPERFORMING ASSETS TO TOTAL ASSETS</b>	<b>0.60%</b>	<b>0.57%</b>	<b>0.33%</b>	<b>0.35%</b>	<b>0.31%</b>
<b>PAST DUE 90 DAYS AND OVER AND ACCRUING COMMERCIAL LOANS</b>					



Domestic Commercial	\$ 42	\$ 30	\$ 19	\$ 48	\$ 114
Foreign Commercial	10	5	44	34	—
<b>TOTAL COMMERCIAL CREDIT-RELATED</b>	<b>52</b>	<b>35</b>	<b>63</b>	<b>82</b>	<b>114</b>
<b>CONSUMER LOANS</b>					
Credit Card — Reported	619	449	394	326	352
Credit Card — Securitizations	478	457	348	374	374
Credit Card — Managed	1,097	906	742	700	726
1-4 Family Residential Mortgages	—	—	—	—	3
Auto Financings	—	1	1	1	1
Other Consumer	45	36	28	66	69
<b>TOTAL CONSUMER LOANS</b>	<b>1,142</b>	<b>943</b>	<b>771</b>	<b>767</b>	<b>799</b>
<b>TOTAL CR.-REL. ACCRUING ASSETS</b>					
<b>PAST DUE 90 DAYS</b>	<b>\$ 1,194</b>	<b>\$ 978</b>	<b>\$ 834</b>	<b>\$ 849</b>	<b>\$ 913</b>

**Mar 31, 2002  
Over (Under)**

Dec 31, 01	Mar 31, 01
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**CREDIT-RELATED ASSETS**

**COMMERCIAL LOANS**

Domestic Commercial	(4)%	(12)%
Foreign Commercial	(2)	(6)
Total Commercial Loans	(3)	(10)
Derivative and FX Contracts	(11)	(20)
<b>TOTAL COMMERCIAL CREDIT-RELATED</b>	<b>(6)</b>	<b>(14)</b>

**CONSUMER LOANS**

Credit Card — Reported	28	25
Credit Card — Securitizations	8	40
Credit Card — Managed	18	32
1-4 Family Residential Mortgages	(8)	1
Auto Financings	1	21
Other Consumer (a)	(6)	(7)
<b>TOTAL MANAGED CONSUMER LOANS</b>	<b>2</b>	<b>13</b>
<b>TOTAL MANAGED CREDIT-RELATED ASSETS</b>	<b>(3)</b>	<b>(4)</b>

**NONPERFORMING ASSETS AND RATIOS**

**COMMERCIAL LOANS**

Domestic Commercial	10	16
Foreign Commercial	33	124
Total Commercial Loans	18	44
Derivative and FX Contracts	(9)	42
<b>TOTAL</b>	<b>16</b>	<b>44</b>

**CONSUMER LOANS**

Credit Card — Reported	(14)	(21)
Credit Card — Securitizations	NM	NM
Credit Card — Managed	(14)	(21)
1-4 Family Residential Mortgages	25	38
Auto Financings	(17)	17
Other Consumer (a)	(16)	340
Total Consumer Loans	7	42
<b>TOTAL</b>	<b>14</b>	<b>44</b>
Assets Acquired in Loan Satisfaction	5	17
<b>TOTAL</b>	<b>14</b>	<b>42</b>
Other Receivables (b)	—	NM
<b>TOTAL NONPERFORMING ASSETS</b>	<b>10</b>	<b>93</b>
<b>TOTAL NONPERFORMING ASSETS TO TOTAL ASSETS</b>	<b>3 bp</b>	<b>29 bp</b>

**PAST DUE 90 DAYS AND OVER AND ACCRUING**

**COMMERCIAL LOANS**

Domestic Commercial	40%	(63)%
Foreign Commercial	100	NM
<b>TOTAL COMMERCIAL CREDIT-RELATED</b>	<b>49</b>	<b>(54)</b>

**CONSUMER LOANS**

Credit Card — Reported	38	76
Credit Card — Securitizations	5	28
Credit Card — Managed	21	51

1-4 Family Residential Mortgages	NM	NM
Auto Financings	NM	NM
Other Consumer	25	(35)
<b>TOTAL CONSUMER LOANS</b>	21	43
<b>TOTAL CR.-REL. ACCRUING ASSETS</b>		
<b>PAST DUE 90 DAYS</b>	22	31

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- (a) Consists of installment loans (direct and indirect types of consumer finance), student loans, unsecured revolving lines of credit and foreign consumer loans.
  - (b) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities.
  - (c) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) aggregating \$42 million related to nonperforming counterparties.

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

(in millions, except ratios)

	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b>NET CHARGE-OFFS</b>					
<b>COMMERCIAL LOANS</b>					
Domestic Commercial	\$ 207	\$ 388	\$ 126	\$ 177	\$ 126
Foreign Commercial	113	45	63	35	22
<b>TOTAL COMMERCIAL LOANS</b>	<b>320</b>	<b>433</b>	<b>189</b>	<b>212</b>	<b>148</b>
<b>CONSUMER LOANS</b>					
Credit Card — Reported	337	274	264	234	218
Credit Card — Securitizations	321	264	270	273	241
Credit Card — Managed	658	538	534	507	459
1-4 Family Residential Mortgages	13	18	15	7	10
Auto Financings	38	50	32	26	29
Other Consumer	45	43	45	46	42
<b>TOTAL CONSUMER LOANS</b>	<b>754</b>	<b>649</b>	<b>626</b>	<b>586</b>	<b>540</b>
<b>TOTAL MANAGED NET CHARGE-OFFS</b>	<b>\$1,074</b>	<b>\$1,082</b>	<b>\$ 815</b>	<b>\$ 798</b>	<b>\$ 688</b>
<b>NET CHARGE-OFF RATES — ANNUALIZED</b>					
<b>COMMERCIAL LOANS</b>					
Domestic Commercial	1.24%	2.04%	0.59%	0.90%	0.62%
Foreign Commercial	1.34	0.53	0.79	0.46	0.24
<b>TOTAL COMMERCIAL LOANS</b>	<b>1.27</b>	<b>1.58</b>	<b>0.65</b>	<b>0.77</b>	<b>0.50</b>
<b>CONSUMER LOANS</b>					
Credit Card — Reported	5.78	5.74	5.47	4.69	4.44
Credit Card — Securitizations	5.98	5.23	5.82	6.55	5.77
Credit Card — Managed	5.87	5.48	5.64	5.54	5.05
1-4 Family Residential Mortgages	0.09	0.12	0.10	0.05	0.08
Auto Financings	0.58	0.79	0.53	0.46	0.56
Other Consumer	2.16	2.12	2.33	2.30	1.91
<b>TOTAL CONSUMER LOANS</b>	<b>2.22</b>	<b>1.98</b>	<b>1.96</b>	<b>1.89</b>	<b>1.83</b>
<b>TOTAL MANAGED NET CHARGE-OFF RATES</b>	<b>1.82</b>	<b>1.80</b>	<b>1.33</b>	<b>1.37</b>	<b>1.17</b>
<b>ALLOWANCE FOR LOAN LOSSES AND RATIOS</b>					
Allowance for Loan Losses (a)	\$5,005	\$4,524	\$3,874	\$3,673	\$3,672
To Total Loans	2.33%	2.08%	1.74%	1.67%	1.69%
To Total Nonperforming Loans	173	181	156	160	182
To Total Nonperforming Assets	116	115	146	147	164

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b>NET CHARGE-OFFS</b>		
<b>COMMERCIAL LOANS</b>		
Domestic Commercial	(47)%	64 %
Foreign Commercial	151	414
<b>TOTAL COMMERCIAL LOANS</b>	<b>(26)</b>	<b>116</b>

**CONSUMER LOANS**

Credit Card — Reported	23	55
Credit Card — Securitizations	22	33
Credit Card — Managed	22	43
1-4 Family Residential Mortgages	(28)	30
Auto Financings	(24)	31
Other Consumer	5	7
<b>TOTAL CONSUMER LOANS</b>	<b>16</b>	<b>40</b>
<b>TOTAL MANAGED NET CHARGE-OFFS</b>	<b>(1)</b>	<b>56</b>

**NET CHARGE-OFF RATES — ANNUALIZED****COMMERCIAL LOANS**

Domestic Commercial	(80)bp	62 bp
Foreign Commercial	81	110
<b>TOTAL COMMERCIAL LOANS</b>	<b>(31)</b>	<b>77</b>

**CONSUMER LOANS**

Credit Card — Reported	4	134
Credit Card — Securitizations	75	21
Credit Card — Managed	39	82
1-4 Family Residential Mortgages	(3)	1
Auto Financings	(21)	2
Other Consumer	4	25
<b>TOTAL CONSUMER LOANS</b>	<b>24</b>	<b>39</b>
<b>TOTAL MANAGED NET CHARGE-OFF RATES</b>	<b>2</b>	<b>65</b>

**ALLOWANCE FOR LOAN LOSSES AND RATIOS**

Allowance for Loan Losses (a)	11%	36 %
To Total Loans	25 bp	64 bp
To Total Nonperforming Loans	(800)	(900)
To Total Nonperforming Assets	100	(4,800)

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

**J.P. MORGAN CHASE & CO.  
CAPITAL**

	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	1QTR 2001
<b><u>SOURCES AND USES OF TIER 1 CAPITAL</u></b>					
<b>(in billions)</b>					
<b>Sources of Free Cash Flow</b>					
Operating Earnings Less Dividends	\$ 0.5 (a)	\$ (0.3)	\$ 0.4	\$ 0.1	\$ 0.8
Plus: Preferred Stock and Equivalents/Other Items	0.2 (a)	(0.8)	(0.6)	(0.8)	0.1
Less: Capital for Internal Asset Growth	— (a)	1.4	(1.3)	(0.5)	(0.5)
<b>Total Sources of Free Cash Flow</b>	<b>\$ 0.7</b>	<b>\$ 0.3</b>	<b>\$ (1.5)</b>	<b>\$ (1.2)</b>	<b>\$ 0.4</b>
<b>Uses of Free Cash Flow</b>					
Increases (Decreases) in Capital Ratios	\$ 0.9 (a)	\$ 0.4	\$ (2.0)	\$ (0.9)	\$ 1.0
Acquisitions	— (a)	—	—	—	0.1
Repurchases Net of Stock Issuances	(0.2) (a)	(0.1)	0.5	(0.3)	(0.7)
<b>Total Uses of Free Cash Flow</b>	<b>\$ 0.7</b>	<b>\$ 0.3</b>	<b>\$ (1.5)</b>	<b>\$ (1.2)</b>	<b>\$ 0.4</b>
<b><u>COMMON SHARES OUTSTANDING</u></b>					
<b>(in millions)</b>					
Basic Weighted-Average Shares Outstanding	1,978.2	1,969.6	1,975.3	1,978.4	1,966.6
Diluted Weighted-Average Shares Outstanding	2,005.8	2,007.4	2,020.9	2,033.6	2,032.2
Common Shares Outstanding — at Period End	1,990.2	1,973.4	1,972.9	1,989.2	1,984.2
<b>CASH DIVIDENDS DECLARED PER SHARE</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>
<b>BOOK VALUE PER SHARE</b>	<b>20.16</b>	<b>20.32</b>	<b>21.15</b>	<b>20.81</b>	<b>21.17</b>
<b><u>SHARE PRICE</u></b>					
High	\$ 39.68	\$ 40.95	\$ 46.01	\$ 50.60	\$ 59.19
Low	26.70	31.30	29.04	39.21	37.58
Close	35.65	36.35	34.15	44.60	44.90
<b><u>CAPITAL RATIOS</u></b>					
Tier I Capital Ratio	8.5% (a)	8.3%	8.2%	8.7%	8.7%
Total Capital Ratio	12.4 (a)	11.9	11.6	12.2	12.3
Tier I Leverage	5.4 (a)	5.2	5.3	5.4	5.4

[Additional columns below]

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

	1QTR 2002 Over (Under)	
	4Q 2001	1Q 2001
<b><u>SOURCES AND USES OF TIER 1 CAPITAL</u></b>		
<b>(in billions)</b>		
<b>Sources of Free Cash Flow</b>		
Operating Earnings Less Dividends	NM	(38)%
Plus: Preferred Stock and Equivalents/Other Items	NM	100
Less: Capital for Internal Asset Growth	NM	NM
<b>Total Sources of Free Cash Flow</b>	<b>133%</b>	<b>75</b>
<b>Uses of Free Cash Flow</b>		
Increases (Decreases) in Capital Ratios	125	(10)
Acquisitions	NM	NM
Repurchases Net of Stock Issuances	100	(71)

**Total Uses of Free Cash Flow**

133

75

**COMMON SHARES OUTSTANDING**

(in millions)

Basic Weighted-Average Shares Outstanding	—	1
Diluted Weighted-Average Shares Outstanding	—	(1)
Common Shares Outstanding — at Period End	1	—

**CASH DIVIDENDS DECLARED PER SHARE**

—

—

**BOOK VALUE PER SHARE**

(1)

(5)

**SHARE PRICE**

High	(3)	(33)
Low	(15)	(29)
Close	(2)	(21)

**CAPITAL RATIOS**

Tier I Capital Ratio	20bp	(20) bp
Total Capital Ratio	50	10
Tier I Leverage	20	—

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(a) Estimated

**J.P. MORGAN CHASE & CO.**  
**Glossary of Terms**

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

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

**Corporate:** Includes Support Units 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, or other contractual sales restrictions generally imposed on these holdings. Private investments are initially carried at cost, which is viewed as an approximation of fair value. The carrying value of private investments is adjusted to reflect valuation changes resulting from unaffiliated party transactions and for evidence of a decline in value.

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

**NM:** Not meaningful

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

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

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

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

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

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

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

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

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

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

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