UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

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

Date of Report (date of earliest event reported): **January 19, 2005**

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

Delaware	**1-5805**	**13-2624428**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

270 Park Avenue, New York, NY	**10017**
(Address of Principal Executive Offices)	(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On January 19, 2005, JPMorgan Chase & Co. (“JPMorgan Chase” or the “Firm”) reported 2004 fourth quarter net income of $1.7 billion, or $0.46 per share, compared to net income of $1.9 billion, or $0.89 per share, for the fourth quarter of 2003. A copy of the 2004 fourth quarter earnings release is attached hereto as Exhibit 99.1, and a copy of the earnings release financial supplement is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit Number	Description of Exhibit
12.1	JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges
12.2	JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements
99.1	JPMorgan Chase & Co. Earnings Release — 2004 Fourth Quarter Results
99.2	JPMorgan Chase & Co. Earnings Release Financial Supplement — Fourth Quarter 2004

The earnings release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the risk that the cost savings and any revenue synergies from the merger may not be fully realized or may take longer to realize than expected and the risk that excess capital is not generated from the merger as anticipated or not utilized in an accretive manner. Additional factors that could cause JPMorgan Chase’s results to differ materially from those described in the forward-looking statements can be found in the Quarterly Report on Form 10-Q for the quarters ended September 30, 2004, June 30, 2004 and March 31, 2004, and in the 2003 Annual Report on Form 10-K of JPMorgan Chase filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission’s Internet site (http://www.sec.gov).

SIGNATURE

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

JPMORGAN CHASE & CO.
(Registrant)

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

Executive Vice President and Controller
[Principal Accounting Officer]

Dated: January 19, 2005

EXHIBIT INDEX

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EXHIBIT 12.1

JPMORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges

Year Ended December 31, (in millions, except ratios)	2004
Excluding Interest on Deposits	
Income before income taxes	$ 6,194
Fixed charges:	
Interest expense	8,800
One-third of rents, net of income from subleases *(a)*	343
Total fixed charges	9,143
Add: Equity in undistributed loss of affiliates	44
Earnings before taxes and fixed charges, excluding capitalized interest	$ 15,381
Fixed charges, as above	$ 9,143
Ratio of earnings to fixed charges	1.68
Including Interest on Deposits	
Fixed charges, as above	$ 9,143
Add: Interest on deposits	5,034
Total fixed charges and interest on deposits	$ 14,177
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 15,381
Add: Interest on deposits	5,034
Total earnings before taxes, fixed charges and interest on deposits	$ 20,415
Ratio of earnings to fixed charges	1.44

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

EXHIBIT 12.2

JPMORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements

Year Ended December 31, (in millions, except ratios)	2004
Excluding Interest on Deposits	
Income before income taxes	$ 6,194
Fixed charges:	
Interest expense	8,800
One-third of rents, net of income from subleases *(a)*	343
Total fixed charges	9,143
Add: Equity in undistributed loss of affiliates	44
Earnings before taxes and fixed charges, excluding capitalized interest	$ 15,381
Fixed charges, as above	$ 9,143
Preferred stock dividends (pre-tax)	72
Fixed charges including preferred stock dividends	$ 9,215
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.67
Including Interest on Deposits	
Fixed charges including preferred stock dividends, as above	$ 9,215
Add: Interest on deposits	5,034
Total fixed charges including preferred stock dividends and interest on deposits	$ 14,249
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 15,381
Add: Interest on deposits	5,034
Total earnings before taxes, fixed charges and interest on deposits	$ 20,415
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.43

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

Exhibit 99.1

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

News release: IMMEDIATE RELEASE

JPMORGAN CHASE REPORTS 2004 FOURTH QUARTER NET INCOME OF $1.7 BILLION AFTER MERGER AND CONFORMING ACCOUNTING CHARGES OF $650 MILLION

- **REPORTED EPS of $0.46 per share and OPERATING EPS of $0.64 per share(1)**
- **INVESTMENT BANK — Improved Trading Results, Strong Investment Banking Fees**
- **RETAIL — Growth in Consumer Accounts, Deposits and Loans; Weakness in Home Finance**
- **CARD SERVICES — Growth in Loans and Charge Volume**
- **ASSET & WEALTH MANAGEMENT — Strong Results Driven by Net Inflows and Equity Markets**
- **PRIVATE EQUITY — Strong Gains**
- **CREDIT QUALITY & CAPITAL RATIOS — Remain Strong, Tier 1 Ratio 8.7%**

New York, January 19, 2005 - JPMorgan Chase & Co. (NYSE: JPM) today reported 2004 fourth quarter net income of $1.7 billion, or $0.46 per share, compared to net income of $1.9 billion, or $0.89 per share, for the fourth quarter of 2003. Current period results include $650 million in after-tax charges, or $0.18 per share, comprised of merger costs of $324 million and charges of $326 million to conform accounting policies, reflecting the merger with Bank One Corporation (“the Merger”) completed on July 1, 2004. Excluding these charges, operating earnings would have been $2.3 billion, or $0.64 per share. Prior year reported results do not include Bank One. Refer to the “Merger and other financial information” section of this press release for additional information concerning the Merger.

William B. Harrison, Jr., Chairman and Chief Executive Officer commented, “Operating results for the fourth quarter improved from the third quarter, but still reflected mixed performance. The Investment Bank generated strong investment banking fees and saw a moderate improvement in trading results. Card Services and Asset & Wealth Management generated double-digit earnings growth, and Private Equity gains were strong. In Retail Financial Services the branch business continued to experience good annual growth in accounts and deposits, which was more than offset by a decline in the prime production and servicing business of Home Finance.”

James Dimon, President and Chief Operating Officer commenting on merger integration said, “Merger integration continues to progress well and we are on track to achieve the $3 billion of estimated annual cost saves; headcount was reduced by over six thousand since year-end 2003, conversion of Bank One’s credit card portfolio was completed, other systems conversions are on schedule and the firm is prepared for large scale conversions in 2005 and 2006. We have essentially completed the strategic review of all of our businesses. We sold our $4 billion manufactured home loan portfolio, substantially reduced our auto lease originations, sold the majority of our third party private equity investments and subsequent to year-end sold our $2 billion recreational vehicle portfolio.”

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In the discussion of the business segments below, information is presented on an operating basis[1]. Operating basis excludes the after-tax impact of litigation charges taken in the second quarter of 2004, merger costs, and conformance of accounting policies. In the case of Card Services, operating basis excludes the impact of credit card securitizations. For more information about operating basis, as well as other non-GAAP financial measures used by management, see Note 1 below.

The following discussion compares the fourth quarter of 2004 to the fourth quarter of 2003. Unless otherwise indicated, results for the 2003 fourth quarter are JPMorgan Chase (h-JPMC) on a standalone basis. The proforma combined historical lines of business information present the new business segments of the company as if these segments had existed as of the earliest date indicated and reflect (i) the firm's new business segments and (ii) purchase accounting adjustments, reporting reclassifications and management accounting policy changes. For further information regarding the proforma combined historical financial information, including reconciliation to JPMorgan Chase GAAP financial information, see information furnished pursuant to Regulation FD by JPMorgan Chase on Form 8-K dated October 1, 2004, as amended on October 20, 2004 and January 19, 2005. In management's view, the proforma combined historical financial results provide investors with information to enable them to understand better the underlying dynamics of each of the lines of business. For a description of the firm's business segments, see Note 2 below.

INVESTMENT BANK (IB)

Operating Results - IB ($ millions)	4Q04	4Q03 h-JPMC $ O/(U)	4Q03 h-JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 3,201	$ 303	10%	($115)	(3%)
Provision for Credit Losses	(173)	68	28	223	56
Noninterest Expenses	2,390	589	33	461	24
Operating Earnings	$ 660	($149)	(18%)	($497)	(43%)

Discussion of Historical Results:
Operating earnings were $660 million, down 18% from the prior year. Results were positively affected by the Merger, offset by higher levels of compensation expense and reduced benefit from credit costs.

Revenues of $3.2 billion were up 10%. Investment banking fees of $1.1 billion increased 29%, reflecting continued strong levels of underwriting and advisory fees. Fixed Income Markets revenues of $1.5 billion were up 11% and rebounded from disappointing third quarter results. Equity Markets revenues of $243 million were down 24% due to reduced portfolio management trading results. Credit Portfolio revenues of $348 million were down 4%, reflecting lower revenues from tightening spreads, partially offset by the Merger.

The provision for credit losses was a benefit of $173 million compared to a benefit of $241 million in the prior year. The reduced benefit was attributable to ongoing but moderating improvement in the credit quality of the loan portfolio.

Expenses of $2.4 billion were up 33% due to increased compensation costs and the Merger. The increase in compensation expense reflected changes to incentive compensation accruals in both periods to recognize full year financial performance, changes in business mix and prevailing labor markets.

Discussion of Proforma Combined Results:
Operating earnings were $660 million, down 43% from the prior year. Results reflected a 24% increase in expenses, primarily from higher compensation expenses, and a reduced benefit from credit costs. In addition, lower net interest income from declining loan balances and reduced equities markets results negatively affected revenues. These declines were partially offset by higher investment banking fees.

Revenues of $3.2 billion were down 3%, or $115 million. Credit Portfolio revenues of $348 million were down 29%, reflecting lower net interest income and lending fees from reduced loan balances and commitments. Equity Markets revenues of $243 million decreased 30%, or $103 million, due to a decline in portfolio management results for the quarter. Fixed Income Markets revenues of $1.5 billion were down marginally from the prior year and rebounded from disappointing third quarter results. Investment banking fees of $1.1 billion increased 17% due to the continued strength in advisory fees, up 55%, and debt underwriting fees, up 21%.

The provision for credit losses was a benefit of $173 million, compared to a $396 million benefit last year. The reduced benefit was attributable to ongoing but moderating improvement in the credit quality of the loan portfolio.

Expenses of $2.4 billion were up 24%, driven by higher compensation costs. The increase in compensation expense reflected changes to incentive compensation accruals in both periods to recognize full year financial performance, changes in business mix and prevailing labor markets. Non-compensation expenses were up 2% from the prior period, primarily reflecting technology investments.

Other Highlights Include:

- Investment banking fees represent the best quarterly results since 2000.
- Improved to #2 in Global Announced M&A (#1 in U.S.) and advised on 7 of the top 10 transactions in 2004.
- Improved to #6 from #14 in U.S. IPOs.
- Average loans down 6% to $47.7 billion from $50.9 billion in the prior year, but up 4% from $45.8 billion in the prior quarter.
- Allowance for loan losses to average loans was 3.87%, with nonperforming assets of $1.2 billion down 49% from the prior year.
- Announced agreement to form a partnership with Cazenove Group to combine each firm's UK investment banking business. JPMorgan Cazenove will be the UK market's number one corporate broker and M&A house and a leading provider of equity and debt underwriting.

RETAIL FINANCIAL SERVICES (RFS)

Operating Results - RFS ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma(1) $ O/(U)	4Q03 Proforma(1) % O/(U)
Net Revenues	$ 3,545	$ 1,823	106%	($121)	(3%)
Provision for Credit Losses	78	6	8	(607)	(89)
Noninterest Expenses	2,215	1,045	89	(72)	(3)
Operating Earnings	$ 775	$ 470	154%	$ 346	81%

(1) The fourth quarter 2003 proforma results included a provision for credit losses of $415 million ($257 million after tax) associated with the mark to market of the legacy Bank One brokered home equity loans .

Discussion of Historical Results:
Operating earnings were $775 million compared to $305 million in the prior year. Year over year growth was driven primarily by the Merger, but also reflected growth in loan and deposit balances and in margin and fee income on deposit products. These positive factors were offset by a drop in prime mortgage production and mortgage servicing rights ("MSR") risk management revenue.

The quarterly results included the impact of several significant items, as follows:

($ in millions)	Pre-Tax
· Realized losses on the sale of securities used for risk management of the MSR asset taken due to hedge repositioning	($90)
· Net benefit from the sale of manufactured home loan portfolio	95
· Market value adjustments on mortgage loans transferred to held-for-sale in the Home Finance business	(52)

Total revenue increased to $3.5 billion, up from $1.7 billion. Net interest income of $2.7 billion increased from $1.3 billion, benefiting from the Merger, wider spreads on deposit products, and growth in retained loan and core deposit balances. Noninterest revenue of $893 million increased from $388 million due to the Merger and higher deposit-related fees. Both components of total revenue included losses of $187 million associated with hedging the MSR asset (including the security losses noted above), declines related to lower prime mortgage originations, and the transfer of loans to held-for-sale.

The provision for credit losses totaled $78 million, compared to $72 million last year. The impact of the Merger was largely offset by a release of allowance for loan losses resulting from the sale of the manufactured home loan portfolio and continued positive credit quality trends in the auto finance business.

Expenses rose to $2.2 billion from $1.2 billion, primarily due to the Merger.

Home Finance operating earnings were $239 million, compared to $238 million last year. Operating earnings for the Prime Production & Servicing segment were ($56) million. Results reflected losses of $187 million associated with MSR risk management activities, which included losses of $90 million realized on the sale of AFS securities due to hedge repositioning. The remaining $97 million of losses were the result of market driven updates to the MSR valuation model and changes in market rates that resulted in a difference in performance between the MSR asset and the associated hedges. Results of this segment also reflected a decrease in prime mortgage production revenue, which was partially offset by lower expenses. Earnings for the Consumer Real Estate Lending segment increased to $295 million. Growth was largely due to the Merger, but also reflected higher retained loan balances and a release of allowance for loan losses associated with the sale of the $4 billion manufactured home loan portfolio. Results also included the mark to market loss of $52 million on the reclassification of adjustable rate mortgage loans to held-for-sale. Sale of these loans is expected in 2005.

Consumer & Small Business operating earnings totaled $430 million, up from $12 million last year. While growth largely reflected the Merger, the business also benefited from deposit growth and wider spreads.

Auto & Education Finance operating earnings were $84 million, up from $53 million last year primarily due to the Merger. Total revenue of $364 million included a $25 million charge to cover higher than expected lease residual losses. Results also benefited from a $35 million release of allowance for loan losses reflecting favorable credit trends in the auto loan portfolio.

Insurance operating earnings totaled $22 million on net revenues of $173 million. The increase over the prior year was almost entirely due to the Merger.

Discussion of Proforma Combined Results:
Operating earnings were $775 million, up from $429 million in the prior year. Prior year results included $415 million of pre-tax net market value write-downs on legacy Bank One brokered home equity loans deemed non-core and reclassified to held-for-sale. Excluding this non-core result, operating earnings increased 13% to $775 million, up from $686 million in the prior year. Performance reflected growth in loan and deposit balances, higher margin and fee income on deposit products, and lower prime mortgage originations. The Consumer Real Estate Lending and Consumer & Small Business operating segments drove earnings growth. Both the Prime Production & Servicing and Auto Finance segments experienced declines in operating results.

The quarterly results included the impact of several significant items, as follows:

($ in millions)	Pre-Tax
· Realized losses on the sale of securities used for risk management of the MSR asset taken due to hedge repositioning	($90)
· Net benefit from the sale of manufactured home loan portfolio	95
· Market value adjustments on mortgage loans transferred to held-for-sale in the Home Finance business	(52)

Total revenue decreased to $3.5 billion, down $121 million, or 3%, from the prior year. Net interest income was relatively flat at $2.7 billion. This reflected reduced mortgage warehouse and investment security balances, largely offset by growth in retained loans and core deposits as well as wider spreads on deposit balances. Noninterest revenue of $893 million was $77 million, or 8% lower than the prior year. Both components of total revenue included losses of $187 million associated with hedging the MSR asset (including the security losses noted above), declines related to lower prime mortgage originations and the transfer of loans to held-for-sale, as well as higher deposit-related revenue.

The provision for credit losses totaled $78 million, down from $685 million in the prior year. The prior year provision included $415 million associated with the mark-to-market of the legacy Bank One brokered home equity loans that were sold in 2004. Excluding these market value adjustments, the provision for credit losses dropped $192 million, driven by the release of allowance for loan losses resulting from the sale of the manufactured home loan portfolio and continued good credit quality trends in the auto finance business.

Expenses decreased to $2.2 billion, down 3% or $72 million, demonstrating expense savings in nearly all businesses despite ongoing investments in the retail banking distribution network.

Home Finance operating earnings totaled $239 million, down 16% from $286 million in the prior year. Operating earnings for the Prime Production & Servicing segment were a loss of $56 million, down $168 million. Results reflected losses of $187 million associated with MSR risk management activities, which included losses of $90 million realized on the sale of AFS securities due to hedge repositioning. The remaining $97 million of losses were the result of market driven updates to the MSR valuation model and changes in market rates that resulted in a difference in performance between the MSR asset and the associated hedges. Results of this segment also reflected a decrease in prime mortgage production revenue. Earnings for the Consumer Real Estate Lending segment increased to $295 million, up $121 million. This reflected a release of allowance for loan losses associated with the sale of the $4 billion manufactured home loan portfolio as well as an increase in retained loans. Results also included the mark to market loss of $52 million on the reclassification of adjustable rate mortgage loans to held-for-sale. Sale of these loans is expected in 2005.

Other Highlights Include:

- Mortgage loan originations of $32 billion were down 27% from $44 billion in the prior year and down 5% from $34 billion in the prior quarter.
- Mortgage loans serviced increased 9% to $562 billion from $516 billion.
- Average mortgage loans retained increased 10% to $45 billion from $40 billion; period end mortgage loans were $43 billion.
- Average home equity loans increased 23% to $70 billion from $57 billion.
- Nonperforming assets declined 41% to $844 million from $1.4 billion.
- Net charge-off rate was 0.17%, down from 0.57%, excluding charge-offs associated with the manufactured home portfolio and non-core portfolio actions in 2003.

Consumer & Small Business operating earnings totaled $430 million, up from $292 million. Total revenue of $2.1 billion increased 11%, reflecting deposit growth and wider spreads. Expenses of $1.4 billion were down 1% primarily due to cost savings initiatives, but included continued investments in distribution.

Other Highlights Include:

- Number of branches increased by 106 from the prior year to 2,508.
- Number of ATMs increased by 325 from the prior year to 6,650.
- Average core deposits increased to $148 billion, up 7% from the prior year.
- Checking accounts grew by 67,000 to 8.2 million during the quarter and by 563,000 during the year.

Auto & Education Finance operating earnings were $84 million, down 5%. Total revenue of $364 million was down $57 million, or 14%, reflecting a continued competitive operating environment that contributed to narrower spreads on new loans and reduced origination volumes, and a $25 million charge to cover higher than expected lease residual losses. The provision for credit losses declined to $59 million primarily due to a reserve release of $35 million attributable to favorable credit trends.

Other Highlights Include:

- Average loan receivables were $54 billion, up 3% from $52 billion in the prior year and 2% from $53 billion in the prior quarter.
- Average lease receivables declined 26% from $11 billion to $8 billion over the past year.
- The net charge-off rate dropped to 0.65% from 0.86%.

Insurance operating earnings totaled $22 million, up from $20 million in the prior year, on net revenues of $173 million.

CARD SERVICES (CS)

Operating Results - CS ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 3,830	$ 2,215	137%	$ 93	2%
Provision for Credit Losses	1,735	943	119	(66)	(4)
Noninterest Expenses	1,282	728	131	(20)	(2)
Operating Earnings	$ 515	$ 342	198%	$ 119	30%

Discussion of Historical Results:
Operating earnings of $515 million increased $342 million from the prior year primarily due to the Merger. Excluding the impact of the Merger, earnings benefited from lower expenses and a lower managed provision for credit losses, partially offset by lower spread.

Total revenue of $3.8 billion increased $2.2 billion. Net interest income of $2.9 billion increased $1.6 billion primarily due to the Merger, partially offset by modest spread compression. Noninterest income of $917 million increased $597 million primarily due to the Merger.

The managed provision for credit losses of $1.7 billion increased $943 million primarily due to the Merger, partially offset by lower provision. Managed credit ratios remained strong, benefiting from reduced contractual and bankruptcy charge-offs. The managed net charge-off ratio for the quarter was 5.24%. The 30-day managed delinquency ratio was 3.70%.

Expenses of $1.3 billion increased $728 million, primarily related to the Merger. Excluding the impact of the Merger, expenses were down due to lower compensation expense.

Discussion of Proforma Combined Results:
Operating earnings of $515 million increased $119 million, or 30%, from the prior year. Higher loan balances, increased charge volume, and lower managed provision for credit losses were the primary drivers of the increase in earnings.

Total revenue of $3.8 billion increased $93 million, or 2%. Net interest income of $2.9 billion increased $77 million, or 3%, due to higher loan balances and the acquisition of a private label portfolio. This was partially offset by lower loan spread, which was driven by lower penalty fees and modest spread compression. Noninterest income of $917 million increased $16 million, or 2%, due to higher charge volume, which generated increased interchange income. This was partially offset by higher volume-driven payments to partners and rewards expense.

The managed provision for credit losses of $1.7 billion decreased $66 million, or 4%. This decrease was due to lower provision and losses partially offset by the acquisition of a private label portfolio. Managed credit ratios remained strong, benefiting from reduced contractual and bankruptcy charge-offs. The managed net charge-off ratio for the quarter declined to 5.24% from 5.48% in the prior year and increased from 4.88% in the prior quarter due to seasonally higher losses. The 30-day managed delinquency ratio was 3.70%, down from 4.21% in the prior year and 3.81% in the prior quarter due to improved credit quality.

Expenses of $1.3 billion decreased $20 million, or 2%. A decrease in compensation expenses and a modest decrease in marketing expense were partially offset by increased expense resulting from the acquisition of a private label portfolio and volume-based processing expenses.

Other Highlights Include:

- Net interest income as a percentage of average managed loans was 8.79%, down 17 basis points, driven by lower penalty fees and modest spread compression.
- Average managed loans increased $6.2 billion, or 5%, to $131.8 billion.
- Charge volume increased $6.4 billion, or 9%, to $75.3 billion.
- Merchant processing volume increased $16.7 billion, or 14%, to $135.9 billion, and total transactions increased by 528 million, or 13%, to 4.5 billion.
- Managed net charge off ratio declined to 5.24% from 5.48% reflecting an overall improvement in credit quality.
- Successful conversion of the remaining 80% of the Bank One portfolio to the Total Systems processing platform.

COMMERCIAL BANKING (CB)

Operating Results - CB ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 885	$ 545	160%	$ 34	4%
Provision for Credit Losses	21	31	N/M	(12)	(36)
Noninterest Expenses	451	254	129	0	0
Operating Earnings	$ 254	$ 165	185%	$ 29	13%

Discussion of Historical Results:
Operating earnings were $254 million, an increase of $165 million from the prior year, primarily due to the Merger.

Revenues were $885 million, an increase of $545 million, primarily due to the Merger. In addition, net interest income of $623 million was positively affected by higher deposit balances and spreads, partially offset by lower lending-related revenue. Noninterest income of $262 million was positively affected by higher investment banking fees, partially offset by lower service charges on deposits, which often decline as interest rates rise.

Provision for credit losses was $21 million for the quarter, an increase from a net benefit of $10 million in the prior year. Net charge-offs for the quarter were $45 million, or 0.35% of average loans, and increased primarily due to the Merger.

Expenses increased $254 million to $451 million, primarily related to the Merger.

Discussion of Proforma Combined Results:
Operating earnings were $254 million, an increase of $29 million, or 13%, from the prior year, primarily resulting from increased net interest income and improved credit quality.

Revenues were $885 million, an increase of $34 million, or 4%. Net interest income was $623 million, an increase of $27 million, or 5%, due to increased deposit balances and spreads, partially offset by lower lending-related revenue. Noninterest income was $262 million, up $7 million, or 3%, primarily resulting from higher investment banking fees, partially offset by lower service charges on deposits, which often decline as interest rates rise.

Provision for credit losses was $21 million, a decrease of $12 million, or 36%, reflecting the improvement in credit quality compared to the prior year. Net charge-offs for the quarter were $45 million or 0.35% of average loans; nonperforming loans decreased $348 million, or 40%, from the prior year.

Expenses of $451 million were flat compared to the prior year.

Other Highlights Include:

- Average deposits increased 11% to $67 billion.
- Average loan balances of $50 billion were up 3% from the prior year.
- Nonperforming loans declined to $527 million, down 40% from $875 million.
- Allowance for loan losses to average loans was 2.62%.

TREASURY & SECURITIES SERVICES (TSS)

Operating Results - TSS ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 1,413	$ 433	44%	$ 143	11%
Noninterest Expenses	1,146	345	43	129	13
Operating Earnings	$ 145	$ 22	18%	$ 16	12%

Discussion of Historical Results:

Operating earnings for the quarter were $145 million, an increase of $22 million, or 18%. Prior year results include an after-tax gain of $22 million on the sale of an Institutional Trust Services' business. Excluding this one-time gain, operating earnings increased $44 million, or 44%. Both net revenue and noninterest expense increased primarily as a result of the Merger, the acquisition of Bank One's Corporate Trust business in November 2003, and the acquisition of Electronic Financial Services (EFS) in January 2004.

TSS net revenue improved 44% to $1.4 billion from $980 million. Excluding the one-time gain on sale of a business, net revenues increased 50%. This revenue growth reflected the benefit of the Merger and the acquisitions noted above and improved product revenues across TSS. Net interest income grew to $471 million from $236 million as a result of a change in the corporate deposit pricing methodology in 2004, average deposit balance growth of 57% to $150 billion, and wider deposit spreads. Growth in fees and commissions was driven by a 20% growth in assets under custody to $9.1 trillion as well as new business growth in securities lending, global equity products, clearing, ACH, and trade. Partially offsetting these improvements were lower service charges on deposits, which often decline as interest rates rise.

Treasury Services net revenue grew to $642 million, Investor Services to $454 million and Institutional Trust Services to $317 million. TSS firmwide net revenue grew 63% to $2.0 billion from $1.2 billion. TSS firmwide net revenues include Treasury Services net revenue recorded in other lines of business.

Credit reimbursement to the Investment Bank was $43 million compared to a credit from the Investment Bank of $5 million in the prior year principally due to the Merger and a change in methodology. TSS is charged a credit reimbursement related to certain exposures managed within the Investment Bank credit portfolio on behalf of clients shared with TSS.

Non-interest expense totaled $1.1 billion compared to $801 million reflecting the Merger and the acquisitions noted above, upfront transition expenses related to on-boarding new custody and fund accounting clients, legal, and technology-related expenses.

Discussion of Proforma Combined Results:
Operating earnings for the quarter were $145 million, an increase of $16 million, or 12%. Prior year results included an after-tax gain of $22 million on the sale of an Institutional Trust Services' business. Excluding this one-time gain, operating earnings increased $38 million, or 36%. Both net revenue and noninterest expense increased as a result of the acquisition of Electronic Financial Services (EFS) in January 2004.

TSS net revenue improved 11% to $1.4 billion from $1.3 billion. Excluding the one-time gain on sale of a business, net revenues increased 15%. This revenue growth reflected the benefit of the EFS acquisition. Net interest income grew by $118 million, or 33%, resulting from wider deposit spreads and an increase in average deposit balances of 30% to $150 billion. Growth in fees and commissions was driven by a 20% increase in assets under custody to $9.1 trillion as well as new business growth in securities lending, global equity products, clearing, ACH, and trade. Partially offsetting these improvements were lower service charges on deposits, which often decline as interest rates rise.

Treasury Services net revenue grew 22% to $642 million, Investor Services grew 15% to $454 million and Institutional Trust Services declined 9% to $317 million. Excluding the gain on the sale of a business in the prior year, Institutional Trust Services net revenues grew 2% to $317 million. TSS firmwide net revenue grew 9% to $2.0 billion from $1.8 billion. TSS firmwide net revenues include Treasury Services net revenue recorded in other lines of business.

Credit reimbursement to the Investment Bank was $43 million compared to $54 million in the prior year. TSS is charged a credit reimbursement related to certain exposures managed within the Investment Bank credit portfolio on behalf of clients shared with TSS.

Non-interest expense totaled $1.1 billion compared to $1.0 billion reflecting the EFS acquisition noted above, upfront transition expenses related to on-boarding new custody and fund accounting clients, legal, and technology-related expenses.

Other Highlights Include:

- Total average deposits were $150 billion, an increase of 30%.
- Assets under custody increased to $9.1 trillion, up 20%.
- Corporate Trust Securities under administration were $6.6 trillion, an increase of 4%.
- Announced the acquisition of Vastera on January 7, 2005, a leading provider of global trade management solutions, which will be combined with Treasury Services' existing Logistics and Trade Services businesses.

ASSET & WEALTH MANAGEMENT (AWM)

Operating Results - AWM ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 1,310	$ 465	55%	$ 121	10%
Provision for Credit Losses	(21)	(57)	NM	(58)	NM
Noninterest Expenses	919	271	42	75	9
Operating Earnings	$ 263	$ 157	148%	$ 64	32%

Discussion of Historical Results:
Operating earnings were $263 million, up $157 million from the prior year, primarily due to the Merger. In addition, performance was driven by increased revenue and decreased provision for credit losses, partially offset by higher compensation expense.

Total revenue was $1.3 billion, up $465 million, primarily due to the Merger. In addition, fees and commissions increased due to net asset inflows, global equity market appreciation and higher performance fees, slightly offset by lower brokerage activity. Net interest income increased due to higher deposit product balances.

The provision for credit losses was a benefit of $21 million, a decrease of $57 million due to improvement in credit quality.

Expenses increased to $919 million, up $271 million, due to the Merger and increased compensation expense primarily related to incentives.

Discussion of Proforma Combined Results:
Operating earnings were $263 million, up 32%, or $64 million, from the prior year. Performance was driven by increased revenues and decreased provision for credit losses, partially offset by higher compensation expense.

Revenues were $1.3 billion, up 10%, or $121 million. Fees and commissions were up 13% to $952 million due to net customer inflows, global equity market appreciation and higher performance fees, slightly offset by lower brokerage activity. In addition, net interest income was up 18% to $288 million, benefiting from higher deposit product balances.

Provision for credit losses was a benefit of $21 million, a decrease of $58 million, primarily due to improvement in credit quality.

Expenses of $919 million increased 9%, or $75 million, reflecting increased compensation expenses due to performance-based incentives.

Other Highlights Include:

- Pre-tax margin(4) was 31% compared to 26% in the prior year.
- Completed the acquisition of a majority interest in Highbridge Capital in December.
- Assets under Supervision were $1.3 trillion, an increase of 11%.
- Assets under Management were $791 billion, an increase of 6%, inclusive of $7 billion from the acquisition of a majority interest in Highbridge Capital Management.
- Not reflected in Assets under Management is the Firm’s 43% equity interest in American Century, whose Assets under Management were $98 billion at quarter-end, compared with $87 billion as of the fourth quarter of 2003 .
- Loans were up 10% to $26 billion.
- Deposits were up 31% to $43 billion.

CORPORATE

Operating Results - Corporate ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	($223)	($391)	NM	$ 4	2%
Provision for Credit Losses	—	48	NM	48	NM
Noninterest Expenses	460	373	429%	(14)	(3)
Operating Earnings	($296)	($555)	NM	($89)	(43%)

Discussion of Historical Results:
Operating earnings were a loss of $296 million, down from earnings of $259 million in the prior year. Corporate includes the firm's treasury activity, private equity business, and other corporate revenue and expense items.

Noninterest income of $444 million was up $222 million from the prior year due to securities and private equity gains and the Merger. Securities and private equity gains of $584 million were up $416 million from the prior year primarily driven by increased private equity gains that benefited from stronger equity market conditions.

Net interest income was negative $667 million compared to negative $54 million in the prior year. The decline was driven primarily by actions and policies adopted in conjunction with the Merger.

Corporate noninterest expenses were $460 million, up $373 million from the prior year, primarily due to the Merger.

Discussion of Proforma Combined Results:
Operating earnings were a loss of $296 million, compared to a loss of $207 million in the prior year.

Noninterest income was $444 million, an increase of $493 million over the prior year. Noninterest income included $77 million of securities gains from treasury investment activity, an increase of $344 million from the prior year due to losses recognized on the treasury investment portfolio in 2003. Also included in noninterest income were private equity gains of $506 million, which were $284 million higher than the private equity gains generated in the prior year due to stronger equity market conditions.

Net interest income was negative $667 million compared to negative $178 million in the prior year. The decrease was primarily driven by repositioning of the firm's treasury investment portfolio from the prior year.

Corporate noninterest expenses were $460 million, a decrease of 3% from the prior year, primarily due to an increase in expenses allocated to other businesses partially offset by an increase in compensation expense.

JPMORGAN CHASE (JPMC)

Operating Results - JPMC ($ millions)	4Q04	4Q03 h- JPMC $ O/(U)	4Q03 h- JPMC % O/(U)	4Q03 Proforma $ O/(U)	4Q03 Proforma % O/(U)
Net Revenues	$ 13,961	$ 5,393	63%	$ 159	1%
Provision for credit losses	1,643	1,042	173	(472)	(22)
Noninterest Expenses	8,863	3,605	69	559	7
Operating Earnings	$ 2,316	$ 452	24%	($12)	(1)%

Discussion of Historical Results:
Operating earnings were $2.3 billion, up $452 million, or 24%, from the prior year primarily due to the Merger.

Total revenues were $14.0 billion, up $5.4 billion, or 63%, due to the Merger. Noninterest revenues were $7.3 billion, up $2.3 billion, or 46%, from the prior year primarily due to the Merger. Additional contributing factors to the increase were higher private equity gains, up due to stronger equity market conditions, and higher fees and commissions, up due to acquisitions and increased asset management fees, which benefited from net customer inflows and global equity market appreciation. Investment banking fees also increased as a result of continued strength in debt underwriting and advisory fees. These benefits were partially offset by lower trading revenues due to reduced portfolio management results and lower service charges on deposits in the wholesale business segments. Net interest income was $6.6 billion, up $3.1 billion from the prior year primarily due to the Merger. Also contributing to the increase were higher retail loan balances, growth in consumer and wholesale deposit balances, and wider deposit spreads. These were partially offset by lower spreads on wholesale and consumer loans. Both components of total revenue were negatively affected by losses associated with hedging the MSR asset, declines related to lower prime mortgage originations, and the transfer of loans to held-for-sale.

The provision for credit losses was $1.6 billion, an increase of $1.0 billion due to the Merger. Total wholesale (includes IB, CB, AWM, and TSS) provision for credit losses was a benefit of $170 million for the quarter, compared to a benefit of $263 million in the prior year. The wholesale loan net charge-off rate was 0.21% for the quarter, compared to a net recovery rate of 0.05% in the prior year. Credit quality in the consumer (includes RFS and CS) portfolio reflected reduced bankruptcy filings and favorable delinquency trends. The managed net charge-off rate for Card Services declined to 5.24% from 5.77% in the prior year. Retail Financial Services net charge-off rate increased to 1.28% compared to 0.39% in the prior year primarily due to the Merger. The firm had total nonperforming assets of $3.2 billion at December 31, 2004, up 2% from the prior year.

Expenses of $8.9 billion were up $3.6 billion, or 69%, from the prior year. Compensation expenses of $4.2 billion drove $1.7 billion of the increase, related primarily to the Merger and to higher incentive compensation. Non-compensation expenses of $4.7 billion increased $1.9 billion primarily due to the Merger.

Discussion of Proforma Combined Results:
Operating earnings were $2.3 billion, down $12 million, or 1%, from the prior year. The decrease in earnings was driven by higher expenses of $559 million, partially offset by a lower provision for credit losses of $472 million.

Total revenues were $14.0 billion, up $159 million, or 1%. Noninterest revenues were $7.3 billion, up 9% from the prior year primarily affected by higher private equity gains due to stronger equity market conditions. Fees and commissions were up due to acquisitions and increased asset management fees, which benefited from net customer inflows and global equity market appreciation. Investment banking fees increased as a result of continued strength in debt underwriting and advisory fees. Credit card revenue was also up reflecting higher loan balances and charge volume, which generated increased interchange income. These benefits were partially offset by lower trading revenues due to reduced portfolio management results and lower service charges on wholesale deposits. Net interest income was $6.6 billion, down $442 million, or 6%, from the prior year. The decrease was primarily due to repositioning of the treasury investment portfolio, narrower loan spreads and lower mortgage warehouse balances, which were partially offset by higher consumer and wholesale deposit balances, wider deposit spreads, and increased consumer loan balances. Both components of total revenue were negatively affected by losses associated with hedging the MSR asset, declines related to lower prime mortgage originations, and the transfer of loans to held-for-sale.

The provision for credit losses was $1.6 billion, down 22%. Total wholesale provision for credit losses was a benefit of $170 million for the quarter, compared to a benefit of $371 million in the prior year. The wholesale loan net charge-off rate was 0.21% for the quarter, compared to a net charge-off rate of 0.18% in the prior year. Total consumer managed provision for credit losses decreased to $1.8 billion, down 27%, reflecting lower net charge-offs, lower bankruptcies, and positive delinquency trends. The managed net charge-off rate for Card Services declined to 5.24% from 5.48% in the prior year. Retail Financial Services net charge-off rate was 1.28% compared to 2.26% in the prior year. The improvement compared to the prior year reflected the run-off of higher risk, non-strategic portfolios. The firm had total nonperforming assets of $3.2 billion at December 31, 2004, down 42% from the prior year’s level of $5.6 billion.

Expenses were $8.9 billion, up $559 million, or 7%, from the prior year driven primarily by an increase in incentive compensation. Compensation expenses of $4.2 billion were up 14%, or $520 million, resulting from adjustments to accruals to recognize full year financial performance, changes in business mix and prevailing labor markets. Non-compensation expenses of $4.7 billion increased 1% due to higher technology and professional services, partially offset by lower marketing expenses and occupancy costs.

Other Corporate Items

- Tier 1 capital ratio was 8.7% at December 31, 2004 (estimated), 8.6% at September 30, 2004 and 8.8% at December 31, 2003.
- During the quarter $600 million of common stock was repurchased, reflecting 15.8 million shares at an average price of $38.01 per share.
- Headcount of 160,968 was down 6,595 since December 31, 2003.

Merger and other financial information

- ***Merger between JPMorgan Chase & Co. and Bank One Corporation:*** On July 1, 2004, JPMorgan Chase and Bank One completed the merger of their holding companies. The merger was accounted for as a purchase. Accordingly, the earnings for JPMorgan Chase and Bank One are combined for all periods since completion of the merger; all other time periods on a reported basis are JPMorgan Chase only.

- ***Merger saves and costs:*** Management continues to estimate annual merger savings of approximately $3.0 billion. Approximately two-thirds of the savings are anticipated to be realized by the end of 2005. During the fourth quarter of 2004, approximately $90 million of merger savings were realized. Total merger savings during 2004 were approximately $400 million. The total headcount of the firm has been reduced by 6,595 since December 31, 2003 and by 1,307 since September 30, 2004. Management currently estimates one-time merger costs of approximately $4.0 billion to $4.5 billion. Of this amount, approximately $1.0 billion was accounted for as purchase accounting adjustments and recorded as goodwill during the third quarter of 2004. Of the remainder of the merger costs, approximately $0.5 billion (pre-tax) was incurred in the fourth quarter of 2004 and $1.4 billion during 2004. The remaining mergers costs are expected to be incurred over the next three years.

- ***Conformance of accounting policies:*** As part of the merger, certain accounting policies and practices were conformed, resulting in charges to income that were originally estimated to be $1.3 billion to $1.5 billion. During the third and fourth quarters these charges were approximately $1.0 billion (pre-tax). The largest impact is related to the decertification of the seller’s retained interest in credit card securitizations. During the fourth quarter of 2004 net charges of $525 million (pre-tax) were taken to conform accounting policies, of which $721 million (pre-tax) is related to the decertification of the seller’s retained interest in credit card securitizations.

Notes:

1. In addition to analyzing the firm's results on a reported basis, management reviews the line of business results on an operating basis, which is a non-GAAP financial measure. The definition of operating basis starts with the reported U.S. GAAP results. In the case of the Investment Bank, operating basis includes in trading revenue net interest income related to trading activities. Trading activities generate revenues that are recorded for GAAP purposes in two line items on the income statement: trading revenue, which includes the mark to market gains or losses on trading positions; and net interest income, which includes the interest income or expense related to those positions. Combining both the trading revenue and related net interest income enables management to evaluate the Investment Bank's trading activities, by considering all revenue related to these activities, and facilitates operating comparisons to other competitors. In the case of Card Services, operating or managed basis excludes the impact of credit card securitizations on revenue, the provision for credit losses, net charge-offs and receivables. JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance of the underlying credit card loans, both sold and not sold; as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will impact both the receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as charge-off rates) of the entire managed credit card portfolio. Operating basis excludes the litigation reserve charge taken in the second quarter of 2004, merger costs and conformance of certain accounting policies and practices, as management believes these items are not part of the firm's normal daily business operations and, therefore, not indicative of trends, and also do not provide meaningful comparisons with other periods. See page 7 of JPMorgan Chase's Earnings Release Financial Supplement (Fourth Quarter 2004) for a reconciliation of JPMorgan Chase's income statement from reported to operating basis.

2. Following the merger with Bank One, JPMorgan Chase reorganized its business segments. The Investment Bank now includes portions of Bank One's Commercial Bank; Global Treasury has been transferred to the Corporate segment. Retail Financial Services is comprised of Chase Financial Services, excluding Card Services and Middle Market and includes Bank One's Retail line of business and insurance activities. Card Services is the combination of Chase Card Services and Bank One Card Services. The Commercial Banking segment is comprised of Chase Middle Market, and the Middle Market portion of Bank One's Commercial Bank. Treasury & Securities Services added Bank One's Global Treasury Services (formerly in Commercial Bank). Asset & Wealth Management is JPMorgan Chase's Investment Management & Private Bank plus Bank One's Investment Management Group (excluding insurance activity). The Corporate segment is Bank One's Corporate line of business excluding discontinued loan and lease portfolios (now in Retail Financial Services), plus JPMorgan Partners and Global Treasury.

3. Thomson Financial market share data is proforma for the merger of JPMorgan Chase and Bank One.

4. Pre-tax margin represents operating earnings before income taxes divided by total net revenue, which is a comprehensive measure of pre-tax performance and is another basis by which management evaluates AWM's performance versus competitors. Pre-tax margin is an effective measure of AWM's earnings after all costs are taken into consideration

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $1.2 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. has its corporate headquarters in New York and its U.S. retail financial services and commercial banking headquarters in Chicago. Under the JPMorgan, Chase and Bank One brands, the firm serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients. Information about the firm is available at www.jpmorganchase.com.

JPMorgan Chase will host a meeting for the investment community today at 9:00 a.m. (Eastern Time) to review fourth quarter financial results. Investors can dial (800) 810-0294 (domestic) / (913) 981-4900 (international), or listen via live audio webcast. The webcast and presentation slides will be available on www.jpmorganchase.com. A replay of the meeting will be available beginning at 2:00 p.m. (Eastern Time) on January 19, 2005 and continuing through 12:00 a.m. (Eastern Time) on January 29, 2005 at (888) 203-1112 (domestic) or (719) 457-0820 (international) access code 632575. The replay also will be available on www.jpmorganchase.com. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available on the JPMorgan Chase web site (www.jpmorganchase.com).

This earnings release/presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the risk that the cost savings and any revenue synergies from the merger may not be fully realized or may take longer to realize than expected and the risk that excess capital is not generated from the merger as anticipated or not utilized in an accretive manner. Additional factors that could cause JPMorgan Chase's results to differ materially from those described in the forward-looking statements can be found in the Quarterly Report on Form 10-Q for the quarters ended September 30, 2004, June 30, 2004, and March 31, 2004, and in the 2003 Annual Report on Form 10-K of JPMorgan Chase filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (http://www.sec.gov).

JPMORGAN CHASE & CO.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share, ratio and headcount data)

JPMorganChase

	4QTR 2004	3QTR 2004	H-JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
SELECTED INCOME STATEMENT DATA								
Total Net Revenue	$ 12,950	$ 12,505	$ 8,106	4%	60%	$ 43,097	$ 33,384	29%
Provision for Credit Losses	1,157	1,169	139	(1)	NM	2,544	1,540	65
Noninterest Expense	9,386	9,377	5,258	—	79	34,359	21,816	57
Net Income (Loss)	1,666	1,418	1,864	17	(11)	4,466	6,719	(34)
Per Common Share:								
Net Income (Loss) Per Share — Diluted	$ 0.46	$ 0.39	$ 0.89	18	(48)	$ 1.55	$ 3.24	(52)
Cash Dividends Declared Per Share	0.34	0.34	0.34	—	—	1.36	1.36	—
Book Value Per Share	29.61	29.42	22.10	1	34			
Closing Share Price	39.01	39.73	36.73	(2)	6			
Common Shares Outstanding:								
Average — Diluted	3,602.0	3,592.0	2,079.3	—	73	2,850.6	2,055.1	39
Common Shares at Period-end	3,556.2	3,564.1	2,042.6	—	74			
SELECTED RATIOS:								
Return on Common Equity ("ROE") (a)	6%	5%	17%	100bp	(1,100)bp	6%	16%	(1,000)bp
Return on Equity-Goodwill ("ROE-GW") (a) (b)	11	9	20	200	(900)	9	19	(1,000)
Return on Assets ("ROA") (a) (c)	0.57	0.50	0.95	7	(38)	0.46	0.87	(41)
Tier 1 Capital Ratio	8.7	8.6	8.5	10	20			
Total Capital Ratio	12.3	12.0	11.8	30	50			
SELECTED BALANCE SHEET DATA (Period-end)								
Total Assets	$ 1,157,248	$ 1,138,469	$ 770,912	2%	50%			
Wholesale Loans	135,067	132,344	75,419	2	79			
Consumer Loans	267,047	261,357	139,347	2	92			
Deposits	521,456	496,454	326,492	5	60			
Common Stockholders' Equity	105,314	104,844	45,145	—	133			
Headcount	160,968	162,275	96,367	(1)	67			
LINE OF BUSINESS EARNINGS								
Investment Bank	$ 660	$ 627	$ 809	5	(18)	$ 2,948	$ 2,805	5%
Retail Financial Services	775	822	305	(6)	154	2,199	1,547	42
Card Services	515	421	173	22	198	1,274	683	87
Commercial Banking	254	215	89	18	185	608	307	98
Treasury & Securities Services	145	96	123	51	18	440	422	4
Asset & Wealth Management	263	197	106	34	148	681	287	137
Corporate (d)	(296)	(219)	259	(35)	NM	61	668	(91)
Total Operating Earnings	**2,316**	**2,159**	**1,864**	7	24	**8,211**	**6,719**	22
Reconciling Items (After-Tax):								
Merger Costs	(324)	(462)	—	(30)	NM	(846)	—	NM
Litigation Reserve Charge	—	—	—	NM	NM	(2,294)	—	NM
Accounting Policy Conformity	(326)	(279)	—	(17)	NM	(605)	—	NM
Net Income (Loss)	**$ 1,666**	**$ 1,418**	**$ 1,864**	17	(11)	**$ 4,466**	**$ 6,719**	(34)

Note: Effective July 1, 2004, Bank One Corporation ("Bank One") merged with and into JPMorgan Chase. Bank One's results of operations are included in JPMorgan Chase's results beginning July 1, 2004. In accordance with U.S. GAAP, the results of operations for the third and fourth quarters of 2004 each reflect three months of results of operations for the combined Firm. The results of operations for the year ended December 31, 2004, reflect six months of operations for the combined Firm. The results of operations for all other quarterly periods presented herein, and for the year ended December 31, 2003, reflect only the results of operations for heritage JPMorgan Chase.

(a) Based on annualized amounts.

(b) Net income applicable to common stock / Total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm utilizes this measure to facilitate operating comparisons to other competitors.

(c) U.S. GAAP earnings / Total average assets

(d) Includes Global Treasury, Private Equity, Support Units and the net effects remaining at the corporate level after the implementation of management accounting policies.

JPMORGAN CHASE & CO.
PRO FORMA CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share, ratio and headcount data)

JPMorganChase

	4QTR 2004	3QTR 2004	PRO FORMA COMBINED 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	PRO FORMA COMBINED Full Year 2004	PRO FORMA COMBINED Full Year 2003	2004 Change 2003
SELECTED INCOME STATEMENT DATA								
Total Net Revenue	$ 12,950	$ 12,505	$ 12,495	4%	4%	$ 52,541	$ 50,681	4%
Provision for Credit Losses	1,157	1,169	808	(1)	43	2,727	3,570	(24)
Noninterest Expense	9,386	9,377	8,304	—	13	40,504	33,136	22
Net Income	1,666	1,418	2,328	17	(28)	6,544	9,330	(30)
Per Common Share:								
Net Income Per Share — Diluted	$ 0.46	$ 0.39	$ 0.65	18	(29)	$ 1.81	$ 2.61	(31)
Cash Dividends Declared Per Share	0.34	0.34	0.34	—	—	1.36	1.36	—
Book Value Per Share	29.61	29.42	29.23	1	1			
Closing Share Price	39.01	39.73	36.73	(2)	6			
Common Shares Outstanding:								
Average — Diluted	3,602.0	3,592.0	3,560.5	—	1	3,593.0	3,553.3	1
Common Shares at Period-end	3,556.2	3,564.1	3,520.4	—	1			
SELECTED RATIOS:								
Return on Common Equity (“ROE”) (a)	6%	5%	9%	100bp	(300)bp	6%	9%	(300)bp
Return on Equity-Goodwill (“ROE-GW”) (a) (b)	11	9	16	200	(500)	11	16	(500)
Return on Assets (“ROA”) (a) (c)	0.57	0.50	0.84	7	(27)	0.58	0.86	(28)
Tier 1 Capital Ratio	8.7	8.6	8.8	10	(10)			
Total Capital Ratio	12.3	12.0	12.3	30	—			
SELECTED BALANCE SHEET DATA (Period-end)								
Total Assets	$ 1,157,248	$ 1,138,469	$ 1,133,713	2%	2%			
Wholesale Loans	135,067	132,344	133,184	2	1			
Consumer Loans	267,047	261,357	217,326	2	23			
Deposits	521,456	496,454	491,486	5	6			
Common Stockholders’ Equity	105,314	104,844	102,915	—	2			
Headcount	160,968	162,275	167,563	(1)	(4)			
LINE OF BUSINESS EARNINGS								
Investment Bank	$ 660	$ 627	$ 1,157	5	(43)	$ 3,654	$ 3,929	(7)%
Retail Financial Services	775	822	429	(6)	81	3,279	2,633	25
Card Services	515	421	396	22	30	1,681	1,368	23
Commercial Banking	254	215	225	18	13	992	832	19
Treasury & Securities Services	145	96	129	51	12	437	454	(4)
Asset & Wealth Management	263	197	199	34	32	879	629	40
Corporate (d)	(296)	(219)	(207)	(35)	(43)	(633)	(515)	(23)
Total Operating Earnings	**2,316**	**2,159**	**2,328**	7	(1)	**10,289**	**9,330**	10
Reconciling Items (After-Tax):								
Merger Costs	(324)	(462)	—	(30)	NM	(846)	—	NM
Litigation Reserve Charge	—	—	—	NM	NM	(2,294)	—	NM
Accounting Policy Conformity	(326)	(279)	—	(17)	NM	(605)	—	NM
Net Income	**$ 1,666**	**$ 1,418**	**$ 2,328**	17	(28)	**$ 6,544**	**$ 9,330**	(30)

(a) Based on annualized amounts.

(b) Net income applicable to common stock / Total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm utilizes this measure to facilitate operating comparisons to other competitors.

(c) U.S. GAAP earnings / Total average assets

(d) Includes Global Treasury, Private Equity, Support Units and the net effects remaining at the corporate level after the implementation of management accounting policies.

Exhibit 99.2

JPMorganChase

EARNINGS RELEASE FINANCIAL SUPPLEMENT

FOURTH QUARTER 2004

JPMORGAN CHASE & CO.
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JPMORGAN CHASE & CO.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share, ratio and headcount data)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
SELECTED INCOME STATEMENT DATA										
Total Net Revenue	$ 12,950	$ 12,505	$ 8,631	$ 9,011	$ 8,106	4%	60%	$ 43,097	$ 33,384	29%
Provision for Credit Losses	1,157	1,169	203	15	139	(1)	NM	2,544	1,540	65
Noninterest Expense	9,386	9,377	9,503	6,093	5,258	—	79	34,359	21,816	57
Net Income (Loss)	1,666	1,418	(548)	1,930	1,864	17	(11)	4,466	6,719	(34)
Per Common Share:										
Net Income (Loss) Per Share — Diluted	$ 0.46	$ 0.39	$ (0.27)	$ 0.92	$ 0.89	18	(48)	$ 1.55	$ 3.24	(52)
Cash Dividends Declared Per Share	0.34	0.34	0.34	0.34	0.34	—	—	1.36	1.36	—
Book Value Per Share	29.61	29.42	21.52	22.62	22.10	1	34			
Closing Share Price	39.01	39.73	38.77	41.95	36.73	(2)	6			
Common Shares Outstanding:										
Average — Diluted	3,602.0	3,592.0	2,042.8	2,092.7	2,079.3	—	73	2,850.6	2,055.1	39
Common Shares at Period-end	3,556.2	3,564.1	2,087.5	2,081.7	2,042.6	—	74			
SELECTED RATIOS:										
Return on Common Equity (“ROE”) (a)	6%	5%	NM	17%	17%	100bp	(1,100)bp	6%	16%	(1,100)bp
Return on Equity-Goodwill (“ROE-GW”) (a) (b)	11	9	NM	21	20	200	(900)	9	19	(1,000)
Return on Assets (“ROA”) (a) (c)	0.57	0.50	NM	1.01	0.95	7	(38)	0.46	0.87	(41)
Tier 1 Capital Ratio	8.7	8.6	8.2%	8.4	8.5	10	20			
Total Capital Ratio	12.3	12.0	11.2	11.4	11.8	30	50			
SELECTED BALANCE SHEET DATA (Period-end)										
Total Assets	$ 1,157,248	$ 1,138,469	$ 817,763	$ 801,078	$ 770,912	2%	50%			
Wholesale Loans	135,067	132,344	77,044	77,068	75,419	2	79			
Consumer Loans	267,047	261,357	148,894	140,562	139,347	2	92			
Deposits	521,456	496,454	346,539	336,886	326,492	5	60			
Common Stockholders’ Equity	105,314	104,844	44,932	47,092	45,145	—	133			
Headcount	160,968	162,275	94,615	96,010	96,367	(1)	67			
LINE OF BUSINESS EARNINGS										
Investment Bank	$ 660	$ 627	$ 644	$ 1,017	$ 809	5	(18)	$ 2,948	$ 2,805	5%
Retail Financial Services	775	822	396	206	305	(6)	154	2,199	1,547	42
Card Services	515	421	176	162	173	22	198	1,274	683	87
Commercial Banking	254	215	65	74	89	18	185	608	307	98
Treasury & Securities Services	145	96	101	98	123	51	18	440	422	4
Asset & Wealth Management	263	197	99	122	106	34	148	681	287	137
Corporate (d)	(296)	(219)	325	251	259	(35)	NM	61	668	(91)
Total Operating Earnings	**2,316**	**2,159**	**1,806**	**1,930**	**1,864**	7	24	**8,211**	**6,719**	22
Reconciling Items (After-Tax):										
Merger Costs	(324)	(462)	(60)	—	—	(30)	NM	(846)	—	NM
Litigation Reserve Charge	—	—	(2,294)	—	—	NM	NM	(2,294)	—	NM
Accounting Policy Conformity	(326)	(279)	—	—	—	(17)	NM	(605)	—	NM
Net Income (Loss)	**$ 1,666**	**$ 1,418**	**$ (548)**	**$ 1,930**	**$ 1,864**	17	(11)	**$ 4,466**	**$ 6,719**	(34)

Note: Effective July 1, 2004, Bank One Corporation (“Bank One”) merged with and into JPMorgan Chase. Bank One’s results of operations are included in JPMorgan Chase’s results beginning July 1, 2004. In accordance with U.S. GAAP, the results of operations for the third and fourth quarters of 2004 each reflect three months of results of operations for the combined Firm.

The results of operations for the year ended December 31, 2004, reflect six months of operations for the combined Firm. The results of operations for all other quarterly periods presented herein, and for the year ended December 31, 2003, reflect only the results of operations for heritage JPMorgan Chase.

(a) Based on annualized amounts.
(b) Net income applicable to common stock / Total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm utilizes this measure to facilitate operating comparisons to other competitors.
(c) U.S. GAAP earnings / Total average assets
(d) Includes Global Treasury, Private Equity, Support Units and the net effects remaining at the corporate level after the implementation of management accounting policies.

NM — Not meaningful due to net loss.

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

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
REVENUE										
Investment Banking Fees	$ 1,073	$ 879	$ 893	$ 692	$ 846	22%	27%	$ 3,537	$ 2,890	22%
Trading Revenue (a)	611	408	873	1,720	754	50	(19)	3,612	4,427	(18)
Lending & Deposit Related Fees	903	943	412	414	451	(4)	100	2,672	1,727	55
Asset Management, Administration and Commissions	2,285	2,141	1,770	1,771	1,586	7	44	7,967	5,906	35
Securities / Private Equity Gains (Losses)	569	413	460	432	192	38	196	1,874	1,479	27
Mortgage Fees and Related Income	130	277	338	259	149	(53)	(13)	1,004	923	9
Credit Card Income	1,822	1,782	631	605	685	2	166	4,840	2,466	96
Other Income	228	210	260	132	261	9	(13)	830	601	38
Noninterest Revenue	**7,621**	**7,053**	**5,637**	**6,025**	**4,924**	8	55	**26,336**	**20,419**	29
Interest Income	9,862	9,493	5,614	5,626	5,776	4	71	30,595	24,044	27
Interest Expense	4,533	4,041	2,620	2,640	2,594	12	75	13,834	11,079	25
Net Interest Income	**5,329**	**5,452**	**2,994**	**2,986**	**3,182**	(2)	67	**16,761**	**12,965**	29
TOTAL NET REVENUE	**12,950**	**12,505**	**8,631**	**9,011**	**8,106**	4	60	**43,097**	**33,384**	29
Provision for Credit Losses	1,157	1,169	203	15	139	(1)	NM	2,544	1,540	65
NONINTEREST EXPENSE										
Compensation Expense	4,211	4,050	2,943	3,302	2,508	4	68	14,506	11,387	27
Occupancy Expense	609	604	440	431	482	1	26	2,084	1,912	9
Technology and Communications Expense	1,051	1,046	786	819	756	—	39	3,702	2,844	30
Professional & Outside Services	1,191	1,103	752	816	777	8	53	3,862	2,875	34
Marketing	428	506	202	199	200	(15)	114	1,335	710	88
Other Expense	981	920	511	447	461	7	113	2,859	1,694	69
Amortization of Intangibles	392	396	79	79	74	(1)	430	946	294	222
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	8,863	8,625	5,713	6,093	5,258	3	69	29,294	21,716	35
Merger Costs	523	752	90	—	—	(30)	NM	1,365	—	NM
Litigation Reserve Charge	—	—	3,700	—	—	NM	NM	3,700	100	NM
TOTAL NONINTEREST EXPENSE	**9,386**	**9,377**	**9,503**	**6,093**	**5,258**	—	79	**34,359**	**21,816**	57
Income (Loss) before Income Tax Expense	2,407	1,959	(1,075)	2,903	2,709	23	(11)	6,194	10,028	(38)
Income Tax Expense (Benefit)	741	541	(527)	973	845	37	(12)	1,728	3,309	(48)
NET INCOME (LOSS)	**$ 1,666**	**$ 1,418**	**$ (548)**	**$ 1,930**	**$ 1,864**	17	(11)	**$ 4,466**	**$ 6,719**	(34)
NET INCOME (LOSS) APPLICABLE TO COMMON STOCK	**$ 1,653**	**$ 1,405**	**$ (561)**	**$ 1,917**	**$ 1,851**	18	(11)	**$ 4,414**	**$ 6,668**	(34)
NET INCOME (LOSS) PER COMMON SHARE										
Basic Earnings per Share	$ 0.47	$ 0.40	$ (0.27)	$ 0.94	$ 0.92	18	(49)	$ 1.59	$ 3.32	(52)
Diluted Earnings per Share	0.46	0.39	(0.27)	0.92	0.89	18	(48)	1.55	3.24	(52)
Average Basic Shares	3,514.7	3,513.5	2,042.8	2,032.3	2,016.2	—	74	2,779.9	2,008.6	38
Average Diluted Shares	3,602.0	3,592.0	2,042.8	2,092.7	2,079.3	—	73	2,850.6	2,055.1	39
FINANCIAL RATIOS										
ROE	6%	5%	NM	17%	17%	100bp	(1,100)bp	6%	16%	(1,000)bp
ROE-GW	11	9	NM	21	20	200	(900)	9	19	(1,000)
ROA	0.57	0.50	NM	1.01	0.95	7	(38)	0.46	0.87	(41)
Effective Income Tax Rate	31	28	49%	34	31	300	—	28	33	(500)
Overhead Ratio	72	75	110	68	65	(300)	700	80	65	1,500
Headcount	160,968	162,275	94,615	96,010	96,367	(1)%	67%	160,968	96,367	67%

(a) Trading NII is not included in trading revenue. See page 10 for additional details.

JPMORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEET
(in millions)

JPMorganChase

	Dec 31 2004	Sep 30 2004	Heritage JPMC Only: Jun 30 2004	Heritage JPMC Only: Mar 31 2004	Heritage JPMC Only: Dec 31 2003	Dec 31, 2004 Change: Sep 30 2004	Dec 31, 2004 Change: Dec 31 2003
ASSETS							
Cash and Due from Banks	$ 35,168	$ 30,815	$ 23,525	$ 19,419	$ 20,268	14%	74%
Deposits with Banks	21,680	33,082	39,135	35,600	10,175	(34)	113
Federal Funds Sold and Securities Purchased under Resale Agreements	101,354	96,031	100,851	79,414	76,868	6	32
Securities Borrowed	47,428	50,546	44,947	49,881	41,834	(6)	13
Trading Assets:							
Debt and Equity Instruments	222,832	214,852	187,640	189,549	169,120	4	32
Derivative Receivables (a)	65,982	57,795	49,980	58,434	83,751	14	(21)
Securities	94,512	92,816	64,915	70,747	60,244	2	57
Interests in Purchased Receivables	31,722	30,479	—	—	4,752	4	NM
Loans (Net of Allowance for Loan Losses)	394,794	386,208	221,971	213,510	210,243	2	88
Private Equity Investments	7,735	8,547	6,663	7,097	7,250	(10)	7
Accrued Interest and Accounts Receivable	21,409	19,876	15,050	13,250	12,356	8	73
Premises and Equipment	9,145	8,880	6,268	6,418	6,487	3	41
Goodwill	43,203	42,947	8,731	8,730	8,511	1	408
Other Intangible Assets:							
Mortgage Servicing Rights	5,080	5,168	5,707	4,189	4,781	(2)	6
Purchased Credit Card Relationships	3,878	4,055	893	953	1,014	(4)	282
All Other Intangibles	5,726	5,945	799	813	685	(4)	NM
Other Assets	45,600	50,427	40,688	43,074	52,573	(10)	(13)
TOTAL ASSETS	**$1,157,248**	**$1,138,469**	**$817,763**	**$801,078**	**$770,912**	2	50
LIABILITIES							
Deposits:							
U.S. Offices:							
Noninterest-Bearing	$ 129,257	$ 122,054	$ 87,972	$ 79,560	$ 73,154	6	77
Interest-Bearing	261,673	254,611	141,118	142,755	125,855	3	108
Non-U.S. Offices:							
Noninterest-Bearing	6,931	7,259	7,320	7,868	6,311	(5)	10
Interest-Bearing	123,595	112,530	110,129	106,703	121,172	10	2
Total Deposits	521,456	496,454	346,539	336,886	326,492	5	60
Federal Funds Purchased and Securities Sold under Repurchase Agreements	127,787	167,313	152,619	148,526	113,466	(24)	13
Commercial Paper	12,605	10,307	15,300	14,972	14,284	22	(12)
Other Borrowed Funds	9,039	9,454	9,435	10,414	8,925	(4)	1
Trading Liabilities:							
Debt and Equity Instruments	87,942	78,767	82,338	80,303	78,222	12	12
Derivative Payables (a)	63,265	52,307	42,838	53,883	71,226	21	(11)
Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for Lending-Related Commitments)	68,443	61,198	55,321	42,463	43,970	12	56
Beneficial Interests Issued by Consolidated VIEs	48,061	45,840	6,562	7,543	12,295	5	291
Long-Term Debt	95,422	91,754	52,981	50,062	48,014	4	99
Junior Subordinated Deferrable Interest Debentures Held by Trusts that Issued Guaranteed Capital Debt Securities	10,296	11,745	6,634	6,732	6,768	(12)	52
Insurance Policy and Claims Reserves	7,279	7,477	1,255	1,193	1,096	(3)	NM
TOTAL LIABILITIES	**1,051,595**	**1,032,616**	**771,822**	**752,977**	**724,758**	2	45
STOCKHOLDERS' EQUITY							
Preferred Stock	339	1,009	1,009	1,009	1,009	(66)	(66)
Common Stock	3,585	3,576	2,095	2,088	2,044	—	75
Capital Surplus	72,801	72,183	14,426	14,193	13,512	1	439
Retained Earnings	30,209	29,779	29,596	30,878	29,681	1	2
Accumulated Other Comprehensive Income (Loss)	(208)	(242)	(910)	177	(30)	14	NM
Treasury Stock, at Cost	(1,073)	(452)	(275)	(244)	(62)	(137)	NM
TOTAL STOCKHOLDERS' EQUITY	**105,653**	**105,853**	**45,941**	**48,101**	**46,154**	—	129
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$1,157,248**	**$1,138,469**	**$817,763**	**$801,078**	**$770,912**	2	50

(a) Effective January 1, 2004, the Firm elected to net cash paid and received under legally enforceable master netting agreements.

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

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change			H-JPMC Only	2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	Full Year 2004	2003	2003
AVERAGE BALANCES										
ASSETS										
Deposits with Banks	$ 31,799	$ 34,166	$ 26,905	$ 21,535	$ 11,724	(7)%	171%	$ 28,625	$ 9,742	194%
Federal Funds Sold and Securities Purchased under Resale Agreements	104,038	102,042	87,080	82,555	94,773	2	10	93,979	87,273	8
Securities Borrowed	47,663	47,087	54,233	48,609	40,371	1	18	49,387	40,305	23
Trading Assets — Debt and Equity Instruments	186,013	170,663	153,547	166,389	156,958	9	19	169,203	148,970	14
Securities	92,294	94,720	64,149	63,992	63,903	(3)	44	78,869	77,442	2
Interests in Purchased Receivables	30,491	28,917	—	2,537	9,618	5	217	15,564	5,414	187
Loans	400,841	390,753	225,344	214,941	221,177	3	81	308,450	220,692	40
Total Interest-Earning Assets	893,139	868,348	611,258	600,558	598,524	3	49	744,077	589,838	26
Noninterest-Earning Assets	261,749	248,987	191,612	170,760	179,995	5	45	218,479	186,140	17
TOTAL ASSETS	**$ 1,154,888**	**$ 1,117,335**	**$ 802,870**	**$ 771,318**	**$ 778,519**	3	48	**$ 962,556**	**$ 775,978**	24
LIABILITIES										
Interest-Bearing Deposits	$ 377,368	$ 365,104	$ 254,034	$ 238,206	$ 237,636	3	59	$ 309,020	$ 227,645	36
Federal Funds Purchased and Securities Sold under Repurchase Agreements	158,633	163,206	155,335	145,370	141,089	(3)	12	155,665	161,020	(3)
Commercial Paper	10,885	12,497	14,283	13,153	13,293	(13)	(18)	12,699	13,387	(5)
Other Borrowings (a)	89,674	84,387	80,364	80,388	74,551	6	20	83,721	69,703	20
Beneficial Interests Issued by Consolidated VIEs	46,366	43,308	7,433	9,764	17,585	7	164	26,817	9,421	185
Long-Term Debt	104,599	101,060	57,019	53,574	52,408	4	100	79,193	49,095	61
Total Interest-Bearing Liabilities	787,525	769,562	568,468	540,455	536,562	2	47	667,115	530,271	26
Noninterest-Bearing Liabilities	261,487	242,395	186,529	184,036	196,771	8	33	218,793	201,710	8
TOTAL LIABILITIES	**1,049,012**	**1,011,957**	**754,997**	**724,491**	**733,333**	4	43	**885,908**	**731,981**	21
Preferred Stock	1,002	1,009	1,009	1,009	1,009	(1)	(1)	1,007	1,009	—
Common Stockholders' Equity	104,874	104,369	46,864	45,818	44,177	—	137	75,641	42,988	76
TOTAL STOCKHOLDERS' EQUITY	**105,876**	**105,378**	**47,873**	**46,827**	**45,186**	—	134	**76,648**	**43,997**	74
TOTAL LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' EQUITY	**$ 1,154,888**	**$ 1,117,335**	**$ 802,870**	**$ 771,318**	**$ 778,519**	3	48	**$ 962,556**	**$ 775,978**	24
AVERAGE RATES										
INTEREST-EARNING ASSETS										
Deposits with Banks	2.60%	1.53%	1.68%	1.62%	2.88%	107bp	(28)bp	1.88%	2.20%	(32)bp
Federal Funds Sold and Securities Purchased under Resale Agreements	2.03	1.85	1.45	1.49	1.36	18	67	1.73	1.72	1
Securities Borrowed	1.34	1.01	0.66	0.77	0.74	33	60	0.94	0.80	14
Trading Assets — Debt and Equity Instruments	4.44	4.64	4.37	4.35	4.19	(20)	25	4.45	4.44	1
Securities	4.42	4.40	4.58	4.21	4.49	2	(7)	4.40	4.61	(21)
Interests in Purchased Receivables	2.11	1.63	—	1.79	1.35	48	76	1.87	1.18	69
Loans	5.71	5.77	4.85	5.00	5.18	(6)	53	5.45	5.36	9
Total Interest-Earning Assets	**4.42**	**4.37**	**3.71**	**3.78**	**3.84**	5	58	**4.13**	**4.09**	4
INTEREST-BEARING LIABILITIES										
Interest-Bearing Deposits	2.01	1.64	1.28	1.37	1.33	37	68	1.63	1.58	5
Federal Funds Purchased and Securities Sold under Repurchase Agreements	1.95	1.52	1.16	1.24	1.16	43	79	1.48	1.37	11
Commercial Paper	2.26	1.49	0.98	0.96	0.98	77	128	1.38	1.13	25
Other Borrowings	3.04	4.27	4.44	4.53	4.86	(123)	(182)	4.04	5.05	(101)
Beneficial Interests Issued by Consolidated VIEs	1.97	1.58	2.04	1.60	1.36	39	61	1.78	1.13	65
Long-Term Debt	3.31	3.10	2.85	3.02	2.86	21	45	3.11	3.05	6
Total Interest-Bearing Liabilities	**2.29**	**2.09**	**1.85**	**1.96**	**1.92**	20	37	**2.07**	**2.09**	(2)
INTEREST RATE SPREAD	2.13%	2.28%	1.86%	1.82%	1.92%	(15)	21	2.06%	2.00%	6
NET INTEREST MARGIN	2.40%	2.52%	1.98%	2.01%	2.12%	(12)	28	2.27%	2.21%	6
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS	2.97%	3.09%	2.30%	2.43%	2.54%	(12)	43	2.79%	2.63%	16

(a) Includes securities sold but not yet purchased.

OPERATING BASIS

In addition to analyzing the Firm's results on a reported basis, management reviews the line of business results on an "operating basis," which is a non-GAAP financial measure. The definition of operating basis starts with the reported U.S. GAAP results. In the case of the IB, operating basis noninterest revenue includes, in Trading Revenue, net interest income related to trading activities. Trading activities generate revenues, which are recorded for U.S. GAAP purposes in two line items on the income statement: Trading Revenue, which includes the mark-to-market gains or losses on trading positions; and Net Interest Income, which includes the interest income or expense related to those positions. Combining both the trading revenue and related net interest income enables management to evaluate IB's trading activities, by considering all revenue related to these activities, and facilitates operating comparisons to other competitors. In the case of Card Services, operating or managed basis excludes the impact of credit card securitizations on revenue, the Provision for Credit Losses, net charge-offs and receivables. JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance of the underlying credit card loans, both sold and not sold: as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will impact both the receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio. Finally, operating basis excludes the Merger Costs, the Litigation Reserve Charge and Accounting Policy Conformity Adjustments related to the Merger, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, not indicative of trends), and do not provide meaningful comparisons with other periods.

JPMORGAN CHASE & CO.
RECONCILIATION FROM REPORTED TO OPERATING BASIS
(in millions)

JPMorganChase

	4QTR 2004	3QTR 2004	Heritage JPMC Only 2QTR 2004	Heritage JPMC Only 1QTR 2004	Heritage JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
REPORTED										
Revenue										
Investment Banking Fees	$ 1,073	$ 879	$ 893	$ 692	$ 846	22%	27%	$ 3,537	$ 2,890	22%
Trading Revenue	611	408	873	1,720	754	50	(19)	3,612	4,427	(18)
Lending & Deposit Related Fees	903	943	412	414	451	(4)	100	2,672	1,727	55
Asset Management, Administration and Commissions	2,285	2,141	1,770	1,771	1,586	7	44	7,967	5,906	35
Securities / Private Equity Gains (Losses)	569	413	460	432	192	38	196	1,874	1,479	27
Mortgage Fees and Related Income	130	277	338	259	149	(53)	(13)	1,004	923	9
Credit Card Income	1,822	1,782	631	605	685	2	166	4,840	2,466	96
Other Income	228	210	260	132	261	9	(13)	830	601	38
Noninterest Revenue	**7,621**	**7,053**	**5,637**	**6,025**	**4,924**	8	55	**26,336**	**20,419**	29
Interest Income	9,862	9,493	5,614	5,626	5,776	4	71	30,595	24,044	27
Interest Expense	4,533	4,041	2,620	2,640	2,594	12	75	13,834	11,079	25
Net Interest Income	**5,329**	**5,452**	**2,994**	**2,986**	**3,182**	(2)	67	**16,761**	**12,965**	29
Total Net Revenue	**12,950**	**12,505**	**8,631**	**9,011**	**8,106**	4	60	**43,097**	**33,384**	29
Provision for Credit Losses	1,157	1,169	203	15	139	(1)	NM	2,544	1,540	65
Noninterest Expense										
Merger Costs	523	752	90	—	—	(30)	NM	1,365	—	NM
Litigation Reserve Charge	—	—	3,700	—	—	NM	NM	3,700	100	NM
All Other Noninterest Expense	8,863	8,625	5,713	6,093	5,258	3	69	29,294	21,716	35
Total Noninterest Expense	9,386	9,377	9,503	6,093	5,258	—	79	34,359	21,816	57
Income (Loss) before Income Tax Expense	2,407	1,959	(1,075)	2,903	2,709	23	(11)	6,194	10,028	(38)
Income Tax Expense (Benefit)	741	541	(527)	973	845	37	(12)	1,728	3,309	(48)
Net Income (Loss)	**$ 1,666**	**$ 1,418**	**$ (548)**	**$ 1,930**	**$ 1,864**	17	(11)	**$ 4,466**	**$ 6,719**	(34)
RECONCILING ITEMS (a)										
Revenue										
Trading-Related Revenue (b)	$ 511	$ 424	$ 439	$ 576	$ 518	21	(1)	$ 1,950	$ 2,129	(8)
Credit Card Income (c)	(786)	(848)	(307)	(326)	(368)	7	(114)	(2,267)	(1,379)	(64)
Other Income										
Credit Card Securitizations (c)	1	(3)	(45)	(39)	(29)	NM	NM	(86)	(71)	(21)
Accounting Policy Conformity (d)	—	118	—	—	—	NM	NM	118	—	NM
Total Other Income	1	115	(45)	(39)	(29)	(99)	NM	32	(71)	NM
Net Interest Income:										
Trading-Related (b)	(511)	(424)	(439)	(576)	(518)	(21)	1	(1,950)	(2,129)	8
Credit Card Securitizations (c)	1,796	1,779	838	838	859	1	109	5,251	3,320	58
Total Net Interest Income	1,285	1,355	399	262	341	(5)	277	3,301	1,191	177
Total Net Revenue	**1,011**	**1,046**	**486**	**473**	**462**	(3)	119	**3,016**	**1,870**	61
Provision for Credit Losses										
Credit Card Securitizations (c)	1,011	928	486	473	462	9	119	2,898	1,870	55
Accounting Policy Conformity (d)	(525)	(333)	—	—	—	(58)	NM	(858)	—	NM
Total Provision for Credit Losses	486	595	486	473	462	(18)	5	2,040	1,870	9
Noninterest Expense										
Merger Costs (d)	(523)	(752)	(90)	—	—	30	NM	(1,365)	—	NM
Litigation Reserve Charge (d)	—	—	(3,700)	—	—	NM	NM	(3,700)	—	NM
All Other Noninterest Expense	—	—	—	—	—	NM	NM	—	—	NM
Total Noninterest Expense	(523)	(752)	(3,790)	—	—	30	NM	(5,065)	—	NM
Income before Income Tax Expense	1,048	1,203	3,790	—	—	(13)	NM	6,041	—	NM
Income Tax Expense (Benefit)	398	462	1,436	—	—	(14)	NM	2,296	—	NM
Net Income (Loss)	**$ 650**	**$ 741**	**$ 2,354**	**$ —**	**$ —**	(12)	NM	**$ 3,745**	**$ —**	NM

(a) Represents only those line items on the Consolidated Statement of Income impacted by the reclassification of trading-related net interest income and the impact of credit card securitizations, as well as for the fourth, third and second quarters of 2004, the Merger Costs and Litigation Reserve Charge line items on the Consolidated Statement of Income, and the Accounting Policy Conformity Adjustments.

(b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results. See page 10 for further information.

(c) The impact of credit card securitizations impacts Card Services. See page 18 for further information.

(d) The impact of the Merger Costs, the Litigation Reserve Charge and Accounting Policy Conformity Adjustment are excluded from Operating Earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, not indicative of trends), and do not provide meaningful comparisons with other periods.

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

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change			H-JPMC Only Full Year	2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
REVENUE										
Investment Banking Fees	$ 1,073	$ 879	$ 893	$ 692	$ 846	22%	27%	$ 3,537	$ 2,890	22%
Trading-Related Revenue (Including Trading NII)	1,122	832	1,312	2,296	1,272	35	(12)	5,562	6,556	(15)
Lending & Deposit Related Fees	903	943	412	414	451	(4)	100	2,672	1,727	55
Asset Management, Administration and Commissions	2,285	2,141	1,770	1,771	1,586	7	44	7,967	5,906	35
Securities / Private Equity Gains (Losses)	569	413	460	432	192	38	196	1,874	1,479	27
Mortgage Fees and Related Income	130	277	338	259	149	(53)	(13)	1,004	923	9
Credit Card Income	1,036	934	324	279	317	11	227	2,573	1,087	137
Other Income	229	325	215	93	232	(30)	(1)	862	530	63
Noninterest Revenue	**7,347**	**6,744**	**5,724**	**6,236**	**5,045**	9	46	**26,051**	**21,098**	23
Interest Income	11,223	11,036	6,013	5,888	6,117	2	83	34,160	25,235	35
Interest Expense	4,609	4,229	2,620	2,640	2,594	9	78	14,098	11,079	27
Net Interest Income	**6,614**	**6,807**	**3,393**	**3,248**	**3,523**	(3)	88	**20,062**	**14,156**	42
TOTAL NET REVENUE	**13,961**	**13,551**	**9,117**	**9,484**	**8,568**	3	63	**46,113**	**35,254**	31
Managed Provision for Credit Losses	1,643	1,764	689	488	601	(7)	173	4,584	3,410	34
NONINTEREST EXPENSE										
Compensation Expense	4,211	4,050	2,943	3,302	2,508	4	68	14,506	11,387	27
Occupancy Expense	609	604	440	431	482	1	26	2,084	1,912	9
Technology and Communications Expense	1,051	1,046	786	819	756	—	39	3,702	2,844	30
Professional & Outside Services	1,191	1,103	752	816	777	8	53	3,862	2,875	34
Marketing	428	506	202	199	200	(15)	114	1,335	710	88
Other Expense	981	920	511	447	461	7	113	2,859	1,794	59
Amortization of Intangibles	392	396	79	79	74	(1)	430	946	294	222
TOTAL NONINTEREST EXPENSE	**8,863**	**8,625**	**5,713**	**6,093**	**5,258**	3	69	**29,294**	**21,816**	34
Operating Earnings before Income Tax Expense	3,455	3,162	2,715	2,903	2,709	9	28	12,235	10,028	22
Income Tax Expense	1,139	1,003	909	973	845	14	35	4,024	3,309	22
OPERATING EARNINGS	**$ 2,316**	**$ 2,159**	**$ 1,806**	**$ 1,930**	**$ 1,864**	7	24	**$ 8,211**	**$ 6,719**	22
Operating Earnings Per Common Share										
Diluted EPS	$ 0.64	$ 0.60	$ 0.85	$ 0.92	$ 0.89	7	(28)	$ 2.86	$ 3.24	(12)
Operating Financial Ratios										
ROE	9%	8%	15%	17%	17%	100bp	(800)bp	11%	16%	(500)bp
ROE-GW	15	14	19	21	20	100	(500)	16	19	(300)
ROA	0.75	0.72	0.87	0.96	0.91	3	(16)	0.81	0.83	(2)
Overhead Ratio	63	64	63	64	61	(100)	200	64	62	200
RECONCILIATION OF OPERATING EARNINGS PER SHARE TO NET INCOME (LOSS) PER SHARE — DILUTED										
Operating Earnings	$ 0.64	$ 0.60	$ 0.85	$ 0.92	$ 0.89	7%	(28)%	$ 2.86	$ 3.24	(12)%
Reconciling Items (Net of Taxes):										
Merger Costs	(0.09)	(0.13)	(0.03)	—	—	31	NM	(0.30)	—	NM
Litigation Reserve Charge	—	—	(1.09)	—	—	NM	NM	(0.80)	—	NM
Accounting Policy Conformity	(0.09)	(0.08)	—	—	—	(13)	NM	(0.21)	—	NM
Net Income (Loss)	$ 0.46	$ 0.39	$ (0.27)	$ 0.92	$ 0.89	18	(48)	$ 1.55	$ 3.24	(52)

JPMORGAN CHASE & CO.
LINE OF BUSINESS FINANCIAL HIGHLIGHTS — OPERATING BASIS
(in millions, except ratio data)

			Heritage JPMC Only			4QTR 2004 Change		Full Year	H-JPMC Only	2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
REVENUE										
Investment Bank	$ 3,201	$ 2,701	$ 2,939	$ 3,764	$ 2,898	19%	10%	$ 12,605	$ 12,684	(1)%
Retail Financial Services	3,545	3,800	1,835	1,611	1,722	(7)	106	10,791	7,428	45
Card Services	3,830	3,771	1,587	1,557	1,615	2	137	10,745	6,144	75
Commercial Banking	885	833	334	322	340	6	160	2,374	1,352	76
Treasury & Securities Services	1,413	1,339	1,093	1,012	980	6	44	4,857	3,608	35
Asset & Wealth Management	1,310	1,193	828	848	845	10	55	4,179	2,970	41
Corporate	(223)	(86)	501	370	168	(159)	NM	562	1,068	(47)
TOTAL NET REVENUE	**$ 13,961**	**$ 13,551**	**$ 9,117**	**$ 9,484**	**$ 8,568**	3	63	**$ 46,113**	**$ 35,254**	31
OPERATING EARNINGS										
Investment Bank	$ 660	$ 627	$ 644	$ 1,017	$ 809	5	(18)	$ 2,948	$ 2,805	5
Retail Financial Services	775	822	396	206	305	(6)	154	2,199	1,547	42
Card Services	515	421	176	162	173	22	198	1,274	683	87
Commercial Banking	254	215	65	74	89	18	185	608	307	98
Treasury & Securities Services	145	96	101	98	123	51	18	440	422	4
Asset & Wealth Management	263	197	99	122	106	34	148	681	287	137
Corporate	(296)	(219)	325	251	259	(35)	NM	61	668	(91)
TOTAL OPERATING EARNINGS	**$ 2,316**	**$ 2,159**	**$ 1,806**	**$ 1,930**	**$ 1,864**	7	24	**$ 8,211**	**$ 6,719**	22
AVERAGE EQUITY (a)										
Investment Bank	$ 20,000	$ 20,000	$ 14,015	$ 15,085	$ 16,202	—	23	$ 17,290	$ 18,350	(6)
Retail Financial Services	13,050	13,050	5,005	5,177	4,592	—	184	9,092	4,220	115
Card Services	11,800	11,800	3,346	3,392	3,403	—	247	7,608	3,440	121
Commercial Banking	3,400	3,400	747	795	928	—	266	2,093	1,059	98
Treasury & Securities Services	1,900	1,900	3,203	3,189	2,741	—	(31)	2,544	2,738	(7)
Asset & Wealth Management	2,400	2,400	5,370	5,471	5,467	—	(56)	3,902	5,507	(29)
Corporate (b)	52,324	51,819	15,178	12,709	10,844	1	383	33,112	7,674	331
TOTAL AVERAGE EQUITY	**$ 104,874**	**$ 104,369**	**$ 46,864**	**$ 45,818**	**$ 44,177**	—	137	**$ 75,641**	**$ 42,988**	76
RETURN ON EQUITY (a)										
Investment Bank	13%	12%	18%	27%	20%	100bp	(700)bp	17%	15%	200bp
Retail Financial Services	24	25	32	16	26	(100)	(200)	24	37	(1,300)
Card Services	17	14	21	19	20	300	(300)	17	20	(300)
Commercial Banking	30	25	35	37	38	500	(800)	29	29	—
Treasury & Securities Services	30	20	13	12	18	1,000	1,200	17	15	200
Asset & Wealth Management	44	33	7	9	8	1,100	3,600	17	5	1,200
JPMC ROE	9	8	15	17	17	100	(800)	11	16	(500)
JPMC ROE-GW	15	14	19	21	20	100	(500)	16	19	(300)

(a) As a result of the Merger, new capital allocation methodologies were implemented during the third quarter of 2004. The capital allocated to each line of business considers several factors: stand-alone peer comparables, economic risk measures and regulatory capital requirements. In addition, effective with the third quarter of 2004, goodwill, as well as the associated capital, is only allocated to the Corporate line of business. Prior periods have not been revised to reflect these new methodologies and also may not be comparable to the presentation beginning in the third quarter of 2004.

(b) Includes goodwill.

JPMORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS
(in millions, except ratio and rankings data)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	**3QTR 2004**	**2QTR 2004**	**1QTR 2004**	**4QTR 2003**	**3Q 2004**	**4Q 2003**	**2004**	**2003**	**2003**
INCOME STATEMENT										
REVENUE										
Investment Banking Fees:										
Advisory	$ 250	$ 273	$ 268	$ 147	$ 157	(8)%	59%	$ 938	$ 640	47%
Equity Underwriting	213	170	221	177	255	25	(16)	781	699	12
Debt Underwriting	617	468	402	366	428	32	44	1,853	1,532	21
Total Investment Banking Fees	**1,080**	**911**	**891**	**690**	**840**	19	29	**3,572**	**2,871**	24
Trading-Related Revenue: (a)										
Fixed Income and Other	1,173	657	1,293	1,885	1,159	79	1	5,008	6,016	(17)
Equities	(42)	220	(86)	335	96	NM	NM	427	556	(23)
Credit Portfolio	(44)	(35)	29	56	(50)	(26)	12	6	(186)	NM
Total Trading-Related Revenue	**1,087**	**842**	**1,236**	**2,276**	**1,205**	29	(10)	**5,441**	**6,386**	(15)
Lending & Deposit Related Fees	176	155	112	96	131	14	34	539	440	23
Asset Management, Administration and Commissions	346	313	348	393	309	11	12	1,400	1,217	15
Other Income	178	91	45	14	65	96	174	328	103	218
Noninterest Revenue	**2,867**	**2,312**	**2,632**	**3,469**	**2,550**	24	12	**11,280**	**11,017**	2
Net Interest Income (a)	334	389	307	295	348	(14)	(4)	1,325	1,667	(21)
TOTAL NET REVENUE (b)	**3,201**	**2,701**	**2,939**	**3,764**	**2,898**	19	10	**12,605**	**12,684**	(1)
Provision for Credit Losses	(173)	(151)	(128)	(188)	(241)	(15)	28	(640)	(181)	(254)
Credit Reimbursement from TSS (c)	43	43	2	2	(5)	—	NM	90	(36)	NM
NONINTEREST EXPENSE										
Compensation Expense	1,389	992	1,126	1,386	821	40	69	4,893	4,462	10
Noncompensation Expense	1,001	932	930	940	980	7	2	3,803	3,840	(1)
Amortization of Intangibles	—	—	—	—	—	NM	NM	—	—	NM
TOTAL NONINTEREST EXPENSE	**2,390**	**1,924**	**2,056**	**2,326**	**1,801**	24	33	**8,696**	**8,302**	5
Operating Earnings Before Income Tax Expense	1,027	971	1,013	1,628	1,333	6	(23)	4,639	4,527	2
Income Tax Expense (Benefit)	367	344	369	611	524	7	(30)	1,691	1,722	(2)
OPERATING EARNINGS	**$ 660**	**$ 627**	**$ 644**	**$ 1,017**	**$ 809**	5	(18)	**$ 2,948**	**$ 2,805**	5
FINANCIAL RATIOS										
ROE	13%	12%	18%	27%	20%	100bp	(700)bp	17%	15%	200bp
ROA	0.49	0.50	0.59	0.97	0.73	(1)	(24)	0.62	0.64	(2)
Overhead Ratio	75	71	70	62	62	400	1,300	69	65	400
Compensation Expense as a % of Total Net Revenue	43	37	38	37	28	600	1,500	39	35	400

	Full Year 2004	**Full Year 2003**
MARKET SHARE / RANKINGS (d)		
Global Debt, Equity and Equity-Related	7% / #3	8% / #3
Global Syndicated Loans	20% / #1	20% / #1
Global Long-Term Debt	7% / #2	8% / #2
Global Equity and Equity-Related	6% / #6	8% / #4
Global Announced M&A	26% / #2	16% / #4
U.S. Debt, Equity and Equity-Related	8% / #5	9% / #3
U.S. Syndicated Loans	32% / #1	35% / #1
U.S. Long-Term Debt	12% / #2	10% / #3
U.S. Equity and Equity-Related	8% / #6	11% / #4
U.S. Announced M&A	33% / #1	13% / #8

(a) Trading revenue, on a reported basis, excludes the impact of net interest income related to IB's trading activities; this income is recorded in Net interest income. However, in this presentation, to assess the profitability of IB's trading business, the Firm combines these revenues for segment reporting. The amount reclassified from Net interest income to Trading revenue was $511 million, $430 million, $427 million, $581 million and $512 million during the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, December 31, 2003, and $1.9 billion and $2.1 billion for full year 2004 and 2003, respectively.

(b) Total net revenue includes tax equivalent adjustments of $167 million, $9 million, $91 million, $80 million, and $57 million as of December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004 and December 31, 2003, respectively. The full year tax equivalent adjustments were $347 million and $230 million for the year ending December 31, 2004 and 2003, respectively.

(c) Management has charged Treasury & Securities Services ("TSS") a credit reimbursement, which is the pre-tax amount of earnings, less cost of capital, related to certain exposures managed within the IB credit portfolio on behalf of clients shared with TSS.

(d) Derived from Thomson Financial Securities Data. Global announced M&A is based on rank value; all other rankings are based on proceeds, with full credit to each book manager/equal if joint. Because of joint assignments, market share of all participants will add up to more than 100%. The market share and rankings are presented on a combined basis reflecting the merger of JPMorgan Chase and Bank One, as disclosed by Thomson Financial Securities Data.

JPMORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except headcount and ratio data)

JPMorganChase

	4QTR 2004	3QTR 2004	Heritage JPMC Only 2QTR 2004	Heritage JPMC Only 1QTR 2004	Heritage JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	H-JPMC Only Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
REVENUE BY BUSINESS										
Investment Banking	$ 1,080	$ 911	$ 891	$ 690	$ 840	19%	29%	$ 3,572	$ 2,871	24%
Fixed Income Markets	1,530	1,115	1,572	2,097	1,379	37	11	6,314	6,987	(10)
Equities Markets	243	455	161	632	318	(47)	(24)	1,491	1,406	6
Credit Portfolio	348	220	315	345	361	58	(4)	1,228	1,420	(14)
Total Net Revenue	**$ 3,201**	**$ 2,701**	**$ 2,939**	**$ 3,764**	**$ 2,898**	19	10	**$ 12,605**	**$ 12,684**	(1)
REVENUE BY REGION										
Americas	$ 1,829	$ 1,591	$ 1,497	$ 1,953	$ 1,718	15	6	$ 6,870	$ 7,250	(5)
Europe/Middle East/Africa	1,013	741	1,032	1,296	897	37	13	4,082	4,331	(6)
Asia/Pacific	359	369	410	515	283	(3)	27	1,653	1,103	50
Total Net Revenue	**$ 3,201**	**$ 2,701**	**$ 2,939**	**$ 3,764**	**$ 2,898**	19	10	**$ 12,605**	**$ 12,684**	(1)
SELECTED BALANCE SHEET (Average)										
Total Assets	$ 533,898	$ 496,347	$ 439,166	$ 422,151	$ 441,745	8	21	$ 473,121	$ 436,488	8
Trading Assets — Debt and Equity Instruments	182,060	166,795	159,965	183,495	168,897	9	8	173,086	156,408	11
Trading Assets — Derivative Receivables	65,417	60,465	51,925	57,042	78,584	8	(17)	58,735	83,361	(30)
Loans (a)	47,674	45,779	38,729	38,199	39,764	4	20	42,618	45,037	(5)
Adjusted Assets (b)	432,085	401,010	373,461	367,525	374,560	8	15	393,646	370,776	6
Equity (c)	20,000	20,000	14,015	15,085	16,202	—	23	17,290	18,350	(6)
Headcount	17,478	17,420	15,829	14,930	14,691	—	19	17,478	14,691	19
CREDIT DATA AND QUALITY STATISTICS										
Net Charge-offs	$ 14	$ (16)	$ 15	$ 34	$ (15)	NM	NM	$ 47	$ 680	(93)
Nonperforming Assets										
- Nonperforming Loans (d)	954	1,075	1,202	1,498	1,708	(11)	(44)	954	1,708	(44)
- Other Nonperforming Assets	242	246	339	357	370	(2)	(35)	242	370	(35)
Allowance for Loan Losses	1,547	1,841	742	855	1,055	(16)	47	1,547	1,055	47
Allowance for Lending Related Commitments	305	358	183	215	242	(15)	26	305	242	26
Net Charge-off Rate (a)	0.14%	(0.17)%	0.18%	0.41%	(0.17)%	31bp	31bp	0.13%	1.65%	(152)bp
Allowance for Loan Losses to Average Loans (a)	3.87	4.78	2.21	2.59	2.93	(91)	94	4.27	2.56	171
Allowance for Loan Losses to Nonperforming Loans (d)	163	172	62	58	63	(900)	10,000	163	63	10,000
Nonperforming Loans to Average Loans	2.00	2.35	3.10	3.92	4.30	(35)	(230)	2.24	3.79	(155)
MARKET RISK — AVERAGE TRADING AND CREDIT PORTFOLIO VAR (e) (f)										
Trading Activities:										
Fixed Income (e)	$ 68	$ 80	$ 77	$ 73	$ 67	(15)%	1%	$ 74	$ 61	21%
Foreign Exchange	18	13	16	22	20	38	(10)	17	17	—
Equities	20	25	29	40	41	(20)	(51)	28	18	56
Commodities and Other	9	10	8	8	8	(10)	13	9	8	13
Diversification	(42)	(43)	(42)	(49)	(48)	2	13	(43)	(39)	(10)
Total Trading VAR	**73**	**85**	**88**	**94**	**88**	(14)	(17)	**85**	**65**	31
Credit Portfolio VAR (f)	13	13	15	15	17	—	(24)	14	18	(22)
Diversification	(7)	(9)	(9)	(7)	(10)	22	30	(9)	(14)	36
Total Trading and Credit Portfolio VAR	**$ 79**	**$ 89**	**$ 94**	**$ 102**	**$ 95**	(11)	(17)	**$ 90**	**$ 69**	30

(a) Loans include loans held for sale of $7,684 million, $7,281 million, $5,199 million, $5,245 million, and $3,735 million for the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004 and December 31, 2003, respectively. The full year average loans held for sale were $6,352 million and $3,809 million for 2004 and 2003, respectively. These amounts are not included in the allowance coverage ratios and net charge-off rates.
(b) Adjusted assets equals total assets minus (1) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased, (2) assets of VIEs consolidated under FIN 46R, (3) cash and securities segregated and on deposit for regulatory and other purposes and (4) goodwill and intangibles. The amount of adjusted assets is presented to assist the reader in comparing the IB's asset and capital levels to other investment banks in the securities industry. Asset to equity leverage ratios are commonly used as one measure to assess a company's capital adequacy. The IB believes an adjusted asset amount, which excludes certain assets considered to have a low risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.
(c) Equity includes $15 billion of economic risk capital assigned to the IB for the full year ended December 31, 2004.
(d) Nonperforming loans include loans held for sale of $2 million, $4 million, $2 million, $30 million, and $30 million, as of December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004 and December 31, 2003, respectively. These amounts are not included in the allowance coverage ratios.
(e) Includes all mark-to-market trading activities, plus available-for-sale securities held for IB investing purposes.
(f) Includes VAR on derivative credit valuation adjustments, credit valuation adjustment hedges and mark-to-market loan hedges, which are reported in Trading Revenue.
This VAR does not include the accrual loan portfolio, which is not marked to market.

JPMORGAN CHASE & CO.
RETAIL FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratio and headcount data)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
INCOME STATEMENT										
REVENUE										
Lending & Deposit Related Fees	$ 373	$ 395	$ 124	$ 121	$ 126	(6)%	196%	$ 1,013	$ 486	108%
Asset Management, Administration and Commissions	323	331	100	95	95	(2)	240	849	357	138
Securities / Private Equity Gains (Losses)	(89)	6	—	—	18	NM	NM	(83)	381	NM
Mortgage Fees and Related Income	162	255	365	255	140	(36)	16	1,037	905	15
Credit Card Income	97	89	25	19	24	9	304	230	107	115
Other Income	27	18	10	(24)	(15)	50	NM	31	(28)	NM
Noninterest Revenue	**893**	**1,094**	**624**	**466**	**388**	(18)	130	**3,077**	**2,208**	39
Net Interest Income	2,652	2,706	1,211	1,145	1,334	(2)	99	7,714	5,220	48
TOTAL NET REVENUE	**3,545**	**3,800**	**1,835**	**1,611**	**1,722**	(7)	106	**10,791**	**7,428**	45
Provision for Credit Losses	78	239	78	54	72	(67)	8	449	521	(14)
NONINTEREST EXPENSE										
Compensation Expense	807	855	450	509	443	(6)	82	2,621	1,695	55
Noncompensation Expense	1,276	1,250	680	731	726	2	76	3,937	2,773	42
Amortization of Intangibles	132	133	1	1	1	(1)	NM	267	3	NM
TOTAL NONINTEREST EXPENSE	**2,215**	**2,238**	**1,131**	**1,241**	**1,170**	(1)	89	**6,825**	**4,471**	53
Operating Earnings Before Income Tax Expense	1,252	1,323	626	316	480	(5)	161	3,517	2,436	44
Income Tax Expense (Benefit)	477	501	230	110	175	(5)	173	1,318	889	48
OPERATING EARNINGS	**$ 775**	**$ 822**	**$ 396**	**$ 206**	**$ 305**	(6)	154	**$ 2,199**	**$ 1,547**	42
FINANCIAL RATIOS										
ROE	24%	25%	32%	16%	26%	(100)bp	(200)bp	24%	37%	(1,300)bp
ROA	1.35	1.44	1.09	0.59	0.80	(9)	55	1.18	1.05	13
Overhead Ratio	62	59	62	77	68	300	(600)	63	60	300
SELECTED BALANCE SHEET (Ending)										
Total Assets	$ 226,560	$ 227,952	$ 148,682	$ 138,747	$ 139,316	(1)%	63%	$ 226,560	$ 139,316	63%
Loans (a)	202,473	201,116	131,712	123,923	121,921	1	66	202,473	121,921	66
Core Deposits (b)	157,256	154,986	80,466	81,392	75,850	1	107	157,256	75,850	107
Total Deposits	182,765	180,727	80,339	91,478	86,162	1	112	182,765	86,162	112
SELECTED BALANCE SHEET (Average)										
Total Assets	$ 228,647	$ 227,716	$ 146,693	$ 139,727	$ 150,431	—	52	$ 185,928	$ 147,435	26
Loans (c)	202,419	198,244	128,225	121,357	127,830	2	58	162,768	120,750	35
Core Deposits (b)	159,385	159,197	85,263	79,801	79,041	—	102	121,121	80,116	51
Total Deposits	183,498	183,921	93,967	88,788	88,187	—	108	137,796	89,793	53
Equity	13,050	13,050	5,005	5,177	4,592	—	184	9,092	4,220	115
Headcount	59,632	60,691	30,480	31,377	32,278	(2)	85	59,632	32,278	85
CREDIT DATA AND QUALITY STATISTICS										
Net Charge-offs (d)	$ 606	$ 219	$ 80	$ 85	$ 104	177	483	$ 990	$ 381	160
Nonperforming Loans	1,161	1,308	519	546	569	(11)	104	1,161	569	104
Nonperforming Assets	1,385	1,557	693	736	775	(11)	79	1,385	775	79
Allowance for Loan Losses	1,228	1,764	1,061	1,063	1,094	(30)	12	1,228	1,094	12
Net Charge-off Rate (c)	1.28%	0.47%	0.29%	0.32%	0.39%	81bp	89bp	0.67%	0.40%	27bp
Allowance for Loan Losses to Ending Loans (a)	0.67	0.94	0.90	0.97	1.04	(27)	(37)	0.67	1.04	(37)
Allowance for Loan Losses to Nonperforming Loans (e)	107	143	223	214	209	(3,600)	(10,200)	107	209	(10,200)
Nonperforming Loans to Total Loans	0.57	0.65	0.39	0.44	0.47	(8)	10	0.57	0.47	10

(a) End of period loans include loans held for sale of $18,022 million, $12,816 million, $14,217 million, $14,334 million, and $17,105 million at December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. These amounts are not included in the allowance coverage ratios.
(b) Includes demand and savings deposits.
(c) Average loans include loans held for sale of $13,534 million, $14,479 million, $15,638 million, $15,311 million, and $21,633 million for the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. The full year average loans held for sale are $14,736 million and $25,293 million for 2004 and 2003, respectively. These amounts are not included in the net charge-off rate.
(d) Includes $406 million of net charge-offs related to the Manufactured Home Loan portfolio in the fourth quarter of 2004.
(e) Nonperforming loans include loans held for sale of $13 million, $74 million, $44 million, $50 million, and $45 million at December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. These amounts are not included in the allowance coverage ratios.

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RETAIL FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data and where otherwise noted)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
RETAIL BUSINESSES										
HOME FINANCE										
PRIME PRODUCTION AND SERVICING										
Production	$ 196	$ 168	$ 186	$ 178	$ 318	17%	(38)%	$ 728	$ 1,339	(46)%
Servicing:										
Mortgage Servicing Revenue, net of amortization	169	134	193	155	141	26	20	651	453	44
MSR, net of hedging	(187)	153	86	61	(6)	NM	NM	113	784	(86)
Total Net Revenue	178	455	465	394	453	(61)	(61)	1,492	2,576	(42)
Noninterest Expense	266	296	264	289	311	(10)	(14)	1,115	1,124	(1)
Operating Earnings	(56)	103	128	65	90	NM	NM	240	918	(74)
CONSUMER REAL ESTATE LENDING										
Total Net Revenue	$ 725	$ 704	$ 512	$ 435	$ 418	3	73	$ 2,376	$ 1,473	61
Provision for Credit Losses	(20)	65	38	(9)	13	NM	NM	74	240	(69)
Noninterest Expense	283	264	172	203	176	7	61	922	606	52
Operating Earnings	295	237	193	156	148	24	99	881	414	113
TOTAL HOME FINANCE										
Total Net Revenue	$ 903	$ 1,159	$ 977	$ 829	$ 871	(22)	4	$ 3,868	$ 4,049	(4)
Provision for Credit Losses	(20)	65	38	(9)	13	NM	NM	74	240	(69)
Noninterest Expense	549	560	436	492	487	(2)	13	2,037	1,730	18
Operating Earnings	239	340	321	221	238	(30)	—	1,121	1,332	(16)
Origination Volume by Channel (in billions)										
Retail	$ 18.5	$ 19.7	$ 20.8	$ 15.2	$ 16.6	(6)	11	$ 74.2	$ 90.8	(18)
Wholesale	11.7	11.6	15.7	9.5	11.1	1	5	48.5	65.6	(26)
Correspondent	4.2	5.4	7.9	5.3	9.3	(22)	(55)	22.8	44.5	(49)
Correspondent Negotiated Transactions	10.0	11.3	12.5	7.7	14.0	(12)	(29)	41.5	83.3	(50)
Total	44.4	48.0	56.9	37.7	51.0	(8)	(13)	187.0	284.2	(34)
Origination Volume by Business (in billions)										
Mortgage	$ 32.4	$ 34.1	$ 47.1	$ 31.0	$ 43.7	(5)	(26)	$ 144.6	$ 259.5	(44)
Home Equity	12.0	13.9	9.8	6.7	7.3	(14)	64	42.4	24.7	72
Total	44.4	48.0	56.9	37.7	51.0	(8)	(13)	187.0	284.2	(34)
Business Metrics (in billions)										
Loans Serviced (Ending)	$ 562.0	$ 553.5	$ 492.5	$ 475.0	$ 470.0	2	20	$ 562.0	$ 470.0	20
MSR Net Carrying Value (Ending)	5.1	5.2	5.7	4.2	4.8	(2)	6	5.1	4.8	6
End of Period Loans Owned										
Mortgage Loans Held for Sale	14.2	9.5	13.6	12.8	15.9	49	(11)	14.2	15.9	(11)
Mortgage Loans Retained	42.6	46.5	40.5	36.5	34.5	(8)	23	42.6	34.5	23
Home Equity and Other Loans	67.9	67.3	29.8	26.3	24.1	1	182	67.9	24.1	182
Total End of Period Loans Owned	124.7	123.3	83.9	75.6	74.5	1	67	124.7	74.5	67
Average Loans Owned										
Mortgage Loans Held for Sale	10.1	10.9	14.6	12.9	20.0	(7)	(50)	12.1	23.5	(49)
Mortgage Loans Retained	44.6	44.0	38.2	35.8	38.2	1	17	40.7	32.0	27
Home Equity and Other Loans	70.1	66.2	27.0	24.1	21.9	6	220	47.0	19.4	142
Total Average Loans Owned	124.8	121.1	79.8	72.8	80.1	3	56	99.8	74.9	33
Overhead Ratio	61%	48%	45%	59%	56%	1,300bp	500bp	53%	43%	1,000bp
Credit Quality Statistics										
30+ Day Delinquency Rate	1.27%	1.50%	1.18%	1.32%	1.81%	(23)	(54)	1.27%	1.81%	(54)
Net Charge-offs										
Mortgage	$ 5	$ 6	$ 5	$ 3	$ 8	(17)%	(38)%	$ 19	$ 26	(27)%
Home Equity and Other Loans (a)	449	57	23	25	29	NM	NM	554	109	408
Total Net Charge-offs	454	63	28	28	37	NM	NM	573	135	324
Net Charge-off Rate										
Mortgage	0.04%	0.05%	0.05%	0.03%	0.08%	(1)bp	(4)bp	0.05%	0.08%	(3)bp
Home Equity and Other Loans	2.55	0.34	0.34	0.42	0.53	221	202	1.18	0.56	62
Total Net Charge-off Rate (b)	1.57	0.23	0.17	0.19	0.24	134	133	0.65	0.26	39
Nonperforming Assets	$ 844	$ 997	$ 468	$ 516	$ 546	(15)%	55%	$ 844	$ 546	55%

(a) Fourth quarter and full year 2004 includes $406 million of net charge-offs related to the Manufactured Home Loan portfolio.
(b) Excludes mortgage loans held for sale.

JPMORGAN CHASE & CO.
RETAIL FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data and where otherwise noted)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change			H-JPMC Only Full Year	2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
RETAIL BUSINESSES, CONTINUED										
CONSUMER & SMALL BUSINESS BANKING										
Total Net Revenue	$ 2,105	$ 2,076	$ 615	$ 589	$ 615	1%	242%	$ 5,385	$ 2,422	122%
Provision for Credit Losses	39	79	20	27	18	(51)	117	165	76	117
Noninterest Expense	1,362	1,379	593	647	581	(1)	134	3,981	2,358	69
Operating Earnings	430	377	2	(49)	12	14	NM	760	(4)	NM
Business Metrics (in billions)										
End of Period Balances										
Small Business Loans	$ 12.5	$ 12.4	$ 2.2	$ 2.2	$ 2.2	1	468	$ 12.5	$ 2.2	468
Consumer and Other Loans (a)	2.2	2.3	1.9	2.0	2.0	(4)	10	2.2	2.0	10
Total Loans	14.7	14.7	4.1	4.2	4.2	—	250	14.7	4.2	250
Core Deposits (b)	146.7	144.9	70.1	69.5	66.4	1	121	146.7	66.4	121
Total Deposits	172.2	170.6	79.9	79.6	76.7	1	125	172.2	76.7	125
Average Balances										
Small Business Loans	12.4	12.4	2.2	2.2	2.1	—	490	7.3	2.1	248
Consumer and Other Loans (a)	2.2	2.3	1.9	2.0	2.0	(4)	10	2.1	2.0	5
Total Loans	14.6	14.7	4.1	4.2	4.1	(1)	256	9.4	4.1	129
Core Deposits (b)	148.1	148.2	72.5	70.3	67.4	—	120	110.0	64.8	70
Total Deposits	172.2	172.9	81.1	79.2	76.5	—	125	126.6	74.4	70
Number of:										
Branches	2,508	2,467	569	564	561	41#	1,947#	2,508	561	1,947#
ATMs	6,650	6,587	1,921	1,927	1,931	63	4,719	6,650	1,931	4,719
Personal Bankers	5,324	5,341	1,744	1,807	1,820	(17)	3,504	5,324	1,820	3,504
Personal Checking Accounts (in thousands)	7,286	7,222	1,982	1,984	1,984	64	5,302	7,286	1,984	5,302
Business Checking Accounts (in thousands)	894	891	352	350	347	3	547	894	347	547
Online Registered Customers (in thousands)	6,587	6,084	NA	NA	NA	503	NM	6,587	NA	NM
Debit Cards Issued (in thousands)	8,392	8,282	2,430	2,368	2,380	110	6,012	8,392	2,380	6,012
Overhead Ratio	65%	66%	96%	110%	94%	(100)bp	(2,900)bp	74%	97%	(2,300)bp
Retail Brokerage Business Metrics										
Investment Sales Volume	$ 2,770	$ 2,563	$ 1,047	$ 944	$ 924	8%	200%	$ 7,324	$ 3,579	105%
Number of Dedicated Investment Sales Representatives	1,364	1,393	390	377	349	(2)	291	1,364	349	291
Credit Quality Statistics										
Net Charge-offs										
Small Business	$ 32	$ 24	$ 12	$ 9	$ 8	33	300	$ 77	$ 35	120
Consumer and Other Loans	24	36	9	8	16	(33)	50	77	40	93
Total Net Charge-Offs	56	60	21	17	24	(7)	133	154	75	105
Net Charge-off Rate										
Small Business	1.03%	0.77%	2.19%	1.65%	1.51%	26bp	(48)bp	1.05%	1.67%	(62)bp
Consumer and Other Loans	4.34	6.23	1.91	1.61	3.17	(189)	117	3.67	2.00	167
Total Net Charge-Off Rate	1.53	1.62	2.06	1.63	2.32	(9)	(79)	1.64	1.83	(19)
Nonperforming Assets	$ 299	$ 313	$ 85	$ 80	$ 72	(4)%	315%	$ 299	$ 72	315%

(a) Primarily community development loans.
(b) Includes demand and savings deposits.

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RETAIL FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data and where otherwise noted)

	4QTR 2004	3QTR 2004	Heritage JPMC Only 2QTR 2004	Heritage JPMC Only 1QTR 2004	Heritage JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	H-JPMC Only Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
RETAIL BUSINESSES										
AUTO & EDUCATION FINANCE										
Total Net Revenue	$ 364	$ 397	$ 218	$ 166	$ 207	(8)%	76%	$ 1,145	$ 842	36%
Provision for Credit Losses	59	95	20	36	41	(38)	44	210	205	2
Noninterest Expense	166	163	80	81	77	2	116	490	291	68
Operating Earnings	84	85	71	30	53	(1)	58	270	206	31
Business Metrics (in billions)										
End of Period Loans and Lease Receivables										
Loans Outstanding:	$ 54.6	$ 53.7	$ 34.9	$ 34.9	$ 33.7	2	62	$ 54.6	$ 33.7	62
Lease Receivables	8.0	8.9	8.6	9.1	9.5	(10)	(16)	8.0	9.5	(16)
Total End of Period Loans and Lease Receivables	62.6	62.6	43.5	44.0	43.2	—	45	62.6	43.2	45
Average Loans and Lease Receivables										
Loans Outstanding (Average) (a)	$ 54.2	$ 52.9	$ 35.2	$ 35.0	$ 33.9	2	60	$ 44.3	$ 32.0	38
Lease Receivables (Average)	8.4	9.2	8.9	9.3	9.6	(9)	(13)	9.0	9.7	(7)
Total Average Loans and Lease Receivables (a)	62.6	62.1	44.1	44.3	43.5	1	44	53.3	41.7	28
Overhead Ratio	46%	41%	37%	49%	37%	500bp	900bp	43%	35%	800bp
Credit Quality Statistics										
30+ Day Delinquency Rate	1.55%	1.38%	1.04%	1.05%	1.42%	17	13	1.55%	1.42%	13
Net Charge-offs										
Loans	$ 85	$ 83	$ 23	$ 28	$ 33	2%	158%	$ 219	$ 130	68%
Lease Receivables	11	13	8	12	10	(15)	10	44	41	7
Total Net Charge-offs	96	96	31	40	43	—	123	263	171	54
Net Charge-off Rate										
Loans (a)	0.67%	0.65%	0.27%	0.35%	0.41%	2bp	26bp	0.52%	0.43%	9bp
Lease Receivables	0.52	0.56	0.36	0.52	0.41	(4)	11	0.49	0.42	7
Total Net Charge-off Rate (a)	0.65	0.64	0.29	0.38	0.41	1	24	0.52	0.43	9
Nonperforming assets	$ 242	$ 247	$ 140	$ 140	$ 157	(2)%	54%	$ 242	$ 157	54%
INSURANCE										
Total Net Revenue	$ 173	$ 168	$ 25	$ 27	$ 29	3	497	$ 393	$ 115	242
Noninterest Expense	138	136	22	21	25	1	452	317	92	245
Operating Earnings	22	20	2	4	2	10	NM	48	13	269
Memo:										
Consolidated Gross Insurance-Related Revenue (b)	421	429	165	176	159	(2)	165	1,191	611	95
Business Metrics — Ending Balances										
Invested Assets	$ 7,368	$ 7,489	$ 1,729	$ 1,710	$ 1,559	(2)	373	$ 7,368	$ 1,559	373
Policy Loans	397	398	—	—	—	—	NM	397	—	NM
Insurance Policy and Claims Reserves	7,279	7,477	1,255	1,193	1,096	(3)	NM	7,279	1,096	NM
Term Life Premiums — First Year Annualized	13	15	—	—	—	(13)	NM	28	—	NM
Proprietary Annuity Sales	35	39	58	76	80	(10)	(56)	208	548	(62)
Policies in Force — Direct / Assumed (in thousands)	2,611	2,633	608	622	631	(1)	314	2,611	631	314
Insurance in Force — Direct / Assumed	277,827	274,390	33,772	33,161	31,992	1	NM	277,827	31,992	NM
Insurance in Force — Retained	80,691	76,727	33,772	33,161	31,992	5	152	80,691	31,992	152
A.M. Best Rating	A	A	A	A	A			A	A	

(a) Average loans include loans held for sale of $3.4 billion, $2.2 billion, $1.1 billion, $2.4 billion, and $1.6 billion for the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. The full year average loans held for sale were $2.3 billion and $1.8 billion for 2004 and 2003, respectively. These are not included in the net charge-off rate.
(b) Includes revenue reported in the results of other businesses.

JPMORGAN CHASE & CO.
CARD SERVICES — MANAGED BASIS
FINANCIAL HIGHLIGHTS
(in millions, except ratio data and where otherwise noted)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
INCOME STATEMENT										
REVENUE										
Asset Management, Administration and Commissions	$ —	$ 26	$ 25	$ 24	$ 26	NM	NM	$ 75	$ 108	(31)%
Credit Card Income	886	784	271	238	271	13%	227%	2,179	930	134
Other Income	31	44	20	22	23	(30)	35	117	54	117
Noninterest Revenue	917	854	316	284	320	7	187	2,371	1,092	117
Net Interest Income	2,913	2,917	1,271	1,273	1,295	—	125	8,374	5,052	66
TOTAL NET REVENUE	**3,830**	**3,771**	**1,587**	**1,557**	**1,615**	2	137	**10,745**	**6,144**	75
Managed Provision for Credit Losses	**1,735**	**1,662**	**748**	**706**	**792**	4	119	**4,851**	**2,904**	67
NONINTEREST EXPENSE										
Compensation Expense	270	317	150	156	144	(15)	88	893	582	53
Noncompensation Expense	825	926	353	381	345	(11)	139	2,485	1,336	86
Amortization of Intangibles	187	194	62	62	65	(4)	188	505	260	94
TOTAL NONINTEREST EXPENSE	**1,282**	**1,437**	**565**	**599**	**554**	(11)	131	**3,883**	**2,178**	78
Operating Earnings Before Income Tax Expense	813	672	274	252	269	21	202	2,011	1,062	89
Income Tax Expense	298	251	98	90	96	19	210	737	379	94
OPERATING EARNINGS	**$ 515**	**$ 421**	**$ 176**	**$ 162**	**$ 173**	22	198	**$ 1,274**	**$ 683**	87
Memo: Net Securitization Gains (Amortization)	**$ —**	**$ (2)**	**$ (4)**	**$ (2)**	**$ 4**	NM	NM	**$ (8)**	**$ 1**	NM
FINANCIAL METRICS										
ROE	17%	14%	21%	19%	20%	300bp	(300)bp	17%	20%	(300)bp
Overhead Ratio	33	38	36	38	34	(500)	(100)	36	35	100
% of Average Managed Outstandings:										
Net Interest Income	8.79	8.90	9.98	9.95	10.08	(11)	(129)	9.16	9.95	(79)
Managed Provision for Credit Losses	5.24	5.07	5.88	5.52	6.17	17	(93)	5.31	5.72	(41)
Noninterest Revenue	2.77	2.61	2.48	2.22	2.49	16	28	2.59	2.15	44
Risk Adjusted Margin	6.32	6.44	6.59	6.65	6.41	(12)	(9)	6.45	6.38	7
Noninterest Expense	3.87	4.39	4.44	4.68	4.31	(52)	(44)	4.25	4.29	(4)
Pre-tax Income	2.45	2.05	2.15	1.97	2.09	40	36	2.20	2.09	11
Operating Earnings	1.55	1.28	1.38	1.27	1.35	27	20	1.39	1.35	4
BUSINESS METRICS										
Charge Volume (in billions)	$ 75.3	$ 73.3	$ 23.5	$ 21.5	$ 23.5	3%	220%	$ 193.6	$ 88.2	120%
Net Accounts Opened (in thousands) (a)	2,729	2,755	1,013	1,026	1,024	(1)	167	7,523	4,177	80
Credit Cards Issued (in thousands)	94,285	95,946	35,529	35,239	35,103	(2)	169	94,285	35,103	169
Number of Registered Internet Customers (in millions)	13.6	12.4	4.5	4.1	3.7	10	268	13.6	3.7	268
Merchant Acquiring Business										
Bank Card Volume (in billions)	$ 135.9	$ 123.5	$ 71.8	$ 65.0	$ 73.1	10	86	$ 396.2	$ 261.2	52
Total Transactions (in millions)	4,462	3,972	1,875	1,757	1,967	12	127	12,066	7,154	69

(a) Net accounts opened includes originations, purchases and sales.

JPMORGAN CHASE & CO.
CARD SERVICES — MANAGED BASIS
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except headcount and ratio data)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
SELECTED ENDING BALANCES										
Loans:										
Loans on Balance Sheet	$ 64,575	$ 60,241	$ 17,182	$ 16,639	$ 17,426	7%	271%	$ 64,575	$ 17,426	271%
Securitized Loans	70,795	71,256	34,138	34,478	34,856	(1)	103	70,795	34,856	103
Managed Loans	$ 135,370	$ 131,497	$ 51,320	$ 51,117	$ 52,282	3	159	$ 135,370	$ 52,282	159
SELECTED AVERAGE BALANCES										
Managed Assets	$ 138,013	$ 136,753	$ 51,510	$ 51,749	$ 51,482	1	168	$ 94,741	$ 51,406	84
Loans:										
Loans on Balance Sheet	$ 61,317	$ 59,386	$ 17,155	$ 17,037	$ 16,442	3	273	$ 38,842	$ 17,604	121
Securitized Loans	70,505	70,980	34,052	34,425	34,504	(1)	104	52,590	33,169	59
Managed Loans	$ 131,822	$ 130,366	$ 51,207	$ 51,462	$ 50,946	1	159	$ 91,432	$ 50,773	80
Equity	11,800	11,800	3,346	3,392	3,403	—	247	7,608	3,440	121
Headcount	19,598	20,473	9,975	10,838	10,612	(4)%	85%	19,598	10,612	85
CREDIT QUALITY STATISTICS										
Net Charge-offs	$ 1,735	$ 1,598	$ 745	$ 743	$ 741	9	134	$ 4,821	$ 2,996	61
Net Charge-off Rate	5.24%	4.88%	5.85%	5.81%	5.77%	36bp	(53)bp	5.27%	5.90%	(63)bp
Delinquency ratios										
30+ days	3.70%	3.81%	4.26%	4.41%	4.68%	(11)	(98)	3.70%	4.68%	(98)
90+ days	1.72	1.75	1.94	2.15	2.19	(3)	(47)	1.72	2.19	(47)
Allowance for Loan Losses	$ 2,994	$ 2,273	$ 1,191	$ 1,188	$ 1,225	32%	144%	$ 2,994	$ 1,225	144%
Allowance for Loan Losses to Period-end Loans (a)	4.64%	3.77%	6.93%	7.14%	7.03%	87bp	(239)bp	4.64%	7.03%	(239)bp

(a) The heritage Bank One seller's interest was decertificated effective July 1, 2004, and is reported in Loans on the Consolidated balance sheet. As a result, the Allowance for Loan Losses to Period-end Loans ratio beginning September 30, 2004, declined as the remaining portion of the decertificated seller's interest was recorded at fair value without a corresponding allowance for loan loss.

JPMORGAN CHASE & CO.
CARD RECONCILIATION OF REPORTED AND MANAGED DATA
(in millions)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		Full Year	H-JPMC Only	2004 Change
	4QTR 2004	**3QTR 2004**	**2QTR 2004**	**1QTR 2004**	**4QTR 2003**	**3Q 2004**	**4Q 2003**	**2004**	**2003**	**2003**
INCOME STATEMENT DATA (a)										
Credit Card Income										
Reported Data for the period	$ 1,672	$ 1,632	$ 578	$ 564	$ 639	2%	162%	$ 4,446	$ 2,309	93%
Securitization Adjustments	(786)	(848)	(307)	(326)	(368)	7	(114)	(2,267)	(1,379)	(64)
Managed Credit Card Income	$ 886	$ 784	$ 271	$ 238	$ 271	13	227	$ 2,179	$ 930	134
Other Income										
Reported Data for the Period	$ 30	$ 47	$ 65	$ 61	$ 52	(36)	(42)	$ 203	$ 125	62
Securitization Adjustments	1	(3)	(45)	(39)	(29)	NM	NM	(86)	(71)	(21)
Managed Other Income	$ 31	$ 44	$ 20	$ 22	$ 23	(30)	35	$ 117	$ 54	117
Net Interest Income										
Reported Data for the Period	$ 1,117	$ 1,138	$ 433	$ 435	$ 436	(2)	156	$ 3,123	$ 1,732	80
Securitization Adjustments	1,796	1,779	838	838	859	1	109	5,251	3,320	58
Managed Net Interest Income	$ 2,913	$ 2,917	$ 1,271	$ 1,273	$ 1,295	—	125	$ 8,374	$ 5,052	66
Total Net Revenue (b)										
Reported Data for the Period	$ 2,819	$ 2,843	$ 1,101	$ 1,084	$ 1,153	(1)	144	$ 7,847	$ 4,274	84
Securitization Adjustments	1,011	928	486	473	462	9	119	2,898	1,870	55
Managed Total Net Revenue	$ 3,830	$ 3,771	$ 1,587	$ 1,557	$ 1,615	2	137	$ 10,745	$ 6,144	75
Provision for Credit Losses										
Reported Data for the Period	$ 724	$ 734	$ 262	$ 233	$ 330	(1)	119	$ 1,953	$ 1,034	89
Securitization Adjustments	1,011	928	486	473	462	9	119	2,898	1,870	55
Managed Provision for Credit Losses	$ 1,735	$ 1,662	$ 748	$ 706	$ 792	4	119	$ 4,851	$ 2,904	67
BALANCE SHEET — AVERAGE BALANCES										
Total Average Assets										
Reported Data for the Period	$ 69,485	$ 67,718	$ 18,484	$ 18,392	$ 18,037	3	285	$ 43,657	$ 19,041	129
Securitization Adjustments	68,528	69,035	33,026	33,357	33,445	(1)	105	51,084	32,365	58
Managed Average Assets	$ 138,013	$ 136,753	$ 51,510	$ 51,749	$ 51,482	1	168	$ 94,741	$ 51,406	84
CREDIT QUALITY STATISTICS										
Net Charge-offs										
Reported Net Charge-offs Data for the period	$ 724	$ 670	$ 259	$ 270	$ 279	8	159	$ 1,923	$ 1,126	71
Securitization Adjustments	1,011	928	486	473	462	9	119	2,898	1,870	55
Managed Net Charge-offs	$ 1,735	$ 1,598	$ 745	$ 743	$ 741	9	134	$ 4,821	$ 2,996	61

(a) JPMorgan Chase uses the concept of “managed receivables” to evaluate the credit performance of the underlying credit card loans, both sold and not sold: as the same borrower is continuing to use the credit card for ongoing charges, a borrower’s credit performance will impact both the receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio. Operating results exclude the impact of credit card securitizations on revenue, the provision for credit losses, net charge-offs and receivables. Securitization does not change reported net income versus operating earnings; however, it does affect the classification of items on the Consolidated statement of income.

(b) Includes Credit Card Income, Other Income and Net Interest Income.

JPMORGAN CHASE & CO.
COMMERCIAL BANKING
FINANCIAL HIGHLIGHTS
(in millions, except ratio and headcount data)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
INCOME STATEMENT										
REVENUE										
Lending & Deposit Related Fees	$ 147	$ 162	$ 67	$ 65	$ 69	(9)%	113%	$ 441	$ 301	47%
Asset Management, Administration and Commissions	12	12	4	4	4	—	200	32	19	68
Other Income	103	51	29	26	27	102	281	209	73	186
Noninterest Revenue	**262**	**225**	**100**	**95**	**100**	16	162	**682**	**393**	74
Net Interest Income	623	608	234	227	240	2	160	1,692	959	76
TOTAL NET REVENUE	**885**	**833**	**334**	**322**	**340**	6	160	**2,374**	**1,352**	76
Provision for Credit Losses	21	14	19	(13)	(10)	50	NM	41	6	NM
NONINTEREST EXPENSE										
Compensation Expense	153	176	65	71	66	(13)	132	465	285	63
Noncompensation Expense	281	286	138	138	131	(2)	115	843	534	58
Amortization of Intangibles	17	18	—	—	—	(6)	NM	35	3	NM
TOTAL NONINTEREST EXPENSE	**451**	**480**	**203**	**209**	**197**	(6)	129	**1,343**	**822**	63
Operating Earnings Before Income Tax Expense	413	339	112	126	153	22	170	990	524	89
Income Tax Expense	159	124	47	52	64	28	148	382	217	76
OPERATING EARNINGS	**$ 254**	**$ 215**	**$ 65**	**$ 74**	**$ 89**	18	185	**$ 608**	**$ 307**	98
MEMO:										
Revenue by:										
Lending	$ 280	$ 314	$ 86	$ 84	$ 95	(11)	195	$ 764	$ 396	93
Treasury & Securities Services	528	499	221	219	220	6	140	1,467	896	64
Investment Banking	61	24	20	15	28	154	118	120	66	82
Other	16	(4)	7	4	(3)	NM	NM	23	(6)	NM
Total Commercial Banking Revenue	$ 885	$ 833	$ 334	$ 322	$ 340	6	160	$ 2,374	$ 1,352	76
FINANCIAL RATIOS										
ROE	30%	25%	35%	37%	38%	500bp	(800)bp	29%	29%	—bp
ROA	1.81	1.53	1.51	1.83	2.22	28	(41)	1.67	1.87	(20)
Overhead Ratio	51	58	61	65	58	(700)	(700)	57	61	(400)
SELECTED BALANCE SHEET (Average)										
Total Assets	$ 55,837	$ 55,957	$ 17,281	$ 16,239	$ 15,875	—%	252%	$ 36,435	$ 16,460	121%
Loans and Leases (a)	50,469	50,324	14,717	13,764	13,400	—	277	32,417	14,049	131
Deposits	66,719	64,796	38,058	36,596	34,005	3	96	51,620	32,880	57
Equity	3,400	3,400	747	795	928	—	266	2,093	1,059	98
Headcount	4,555	4,595	1,690	1,701	1,730	(1)	163	4,555	1,730	163
CREDIT DATA AND QUALITY STATISTICS										
Net Charge-offs (Recoveries)	$ 45	$ (13)	$ 30	$ (1)	$ 5	NM	NM	$ 61	$ 76	(20)
Nonperforming Loans	527	579	132	165	123	(9)	328	527	123	328
Allowance for Loan Losses	1,322	1,350	107	111	122	(2)	NM	1,322	122	NM
Allowance for Lending Related Commitments	169	164	24	28	26	3	NM	169	26	NM
Net Charge-off Rate	0.35%	(0.10)%	0.82%	(0.03)%	0.15%	45bp	20bp	0.19%	0.54%	(35)bp
Allowance for Loan Losses to Average Loans	2.62	2.68	0.73	0.81	0.91	(6)	171	4.08	0.87	321
Allowance for Loan Losses to Nonperforming Loans	251	233	81	67	99	1,800	15,200	251	99	15,200
Nonperforming Loans to Average Loans	1.04	1.15	0.90	1.20	0.92	(11)	12	1.63	0.88	75

(a) Includes a $411 million reclass from investment securities in the fourth quarter of 2004.

JPMORGAN CHASE & CO.
TREASURY & SECURITIES SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratio and headcount data)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	**3QTR 2004**	**2QTR 2004**	**1QTR 2004**	**4QTR 2003**	**3Q 2004**	**4Q 2003**	**2004**	**2003**	**2003**
INCOME STATEMENT										
REVENUE										
Lending & Deposit Related Fees	$ 200	$ 218	$ 111	$ 118	$ 115	(8)%	74%	$ 647	$ 470	38%
Asset Management, Administration and Commissions	630	600	633	582	518	5	22	2,445	1,903	28
Other Income	112	103	98	69	111	9	1	382	288	33
Noninterest Revenue	**942**	**921**	**842**	**769**	**744**	2	27	**3,474**	**2,661**	31
Net Interest Income	471	418	251	243	236	13	100	1,383	947	46
TOTAL NET REVENUE	**1,413**	**1,339**	**1,093**	**1,012**	**980**	6	44	**4,857**	**3,608**	35
Provision for Credit Losses	3	—	3	1	—	NM	NM	7	1	NM
Credit Reimbursement to IB (a)	(43)	(43)	(2)	(2)	5	—	NM	(90)	36	NM
NONINTEREST EXPENSE										
Compensation Expense	471	472	347	339	330	—	43	1,629	1,257	30
Noncompensation Expense	643	654	582	512	463	(2)	39	2,391	1,745	37
Amortization of Intangibles	32	30	15	16	8	7	300	93	26	258
TOTAL NONINTEREST EXPENSE	**1,146**	**1,156**	**944**	**867**	**801**	(1)	43	**4,113**	**3,028**	36
Operating Earnings before Income Tax Expense	221	140	144	142	184	58	20	647	615	5
Income Tax Expense (Benefit)	76	44	43	44	61	73	25	207	193	7
OPERATING EARNINGS	**$ 145**	**$ 96**	**$ 101**	**$ 98**	**$ 123**	51	18	**$ 440**	**$ 422**	4
REVENUE BY BUSINESS										
Treasury Services (b)	$ 642	$ 629	$ 366	$ 357	$ 311	2	106	$ 1,994	$ 1,200	66
Investor Services	454	404	453	398	380	12	19	1,709	1,448	18
Institutional Trust Services	317	306	274	257	289	4	10	1,154	960	20
TOTAL NET REVENUE	**$ 1,413**	**$ 1,339**	**$ 1,093**	**$ 1,012**	**$ 980**	6	44	**$ 4,857**	**$ 3,608**	35
MEMO										
Treasury Services Firmwide Revenue (b)	$ 1,238	$ 1,205	$ 617	$ 605	$ 561	3	121	$ 3,665	$ 2,214	66
Treasury & Securities Services Firmwide Revenue (b)	2,009	1,915	1,344	1,260	1,230	5	63	6,528	4,622	41
FINANCIAL RATIOS										
ROE	30%	20%	13%	12%	18%	1,000bp	1,200bp	17%	15%	200bp
Overhead Ratio	81	86	86	86	82	(500)	(100)	85	84	100
MEMO										
Treasury Services Firmwide Overhead Ratio (c)	61	59	65	69	66	200	(500)	62	62	—
Treasury & Securities Services Firmwide Overhead Ratio (c)	69	72	79	78	75	(300)	(600)	74	76	(200)
BUSINESS METRICS										
Assets under Custody (in billions)	$ 9,137	$ 8,261	$ 7,980	$ 8,001	$ 7,597	11%	20%	$ 9,137	$ 7,597	20%
Corporate Trust Securities under Administration (in billions) (d)	6,593	6,569	6,241	6,373	6,127	—	8	6,593	6,127	8
SELECTED BALANCE SHEET (Average)										
Total Assets	$ 28,538	$ 24,831	$ 21,040	$ 19,241	$ 20,015	15	43	$ 23,430	$ 18,379	27
Loans	9,988	8,457	6,783	6,137	6,246	18	60	7,849	6,009	31
Deposits										
U.S. Deposits	101,351	90,466	73,795	65,813	60,249	12	68	82,928	54,116	53
Non-U.S. Deposits	48,726	48,234	43,118	39,932	35,575	1	37	45,022	34,518	30
Total Deposits	150,077	138,700	116,913	105,745	95,824	8	57	127,950	88,634	44
Equity	1,900	1,900	3,203	3,189	2,741	—	(31)	2,544	2,738	(7)
MEMO										
Treasury Services Firmwide Deposits (e)	125,345	121,123	77,262	74,098	67,959	3	84	99,587	66,843	49
Treasury & Securities Services Firmwide Deposits (e)	211,988	198,860	150,463	139,336	127,346	7	66	175,327	120,894	45
Headcount	22,612	22,246	15,023	15,341	15,145	2	49	22,612	15,145	49

(a) Management has charged TSS a credit reimbursement, which is the pre-tax amount of earnings, less cost of capital, related to certain exposures managed within the Investment Bank ("IB") credit portfolio on behalf of clients shared with TSS.
(b) TSS and Treasury Services ("TS") firmwide revenues include TS revenues recorded in certain other lines of business. Revenue associated with Treasury Services' customers who are also customers of the Commercial Banking, Consumer & Small Business Banking and Asset & Wealth Management lines of business are reported in these other lines of business and are excluded from Treasury Services as follows:

						4QTR 2004 Change		Full Year		2004 Change
	4QTR 2004	**3QTR 2004**	**2QTR 2004**	**1QTR 2004**	**4QTR 2003**	**3Q 2004**	**4Q 2003**	**2004**	**2003**	**2003**
Treasury Services Revenue Reported in Commercial Banking	$ 528	$ 499	$ 221	$ 219	$ 220	6%	140%	$ 1,467	$ 896	64%
Treasury Services Revenue Reported in Other Lines of Business	68	77	30	29	30	(12)	127	204	118	73

Note: Foreign Exchange revenues are apportioned between TSS and the Investment Bank and only TSS's share is included in TSS Firmwide revenue.

(c) TSS and TS Firmwide Overhead Ratios have been calculated based on the Firmwide Revenues described in footnote (b) and TSS or TS expenses, respectively, including those allocated to certain other lines of business.

(d) Corporate Trust Securities under Administration include debt held in trust on behalf of third parties and debt serviced as agent.

(e) TSS and TS Firmwide Deposits include TS' deposits recorded in certain other lines of business. Deposits associated with Treasury Services' customers who are also customers of the Commercial Banking line of business are reported in that line of business and are excluded from Treasury Services.

JPMORGAN CHASE & CO.
ASSET & WEALTH MANAGEMENT
FINANCIAL HIGHLIGHTS
(in millions, except ratio and headcount data, and where otherwise noted)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
INCOME STATEMENT										
REVENUE										
Lending & Deposit Related Fees	$ 10	$ 10	$ 4	$ 4	$ 5	—%	100%	$ 28	$ 19	47%
Asset Management, Administration and Commissions	952	859	657	672	629	11	51	3,140	2,258	39
Other Income	60	55	50	50	87	9	(31)	215	205	5
Noninterest Revenue	**1,022**	**924**	**711**	**726**	**721**	11	42	3,383	2,482	36
Net Interest Income	288	269	117	122	124	7	132	796	488	63
TOTAL NET REVENUE	**1,310**	**1,193**	**828**	**848**	**845**	10	55	**4,179**	**2,970**	41
Provision for Credit Losses	(21)	1	(4)	10	36	NM	NM	(14)	35	NM
NONINTEREST EXPENSE										
Compensation Expense	459	452	343	325	309	2	49	1,579	1,213	30
Noncompensation Expense	436	409	335	322	337	7	29	1,502	1,265	19
Amortization of Intangibles	24	23	3	2	2	4	NM	52	8	NM
TOTAL NONINTEREST EXPENSE	**919**	**884**	**681**	**649**	**648**	4	42	**3,133**	**2,486**	26
Operating Earnings before Income Tax Expense	412	308	151	189	161	34	156	1,060	449	136
Income Tax Expense (Benefit)	149	111	52	67	55	34	171	379	162	134
OPERATING EARNINGS	**$ 263**	**$ 197**	**$ 99**	**$ 122**	**$ 106**	34	148	**$ 681**	**$ 287**	137
FINANCIAL RATIOS										
ROE	44%	33%	7%	9%	8%	1,100bp	3,600bp	17%	5%	1,200bp
Overhead Ratio	70	74	82	77	77	(400)	(700)	75	84	(900)
Pre-tax Margin Ratio (a)	31	26	18	22	19	500	1,200	25	15	1,000
BUSINESS METRICS										
Number of:										
Client Advisors	1,226	1,230	577	599	615	—%	99%	1,226	615	99%
Brown Co Average Daily Trades	30,521	23,969	28,702	36,470	31,369	27	(3)	29,901	27,150	10
Retirement Planning Services Participants	918,000	874,000	844,000	816,000	756,000	5	21	918,000	756,000	21
Star Rankings: (b)										
% of Customer Assets in Funds Ranked 4 or Better	48%	56%	48%	49%	48%	(14)	—	48%	48%	—
% of Customer Assets in Funds Ranked 3 or Better	81%	80%	78%	74%	69%	1	17	81%	69%	17
REVENUE BY CLIENT SEGMENT										
Institutional	$ 296	$ 287	$ 200	$ 211	$ 200	3	48	$ 994	$ 723	37
Private Bank	427	383	368	376	384	11	11	1,554	1,437	8
Private Client Services	260	251	19	20	19	4	NM	550	78	NM
Retail	327	272	241	241	242	20	35	1,081	732	48
Total Net Revenue	**$ 1,310**	**$ 1,193**	**$ 828**	**$ 848**	**$ 845**	10	55	**$ 4,179**	**$ 2,970**	41
SELECTED BALANCE SHEET (Average)										
Total Assets	$ 40,689	$ 39,882	$ 35,083	$ 35,295	$ 34,141	2	19	$ 37,751	$ 33,780	12
Loans	25,966	25,408	17,620	17,097	16,816	2	54	21,545	16,678	29
Deposits	43,022	38,520	23,667	22,756	21,310	12	102	32,039	20,249	58
Equity	2,400	2,400	5,370	5,471	5,467	—	(56)	3,902	5,507	(29)
Headcount	12,287	12,368	8,690	8,554	8,520	(1)	44	12,287	8,520	44
CREDIT DATA AND QUALITY STATISTICS										
Net Charge-offs	$ 5	$ 6	$ 6	$ 55	$ 1	(17)	400	$ 72	$ 9	NM
Nonperforming Loans	79	125	102	115	173	(37)	(54)	79	173	(54)
Allowance for Loan Losses	216	241	76	86	130	(10)	66	216	130	66
Allowance for Lending Related Commitments	5	5	2	3	4	—	25	5	4	25
Net Charge-off Rate	0.08%	0.09%	0.14%	1.29%	0.02%	(1)bp	6bp	0.33%	0.05%	28bp
Allowance for Loan Losses to Average Loans	0.83	0.95	0.43	0.50	0.77	(12)	6	1.00	0.78	22
Allowance for Loan Losses to Nonperforming Loans	273	193	75	75	75	8,000	19,800	273	75	19,800
Nonperforming Loans to Average Loans	0.30	0.49	0.58	0.67	1.03	(19)	(73)	0.37	1.04	(67)

(a) Pre-tax margin represents Operating Earnings before Income Taxes / Total Net Revenue, which is a comprehensive measure of pre-tax performance and is another basis by which AWM management evaluates its performance and that of its competitors. Pre-tax margin is an effective measure of AWM's earnings after all costs are taken into consideration.
(b) Derived from Morningstar for the United States; Micropal for the United Kingdom, Luxembourg, Hong Kong and Taiwan; and Nomura for Japan.

JPMORGAN CHASE & CO.
ASSET & WEALTH MANAGEMENT
FINANCIAL HIGHLIGHTS, CONTINUED
(in billions, except ranking data)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
Asset Class										
Liquidity	$ 232	$ 210	$ 152	$ 159	$ 156	10%	49%	$ 232	$ 156	49%
Fixed Income	171	174	117	120	118	(2)	45	171	118	45
Equities, Balanced and Other	388	351	306	310	287	11	35	388	287	35
Assets under Management	791	735	575	589	561	8	41	791	561	41
Custody / Brokerage / Administration / Deposits	478	434	221	216	203	10	135	478	203	135
Total Assets under Supervision	**$ 1,269**	**$ 1,169**	**$ 796**	**$ 805**	**$ 764**	9	66	**$ 1,269**	**$ 764**	66
Client Segment										
Institutional										
Assets under Management	$ 466	$ 426	$ 328	$ 335	$ 322	9	45	$ 466	$ 322	45
Custody / Brokerage / Administration / Deposits	184	170	—	—	—	8	NM	184	—	NM
Assets under Supervision	650	596	328	335	322	9	102	650	322	102
Private Bank										
Assets under Management	139	136	139	141	138	2	1	139	138	1
Custody / Brokerage / Administration / Deposits	165	143	138	135	128	15	29	165	128	29
Assets under Supervision	304	279	277	276	266	9	14	304	266	14
Private Client Services										
Assets under Management	53	51	7	7	8	4	NM	53	8	NM
Custody / Brokerage / Administration / Deposits	41	40	3	3	4	2	NM	41	4	NM
Assets under Supervision	94	91	10	10	12	3	NM	94	12	NM
Retail										
Assets under Management	133	122	101	106	93	9	43	133	93	43
Custody / Brokerage / Administration / Deposits	88	81	80	78	71	9	24	88	71	24
Assets under Supervision	221	203	181	184	164	9	35	221	164	35
Total Assets under Supervision	**$ 1,269**	**$ 1,169**	**$ 796**	**$ 805**	**$ 764**	9	66	**$ 1,269**	**$ 764**	66
Geographic Region										
Americas										
Assets under Management	$ 562	$ 531	$ 370	$ 377	$ 365	6	54	$ 562	$ 365	54
Custody / Brokerage / Administration / Deposits	444	404	189	186	168	10	164	444	168	164
Assets under Supervision	1,006	935	559	563	533	8	89	1,006	533	89
International										
Assets under Management	229	204	205	212	196	12	17	229	196	17
Custody / Brokerage / Administration / Deposits	34	30	32	30	35	13	(3)	34	35	(3)
Assets under Supervision	263	234	237	242	231	12	14	263	231	14
Total Assets under Supervision	**$ 1,269**	**$ 1,169**	**$ 796**	**$ 805**	**$ 764**	9	66	**$ 1,269**	**$ 764**	66
Memo:										
Mutual Funds Assets:										
Liquidity	$ 183	$ 163	$ 104	$ 107	$ 103	12	78	$ 183	$ 103	78
Fixed Income	41	48	27	28	27	(15)	52	41	27	52
Equities, Balanced and Other	104	97	90	102	83	7	25	104	83	25
Total Mutual Funds Assets	$ 328	$ 308	$ 221	$ 237	$ 213	6	54	$ 328	$ 213	54
Assets Under Supervision Rollforward										
Beginning Balance	$ 1,169	$ 796	$ 805	$ 764	$ 728	47%	61%	$ 764	$ 642	19%
Net Asset Flows	18	(7)	(1)	15	(2)	NM	NM	25	(16)	NM
Market / Other Impact (a)	82	380	(8)	26	38	(78)	116	480	138	248
Ending Balance	**$ 1,269**	**$ 1,169**	**$ 796**	**$ 805**	**$ 764**	9	66	**$ 1,269**	**$ 764**	66

(a) Other reflects the Merger with Bank One ($376 billion) in the third quarter of 2004, and the acquisition of a majority interest in Highbridge Capital Management ($7 billion) in the fourth quarter of 2004 and the acquisition of RPS ($41 billion) in the second quarter of 2003.

JPMORGAN CHASE & CO.
CORPORATE
FINANCIAL HIGHLIGHTS
(in millions, except headcount data)

	4QTR 2004	3QTR 2004	Heritage JPMC Only 2QTR 2004	Heritage JPMC Only 1QTR 2004	Heritage JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	H-JPMC Only Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
INCOME STATEMENT										
Revenue										
Securities / Private Equity Gains (Losses)	$ 584	$ 347	$ 436	$ 419	$ 168	68%	248%	$ 1,786	$ 1,031	73%
Other Income	(140)	67	63	8	54	NM	NM	(2)	214	NM
Noninterest Revenue	**444**	**414**	**499**	**427**	**222**	7	100	**1,784**	**1,245**	43
Net Interest Income	(667)	(500)	2	(57)	(54)	(33)	NM	(1,222)	(177)	NM
TOTAL NET REVENUE	**(223)**	**(86)**	**501**	**370**	**168**	(159)	NM	**562**	**1,068**	(47)
Provision for Credit Losses	—	(1)	(27)	(82)	(48)	NM	NM	(110)	124	NM
Noninterest Expense										
Compensation Expense	662	786	462	516	395	(16)	68	2,426	1,893	28
Noncompensation Expense	1,215	1,146	857	870	811	6	50	4,088	3,216	27
Net Expenses Allocated to Other Businesses	(1,417)	(1,426)	(1,186)	(1,184)	(1,119)	1	(27)	(5,213)	(4,580)	(14)
TOTAL NONINTEREST EXPENSE	**460**	**506**	**133**	**202**	**87**	(9)	429	**1,301**	**529**	146
Operating Earnings before Income Tax Expense	(683)	(591)	395	250	129	(16)	NM	(629)	415	NM
Income Tax Expense (Benefit)	(387)	(372)	70	(1)	(130)	(4)	(198)	(690)	(253)	(173)
OPERATING EARNINGS	**$ (296)**	**$ (219)**	**$ 325**	**$ 251**	**$ 259**	(35)	NM	**$ 61**	**$ 668**	(91)
SELECTED AVERAGE BALANCE SHEET										
Short-term Investments (a)	$ 19,252	$ 26,432	$ 9,903	$ 2,592	$ 4,614	(27)	317	$ 14,590	$ 4,076	258
Investment Portfolio (b)	69,604	71,050	56,342	56,755	53,270	(2)	31	63,475	63,506	—
Goodwill (c)	42,980	42,958	342	346	355	—	NM	21,773	293	NM
Total Assets	197,794	204,884	125,122	120,273	98,274	(3)	101	162,233	104,394	55
Headcount	24,806	24,482	12,928	13,269	13,391	1	85	24,806	13,391	85
TREASURY										
Securities Gains (Losses) (d)	$ 77	$ 109	$ 41	$ 120	$ 6	(29)	NM	$ 347	$ 999	(65)
Investment Portfolio (Average)	$ 63,362	$ 65,508	$ 51,509	$ 50,580	$ 47,077	(3)	35	$ 57,776	$ 56,299	3

(a) Represents federal funds sold, securities borrowed, trading assets — debt and equity instruments and trading assets — derivative receivables.
(b) Represents investment securities and private equity investments.
(c) Effective with the third quarter of 2004, all goodwill is allocated to the Corporate line of business. Prior to the third quarter of 2004, goodwill was allocated to the various lines of business.
(d) Excludes gains/losses on securities used to manage risk associated with mortgage servicing rights.

JPMORGAN CHASE & CO.
CORPORATE
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions)

	4QTR 2004	3QTR 2004	Heritage JPMC Only 2QTR 2004	Heritage JPMC Only 1QTR 2004	Heritage JPMC Only 4QTR 2003	4QTR 2004 Change 3Q 2004	4QTR 2004 Change 4Q 2003	H-JPMC Only Full Year 2004	H-JPMC Only Full Year 2003	2004 Change 2003
PRIVATE EQUITY										
Private Equity Gains (Losses)										
Direct Investments										
Realized Gains	$ 442	$ 277	$ 402	$ 302	$ 202	60%	119%	$ 1,423	$ 535	166%
Write-ups / (Write-downs)	(111)	(31)	(27)	(23)	(52)	(258)	(113)	(192)	(404)	52
Mark-to-Market Gains (Losses)	167	(27)	(1)	25	48	NM	248	164	215	(24)
Total Direct Investments	498	219	374	304	198	127	152	1,395	346	303
Third-Party Fund Investments	8	16	18	(8)	(39)	(50)	NM	34	(319)	NM
Total Private Equity Gains (Losses)	**506**	**235**	**392**	**296**	**159**	115	218	**1,429**	**27**	NM
Other Income	16	14	11	12	11	14	45	53	47	13
Net Interest Income	(70)	(89)	(53)	(59)	(64)	21	(9)	(271)	(264)	(3)
Total Net Revenue	452	160	350	249	106	183	326	1,211	(190)	NM
Total Noninterest Expense	79	73	67	69	71	8	11	288	268	7
Operating Earnings before Income Tax Expense	373	87	283	180	35	329	NM	923	(458)	NM
Income Tax Expense (Benefit)	134	27	96	64	12	396	NM	321	(168)	NM
OPERATING EARNINGS	**$ 239**	**$ 60**	**$ 187**	**$ 116**	**$ 23**	298	NM	**$ 602**	**$ (290)**	NM
Private Equity Portfolio Information										
Direct Investments										
Public Securities										
Carrying Value	$ 1,170	$ 958	$ 811	$ 697	$ 643	22	82			
Cost	744	675	566	520	451	10	65			
Quoted Public Value	1,758	1,415	1,306	1,107	994	24	77			
Private Direct Securities										
Carrying Value	5,686	6,011	4,821	5,177	5,508	(5)	3			
Cost	7,178	7,551	6,307	6,562	6,960	(5)	3			
Third-Party Fund Investments										
Carrying Value	641	1,138	751	961	1,099	(44)	(42)			
Cost	1,042	1,761	1,208	1,512	1,736	(41)	(40)			
Total Private Equity Portfolio — Carrying Value	$ 7,497	$ 8,107	$ 6,383	$ 6,835	$ 7,250	(8)	3			
Total Private Equity Portfolio — Cost	$ 8,964	$ 9,987	$ 8,081	$ 8,594	$ 9,147	(10)	(2)			

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions)

JPMorganChase

			Heritage JPMC Only			Dec 31, 2004 Change	
	Dec 31 2004	**Sep 30 2004**	**Jun 30 2004**	**Mar 31 2004**	**Dec 31 2003**	**Sep 30 2004**	**Dec 31 2003**
CREDIT EXPOSURE							
WHOLESALE (a)							
Loans — U.S.	$ 99,868	$ 99,451	$ 45,532	$ 45,111	$ 44,325	—%	125%
Loans — Non-U.S.	35,199	32,893	31,512	31,957	31,094	7	13
TOTAL WHOLESALE LOANS — REPORTED	**135,067**	**132,344**	**77,044**	**77,068**	**75,419**	2	79
CONSUMER (b)							
Consumer Real Estate							
Home Finance — Home Equity & Other	67,837	67,368	29,969	26,445	24,179	1	181
Home Finance — Mortgage	56,816	56,035	54,060	49,312	50,381	1	13
Auto & Education Finance	62,712	62,587	43,543	44,004	43,157	—	45
Small Business & Other Consumer	15,107	15,126	4,140	4,162	4,204	—	259
Credit Card Receivables — Reported	64,575	60,241	17,182	16,639	17,426	7	271
TOTAL CONSUMER LOANS — REPORTED	**267,047**	**261,357**	**148,894**	**140,562**	**139,347**	2	92
TOTAL LOANS — REPORTED	**402,114**	**393,701**	**225,938**	**217,630**	**214,766**	2	87
Credit Card Securitizations	70,795	71,256	34,138	34,478	34,856	(1)	103
TOTAL LOANS — MANAGED	472,909	464,957	260,076	252,108	249,622	2	89
Derivative Receivables (c)	65,982	57,795	49,980	58,434	83,751	14	(21)
Interests in Purchased Receivables (d)	31,722	30,479	—	—	4,752	4	NM
Other Receivables	—	—	108	108	108	NM	NM
TOTAL CREDIT-RELATED ASSETS	**570,613**	**553,231**	**310,164**	**310,650**	**338,233**	3	69
Wholesale Lending-Related Commitments	309,399	315,946	213,671	216,242	211,483	(2)	46
TOTAL	**$880,012**	**$869,177**	**$523,835**	**$526,892**	**$549,716**	1	60
Memo: Total by Category							
Total Wholesale Exposure (e)	$542,170	$536,564	$340,803	$351,852	$375,513	1	44
Total Consumer Managed Loans (f)	337,842	332,613	183,032	175,040	174,203	2	94
Total	$880,012	$869,177	$523,835	$526,892	$549,716	1	60
WHOLESALE CREDIT EXPOSURE							
Credit Exposure	$542,170	$536,564	$340,803	$351,852	$375,513	1	44
Risk Profile of Credit Exposure:							
Investment-Grade	441,930	429,198	282,127	290,150	309,783	3	43
Noninvestment-Grade:							
Performing	98,074	104,990	56,530	59,245	63,343	(7)	55
Nonperforming	1,815	2,021	1,772	2,126	2,365	(10)	(23)
Purchased Held for Sale Commercial Loans (g)	351	355	374	331	22	(1)	NM

(a) Includes Investment Bank, Commercial Banking, Treasury & Securities Services and Asset & Wealth Management.
(b) Includes Retail Financial Services and Card Services.
(c) These amounts include the effect of legally enforceable master netting agreements. Effective January 1, 2004, the Firm elected to net cash paid and received under legally enforceable master netting agreements. Prior periods were not restated.
(d) These represent undivided interests in pools of receivables and similar types of assets.
(e) Represents Total Wholesale Loans, Derivative Receivables, Interests in Purchased Receivables, Other Receivables and Wholesale Lending-Related Commitments.
(f) Represents Total Consumer Loans plus Credit Card Securitizations, excluding consumer lending-related commitments.
(g) Represents distressed wholesale loans purchased as part of the IB's proprietary investing activities.

Note: The risk profile is based on JPMorgan Chase's internal risk ratings, which generally correspond to the following ratings as defined by Standard & Poor's / Moody's:
Investment-Grade: AAA / Aaa to BBB- / Baa3
Noninvestment-Grade: BB+ / Ba1 and below

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

	Dec 31 2004	Sep 30 2004	Heritage JPMC Only Jun 30 2004	Heritage JPMC Only Mar 31 2004	Heritage JPMC Only Dec 31 2003	Dec 31, 2004 Change Sep 30 2004	Dec 31, 2004 Change Dec 31 2003
NONPERFORMING ASSETS AND RATIOS							
WHOLESALE LOANS							
Loans — U.S.	$ 1,228	$ 1,405	$ 726	$ 939	$ 1,057	(13)%	16%
Loans — Non-U.S.	346	378	715	839	947	(8)	(63)
TOTAL WHOLESALE LOANS-REPORTED (a)	1,574	1,783	1,441	1,778	2,004	(12)	(21)
CONSUMER LOANS							
Consumer Real Estate	673	789	320	355	374	(15)	80
Auto & Education Finance	193	211	114	111	123	(9)	57
Small Business & Other Consumer	295	308	85	80	72	(4)	310
Credit Card Receivables — Reported	8	9	9	10	11	(11)	(27)
TOTAL CONSUMER LOANS-REPORTED	1,169	1,317	528	556	580	(11)	102
TOTAL LOANS REPORTED (a)	**2,743**	**3,100**	**1,969**	**2,334**	**2,584**	(12)	6
Derivative Receivables	241	238	223	240	253	1	(5)
Other Receivables	—	—	108	108	108	NM	NM
Assets Acquired in Loan Satisfactions	247	299	182	200	216	(17)	14
TOTAL NONPERFORMING ASSETS (a)	**$ 3,231**	**$ 3,637**	**$ 2,482**	**$ 2,882**	**$ 3,161**	(11)	2
PURCHASED HELD FOR SALE WHOLESALE LOANS (b)	**$ 351**	**$ 355**	**$ 374**	**$ 331**	**$ 22**	(1)	NM
TOTAL NONPERFORMING LOANS TO TOTAL LOANS	**0.68**%	**0.79**%	**0.87**%	**1.07**%	**1.20**%	(11)bp	(52)bp
NONPERFORMING ASSETS BY LOB							
Investment Bank	$ 1,196	$ 1,321	$ 1,541	$ 1,855	$ 2,078	(9)%	(42)%
Retail Financial Services	1,385	1,557	693	736	775	(11)	79
Card Services	8	9	9	10	11	(11)	(27)
Commercial Banking	547	606	132	166	124	(10)	341
Treasury & Securities Services	14	4	5	—	—	250	NM
Asset and Wealth Management	81	140	102	115	173	(42)	(53)
Total	**$ 3,231**	**$ 3,637**	**$ 2,482**	**$ 2,882**	**$ 3,161**	(11)	2

(a) Excludes purchased held-for-sale ("HFS") wholesale loans.
(b) Represents distressed wholesale loans purchased as part of the IB's proprietary investing activities.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	**3QTR 2004**	**2QTR 2004**	**1QTR 2004**	**4QTR 2003**	**3Q 2004**	**4Q 2003**	**2004**	**2003**	**2003**
GROSS CHARGE-OFFS										
Wholesale Loans	$ 123	$ 80	$ 172	$ 168	$ 142	54%	(13)%	$ 543	$ 1,113	(51)%
Consumer (Excluding Card)	658	269	104	112	128	145	414	1,143	475	141
Credit Card Receivables — Reported	784	760	281	294	302	3	160	2,119	1,230	72
Total Loans — Reported	**1,565**	**1,109**	**557**	**574**	**572**	41	174	**3,805**	**2,818**	35
Credit Card Securitizations	1,126	1,039	540	527	515	8	119	3,232	2,087	55
Total Loans — Managed	**2,691**	**2,148**	**1,097**	**1,101**	**1,087**	25	148	**7,037**	**4,905**	43
RECOVERIES										
Wholesale Loans	55	104	119	79	151	(47)	(64)	357	348	3
Consumer (Excluding Card)	52	50	24	27	24	4	117	153	94	63
Credit Card Receivables — Reported	60	90	22	24	23	(33)	161	196	104	88
Total Loans — Reported	**167**	**244**	**165**	**130**	**198**	(32)	(16)	**706**	**546**	29
Credit Card Securitizations	115	111	54	54	53	4	117	334	217	54
Total Loans — Managed	**282**	**355**	**219**	**184**	**251**	(21)	12	**1,040**	**763**	36
NET CHARGE-OFFS										
Wholesale Loans	68	(24)	53	89	(9)	NM	NM	186	765	(76)
Consumer (Excluding Card)	606	219	80	85	104	177	483	990	381	160
Credit Card Receivables — Reported	724	670	259	270	279	8	159	1,923	1,126	71
Total Loans — Reported	**1,398**	**865**	**392**	**444**	**374**	62	274	3,099	2,272	36
Credit Card Securitizations	1,011	928	486	473	462	9	119	2,898	1,870	55
Total Loans — Managed	**$ 2,409**	**$ 1,793**	**$ 878**	**$ 917**	**$ 836**	34	188	**$ 5,997**	**$ 4,142**	45
NET CHARGE-OFF RATES - - ANNUALIZED										
Wholesale Loans (a)	0.21%	(0.08)%	0.29%	0.50%	(0.05)%	29bp	26bp	0.19%	0.97%	(78)bp
Consumer (Excluding Card) (b)	1.28	0.47	0.29	0.32	0.39	81	89	0.67	0.40	27
Credit Card Receivables — Reported	4.70	4.49	6.07	6.37	6.73	21	(203)	4.95	4.81	14
Total Loans — Reported (a) (b)	1.47	0.93	0.77	0.92	0.76	54	71	1.08	0.99	9
Credit Card Securitizations	5.70	5.20	5.74	5.53	5.31	50	39	5.51	4.24	127
Total Loans — Managed (a) (b)	2.13	1.62	1.48	1.61	1.44	51	69	1.76	1.47	29
Memo: Credit Card — Managed	5.24	4.88	5.85	5.81	5.77	36	(53)	5.27	5.90	(63)

(a) Wholesale loans held for sale were $7,684 million, $7,281 million, $5,199 million, $5,245 million, and $3,735 million for the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. The full year average loans held for sale were $6,352 million and $3,809 million for 2004 and 2003, respectively. These amounts are not included in the net charge-off rates.

(b) Average consumer loans (excluding Card) held for sale were $13,534 million, $14,479 million, $15,638 million, $15,311 million, and $21,633 million for the quarters ended December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. The full year average loans held for sale were $14,736 million and $25,293 million for 2004 and 2003, respectively. These amounts are not included in the net charge-off rates.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

JPMorganChase

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
SUMMARY OF CHANGES IN THE ALLOWANCE FOR LOAN LOSSES										
Beginning Balance	$ 7,493	$ 3,967	$ 4,120	$ 4,523	$ 4,753	89%	58%	$ 4,523	$ 5,350	(15)%
Addition Resulting from the Bank One Merger, July 1, 2004	—	3,123	—	—	—	NM	NM	3,123	—	NM
Net Charge-Offs	(1,398)	(865)	(392)	(444)	(374)	(62)	(274)	(3,099)	(2,272)	(36)
Provision for Loan Losses (a)	1,206	1,395	240	42	144	(14)	NM	2,883	1,579	83
Other	19	(127)(b)	(1)	(1)	—	NM	NM	(110)	(134)	18
Ending Balance	**$ 7,320**	**$ 7,493**	**$ 3,967**	**$ 4,120**	**$ 4,523**	(2)	62	**$ 7,320**	**$ 4,523**	62
SUMMARY OF CHANGES IN THE ALLOWANCE FOR LENDING-RELATED COMMITMENTS										
Beginning Balance	$ 541	$ 260	$ 297	$ 324	$ 329	108	64	$ 324	$ 363	(11)
Addition Resulting from the Bank One Merger, July 1, 2004	—	508	—	—	—	NM	NM	508	—	NM
Provision for Lending-Related Commitments (c)	(49)	(226)	(37)	(27)	(5)	78	NM	(339)	(39)	NM
Other	—	(1)	—	—	—	NM	NM	(1)	—	NM
Ending Balance	**$ 492**	**$ 541**	**$ 260**	**$ 297**	**$ 324**	(9)	52	**$ 492**	**$ 324**	52
ALLOWANCE COMPONENTS AND RATIOS										
ALLOWANCE FOR LOAN LOSSES										
Wholesale										
Asset Specific	$ 469	$ 498	NA	NA	NA	(6)	NM			
Expected Loss	1,639	1,832	NA	NA	NA	(11)	NM			
Stress	990	1,126	NA	NA	NA	(12)	NM			
Total Wholesale	3,098	3,456	1,715	1,869	2,204	(10)	41			
Consumer										
Expected Loss	3,169	3,159	NA	NA	NA	—	NM			
Stress	1,053	878	NA	NA	NA	20	NM			
Total Consumer	4,222	4,037	2,252	2,251	2,319	5	82			
Total Allowance for Loan Losses	**7,320**	**7,493**	**3,967**	**4,120**	**4,523**	(2)	62			
Allowance for Lending-Related Commitments	492	541	260	297	324	(9)	52			
Total Allowance for Credit Losses	**$ 7,812**	**$ 8,034**	**$ 4,227**	**$ 4,417**	**$ 4,847**	(3)	61			
Wholesale Allowance for Loan Losses to Total Wholesale Loans (d)	2.43%	2.76%	2.39%	2.60%	3.07%	(33)bp	(64)bp			
Consumer Allowance for Loan Losses to Total Consumer Loans (e)	1.70	1.62	1.67	1.78	1.90	8	(20)			
Allowance for Loan Losses to Total Loans (d) (e)	1.94	2.01	1.92	2.08	2.33	(7)	(39)			
Allowance for Loan Losses to Total Nonperforming Loans (f)	268	248	206	183	180	2,000	8,800			
ALLOWANCE FOR LOAN LOSSES BY LOB										
Investment Bank	$ 1,547	$ 1,841	$ 742	$ 855	$ 1,055	(16)%	47%			
Retail Financial Services	1,228	1,764	1,061	1,063	1,094	(30)	12			
Card Services	2,994	2,273	1,191	1,188	1,225	32	144			
Commercial Banking	1,322	1,350	107	111	122	(2)	NM			
Treasury & Securities Services	9	9	2	2	2	—	350			
Asset and Wealth Management	216	241	76	86	130	(10)	66			
Corporate	4	15	788	815	895	(73)	(100)			
Total	**$ 7,320**	**$ 7,493**	**$ 3,967**	**$ 4,120**	**$ 4,523**	(2)	62			

(a) Includes $525 million, $560 million and $1,085 million related to accounting policy conformity in the fourth quarter, third quarter and full year 2004.
(b) Related to the transfer of the allowance for accrued interest and fees on reported and securitized credit card loans.
(c) Includes $(227) million related to accounting policy conformity in the third quarter 2004.
(d) Loans held for sale were $7,684 million, $7,281 million, $5,199 million, $5,245 million, and $3,735 million, as of December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. These amounts are not included in the allowance coverage ratios.
(e) Loans held for sale were $18,022 million, $12,816 million, $14,217 million, $14,334 million, and $17,105 million, as of December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003, respectively. These amounts are not included in the allowance coverage ratios.
(f) Nonperforming loans held for sale were $15 million, $78 million, $46 million, $80 million, and $75 million, as of December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004, and December 31, 2003 respectively. These amounts are not included in the allowance coverage ratios.

(in millions)

			Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004	3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
PROVISION FOR CREDIT LOSSES										
LOANS										
Investment Bank	$ (120)	$ (148)	$ (96)	$ (161)	$ (236)	19%	49%	$ (525)	$ (135)	(289)%
Commercial Banking	17	10	23	(15)	(8)	70	NM	35	8	338
Treasury & Securities Services	3	—	3	1	—	NM	NM	7	—	NM
Asset & Wealth Management	(21)	1	(3)	11	36	NM	NM	(12)	36	NM
Corporate	—	(1)	(27)	(82)	(48)	NM	NM	(110)	116	NM
Total Wholesale	(121)	(138)	(100)	(246)	(256)	12	53	(605)	25	NM
Retail Financial Services	78	239	78	55	70	(67)	11	450	520	(13)
Card Services	724	734	262	233	330	(1)	119	1,953	1,034	89
Total Consumer	802	973	340	288	400	(18)	101	2,403	1,554	55
Accounting Policy Conformity (a)	525	560	—	—	—	(6)	NM	1,085	—	NM
Total Provision for Loan Losses	**1,206**	**1,395**	**240**	**42**	**144**	(14)	NM	**2,883**	**1,579**	83
LENDING-RELATED COMMITMENTS										
Investment Bank	$ (53)	$ (3)	$ (32)	$ (27)	$ (5)	NM	NM	$ (115)	$ (46)	(150)
Commercial Banking	4	4	(4)	2	(2)	—	NM	6	(2)	NM
Treasury & Securities Services	—	—	—	—	—	NM	NM	—	1	NM
Asset & Wealth Management	—	—	(1)	(1)	—	NM	NM	(2)	(1)	(100)
Corporate	—	—	—	—	—	NM	NM	—	8	NM
Total Wholesale	(49)	1	(37)	(26)	(7)	NM	NM	(111)	(40)	(178)
Retail Financial Services	—	—	—	(1)	2	NM	NM	(1)	1	NM
Card Services	—	—	—	—	—	NM	NM	—	—	NM
Total Consumer	—	—	—	(1)	2	NM	NM	(1)	1	NM
Accounting Policy Conformity	—	(227)	—	—	—	NM	NM	(227)	—	NM
Total Provision for Lending-Related Commitments	**(49)**	**(226)**	**(37)**	**(27)**	**(5)**	78	NM	**(339)**	**(39)**	NM
TOTAL PROVISION FOR CREDIT LOSSES										
Investment Bank	$ (173)	$ (151)	$ (128)	$ (188)	$ (241)	(15)	28	$ (640)	$ (181)	(254)
Commercial Banking	21	14	19	(13)	(10)	50	NM	41	6	NM
Treasury & Securities Services	3	—	3	1	—	NM	NM	7	1	NM
Asset & Wealth Management	(21)	1	(4)	10	36	NM	NM	(14)	35	NM
Corporate	—	(1)	(27)	(82)	(48)	NM	NM	(110)	124	NM
Total Wholesale	(170)	(137)	(137)	(272)	(263)	(24)	35	(716)	(15)	NM
Retail Financial Services	78	239	78	54	72	(67)	8	449	521	(14)
Card Services	724	734	262	233	330	(1)	119	1,953	1,034	89
Total Consumer	802	973	340	287	402	(18)	100	2,402	1,555	54
Accounting Policy Conformity	525	333	—	—	—	58	NM	858	—	NM
Total Provision for Credit Losses	**1,157**	**1,169**	**203**	**15**	**139**	(1)	NM	**2,544**	**1,540**	65
Securitized Credit Losses	1,011	928	486	473	462	9	119	2,898	1,870	55
Accounting Policy Conformity	(525)	(333)	—	—	—	(58)	NM	(858)	—	NM
Managed Provision for Credit Losses	**$ 1,643**	**$ 1,764**	**$ 689**	**$ 488**	**$ 601**	(7)	173	**$ 4,584**	**$ 3,410**	34

(a) Reflects an increase of $721 million for both the fourth quarter and third quarter of 2004 and $1.4 billion for full year 2004, as a result of the decertification of heritage Bank One seller's interest in credit card securitizations, partially offset by a $196 million, $161 million and $357 million decrease in the allowance to conform methodologies for the fourth quarter of 2004, third quarter of 2004 and full year 2004, respectively.

JPMORGAN CHASE & CO.
CAPITAL
(in millions, except ratio and per share data)

				Heritage JPMC Only			4QTR 2004 Change		H-JPMC Only Full Year		2004 Change
	4QTR 2004		3QTR 2004	2QTR 2004	1QTR 2004	4QTR 2003	3Q 2004	4Q 2003	2004	2003	2003
COMMON SHARES OUTSTANDING											
Basic Weighted-Average Shares Outstanding	3,514.7		3,513.5	2,042.8	2,032.3	2,016.2	—%	74%	2,779.9	2,008.6	38%
Diluted Weighted-Average Shares Outstanding	3,602.0		3,592.0	2,042.8	2,092.7	2,079.3	—	73	2,850.6	2,055.1	39
Common Shares Outstanding — at Period End	3,556.2		3,564.1	2,087.5	2,081.7	2,042.6	—	74			
Cash Dividends Declared per Share	$ 0.34		$ 0.34	$ 0.34	$ 0.34	$ 0.34	—	—	$ 1.36	$ 1.36	—
Book Value per Share	29.61		29.42	21.52	22.62	22.10	1	34			
Dividend Payout	74%		87%	NM	38%	38%	(1,300)bp	3,600bp	88%	43%	4,500bp
SHARE PRICE											
High	$ 40.45		$ 40.25	$ 42.57	$ 43.84	$ 36.99	—%	9%	$ 43.84	$ 38.26	15%
Low	36.32		35.50	34.62	36.30	34.45	2	5	34.62	20.13	72
Close	39.01		39.73	38.77	41.95	36.73	(2)	6			
STOCK REPURCHASE PROGRAM (b)											
Aggregate Repurchases	$ 599.8		$ 137.9	NM	NM	NM			$ 737.7	NM	
Common Shares Repurchased	15.8		3.5	NM	NM	NM			19.3	NM	
Average Purchase Price	$ 38.01		$ 39.42	NM	NM	NM			$ 38.27	NM	
CAPITAL RATIOS											
Tier 1 Capital	$ 68,621	(a)	$ 69,309	$ 43,537	$ 44,686	$ 43,167	(1)	59			
Total Capital	96,807	(a)	96,666	59,357	60,898	59,816	—	62			
Risk-Weighted Assets	786,887	(a)	803,464	530,270	534,971	507,456	(2)	55			
Adjusted Average Assets	1,102,519	(a)	1,065,244	790,390	758,260	765,910	3	44			
Tier 1 Capital Ratio	8.7%	(a)	8.6%	8.2%	8.4%	8.5%	10bp	20bp			
Total Capital Ratio	12.3	(a)	12.0	11.2	11.4	11.8	30	50			
Tier 1 Leverage Ratio	6.2	(a)	6.5	5.5	5.9	5.6	(30)	60			
INTANGIBLE ASSETS											
Goodwill	$ 43,203		$ 42,947	$ 8,731	$ 8,730	$ 8,511	1%	408%			
Mortgage Servicing Rights	5,080		5,168	5,707	4,189	4,781	(2)	6			
Purchased Credit Card Relationships	3,878		4,055	893	953	1,014	(4)	282			
All Other Intangibles	5,726		5,945	799	813	685	(4)	NM			
Total Intangibles	$ 57,887		$ 58,115	$ 16,130	$ 14,685	$ 14,991	—	286			

(a) Estimated
(b) Excludes commission costs.

Assets Under Management: Represent assets actively managed by Asset & Wealth Management on behalf of institutional, private banking, private client services and retail clients. Excludes assets managed at American Century Companies, Inc., in which the Firm has a 43% ownership interest.

Assets Under Supervision: Represent assets under management as well as custody, brokerage, administration and deposit accounts.

Average Managed Assets: Refers to total assets on the Firm's balance sheet plus credit card receivables that have been securitized.

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

Contractual Credit Card Charge-off: In accordance with the Federal Financial Institutions Examination Council Policy, credit card loans are charged-off at the earlier of 180 days past due or within 60 days from receiving notification of the filing of a bankruptcy.

Corporate: Includes Global Treasury, Private Equity, Support Units and the net effects remaining at the Corporate level after the implementation of management accounting policies.

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

NA: Data is not available for the period presented.

NM: Not meaningful

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

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

Reported Basis: Financial statements prepared under accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reported basis includes the impact of merger costs, other special items and credit card securitizations.

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.

Special Items: Includes merger costs, litigation reserve charge, accounting policy conformity adjustments and other special items.

Unaudited: The financial statements and information included throughout this document are unaudited and have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

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