**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): November 12, 2008

# JPMORGAN CHASE & CO.

**(Exact name of registrant as specified in its charter)**

**Delaware**
**(State or Other Jurisdiction of Incorporation)**

| | |
|---|---|
| **1-5805** | **13-2624428** |
| **(Commission File Number)** | **(IRS Employer Identification No.)** |
| **270 Park Avenue,**<br>**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):

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

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

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

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

**Item 7.01 Regulation FD Disclosure**

On November 12, 2008, JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") presented information at an investor conference. The associated slide presentation is included as Exhibit 99.1 hereto.

The attached exhibit is being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities under that Section. Furthermore, the information contained in the exhibit shall not be deemed to be incorporated by reference into the filings of the Firm under the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits**

**(c) Exhibits**

| Exhibit Number | Description of Exhibit |
|---|---|
| 99.1 | JPMorgan Chase & Co. Slide Presentation |

*The attached exhibit 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. Factors that could cause JPMorgan Chase's actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase's Quarterly Reports on Form 10-Q for the quarters ended June 30, 2008, March 31, 2008 and September 30, 2008, and its Annual Report on Form 10-K for the year ended December 31, 2007, each of which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase's website (www.jpmchase.com) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*

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/ Anthony J. Horan
Anthony J. Horan
Corporate Secretary

Dated: November 12, 2008

EXHIBIT INDEX

| Exhibit Number | Description of Exhibit |
| --- | --- |
| 99.1 | JPMorgan Chase & Co. Slide Presentation |

Exhibit 99.1

NOVEMBER 12, 2008

JPMORGAN CHASE & CO.

**Jamie Dimon**
**Chairman and Chief Executive Officer**

Merrill Lynch Banking & Financial Services Investor Conference

JPMORGAN CHASE & CO.

# Agenda

- Part I - Firm and line of business update
- Part II - Key investor topics
  - Bear Stearns and WaMuupdates
  - Consumer credit
  - Commercial Banking credit
  - Capital management
  - Revenue growth drivers
  - Comments on environment
  - 4Q08 outlook recap
  - Conclusions

*The figures reflected in this presentation refer to heritage-JPMorgan Chase figures only, except where specifically noted as being pro forma combined for the Washington Mutual transaction*

# PART I-FIRM AND LINE OF BUSINESS UPDATE

# 3Q08 Managed Results[1]

$ in millions

| | | $ O/(U) | | O/(U) % | |
|---|---|---|---|---|---|
| | 3Q08 | 2Q08 | 3Q07 | 2Q08 | 3Q07 |
| Results excl. WaMu merger-related items | | | | | |
| Revenue (FTE)[1] | $16,088 | ($3,590) | ($889) | (18)% | (5)% |
| Credit Costs[1] | 4,684 | 399 | 2,321 | 9% | 98% |
| Expense[2] | 11,137 | (1,040) | 1,810 | (9)% | 19% |
| Net Income | $1,167 | ($836) | ($2,206) | (42)% | (65)% |
| EPS | $0.28 | ($0.26) | ($0.69) | (48)% | (71)% |
| Estimated WaMu merger-related items | (640) | (640) | (640) | NM | NM |
| Reported Net Income | $527 | ($1,476) | ($2,846) | (74)% | (84)% |
| Reported EPS | $0.11 | ($0.43) | ($0.86) | (80)% | (89)% |
| ROE[3] | 1% | 6% | 11% | | |
| ROE Net of GW[3] | 2% | 10% | 18% | | |
| ROTCE[3,4] | 3% | 10% | 20% | | |

1 Managed basis presents revenue and credit costs without the effect of credit card securitizations. Revenue is on a fully taxable-equivalent (FTE) basis. All references to credit costs refer to managed provision for credit losses
2 Includes pretax merger-related costs of $96mm, $155mm, and $61mm in 3Q08, 2Q08, and 3Q07, respectively
3 Actual numbers for all periods, not over/under
4 See note 1 on slide 38

# Investment Bank

| $ in millions | | $ O/(U) | |
|---|---|---|---|
| | 3Q08 | 2Q08 | 3Q07 |
| Revenue | $4,035 | ($1,435) | $1,089 |
| Investment Banking Fees | 1,593 | (142) | 263 |
| Fixed Income Markets | 815 | (1,532) | 128 |
| Equity Markets | 1,650 | 571 | 1,113 |
| Credit Portfolio | (23) | (332) | (415) |
| Credit Costs | 234 | (164) | 7 |
| Expense | 3,816 | (918) | 1,438 |
| Net Income | $882 | $488 | $586 |
| Key Statistics[1] | | | |
| Overhead Ratio | 95% | 87% | 81% |
| Comp/Revenue | 54% | 57% | 40% |
| ALL / average loans [2] | 3.85% | 3.19% | 1.80% |
| NPLs($mm) | $436 | $313 | $265 |
| ROE[3] | 13% | 7% | 6% |
| VAR ($mm)[4] | $218 | $149 | $107 |
| EOP Equity ($B) | $33.0 | $26.0 | $21.0 |

1 Actual numbers for all periods, not over/under
2 Average loans include the impact of a loan extended to Bear Stearns during April and May. Excluding this facility, the ratio would have been 3.46% for 2Q08
3 Calculated based on average equity. 3Q08 average equity was $26B
4 Average Trading and Credit Portfolio VAR

- Net income of $882mm on revenue of $4.0B; pretax income of $16mm
  - Reflects benefit from reduced deferred tax liabilities
- IB fees of $1.6B up 20% YoY
- Fixed Income Markets revenue of $815mm up 19% YoY reflecting:
  - Net markdowns of $2.6B on mortgage-related positions
  - Net markdowns of $1.0B on leveraged lending funded and unfunded commitments
  - Record results in rates and currencies and strong performance in credit trading, emerging markets and commodities
  - Gain of $343mm due to the widening of the Firm's credit spread on certain structured liabilities
- Record Equity Markets revenue of $1.7B up $1.1B YoY driven by strong trading results and client revenue. Results also impacted by gain of $429mm due to the widening of the Firm's credit spread on certain structured liabilities
- Credit Portfolio down from prior year reflecting markdowns due to the widening of counterparty credit spreads
- Credit costs of $234mm driven by increased allowance, reflecting a weakening credit environment. Total ALL of $2.7B
  - Net charge-offs of $13mm
- Expense up 60% YoY largely driven by higher compensation expense and additional operating costs relating to the Bear Stearns merger
- Bear Stearns merger integration progressing well
- Increased allocated equity to $33B

# IB Key Risk Exposures

## *Legacy Leveraged Lending*

- Net markdowns of $1.0B for the quarter
- $12.9B of legacy commitments with gross markdowns of $3.8B, or 29% at 9/30/08; market value at 9/30/08 of $9.1B
  - $16.3B of legacy commitments at 6/30/08
  - ($3.4B) reduction, or 21% of exposure
  - $12.9B of legacy commitments at 9/30/08 classified as held-for-sale
- Valuations are deal specific and result in a wide range of pricing levels; markdowns represent best indication of prices at 9/30/08

Note: Exposures are stated on a trade date basis. $8.5B total commitments at 9/30/08 classified as held-for-investment

# IB Key Risk Exposures

## *Mortgage-related*

| $ in billions | Exposure as of 6/30/2008 | Exposure reduction | Exposure as of 9/30/2008 |
|---|---|---|---|
| Prime | $8.9 | ($6.6) | $2.3 |
| Alt-A | 10.7 | (4.9) | 5.8 |
| Subprime | 1.8 | (0.6) | 1.2 |
| **Subtotal Residential** | **$21.4** | **($12.1)** | **$9.3** |
| CMBS | 11.6 | (2.3) | 9.3 |
| **Mortgage Exposure** | **$33.0** | **($14.4)** | **$18.6** |

- 3Q08 reductions of over 40% on mortgage-related exposures include:
  - $2.6B of net markdowns
  - $11.8B of sales, including $4.3B to Corporate
- Prime / Alt-A gross exposure of $8.1B, difficult to hedge effectively
  - Prime - securities of $2.3B, mostly AAA-rated
  - Alt-A - securities of $1.9B, mostly AAA-rated and $3.9B of first lien mortgages
- Subprime gross exposure of $1.2B, actively hedged
- CMBS gross exposure of $9.3B, actively hedged
  - $3.4B of securities, of which 58% are AAA-rated; 18% fixed-rate / 82% floating-rate
  - $5.9B of first lien mortgages
- $18.6B of remaining IB positions in two buckets:
  - $12.0B –on-going trading positions
  - $6.6B –separately managed liquidating portfolio in IB

# Retail Financial Services—Drivers

**Key Statistics[1]- $ in billions**

| | 3Q08 | 2Q08 | 3Q07 |
|---|---|---|---|
| Regional Banking | | | |
| Average Deposits | $210.2 | $213.9 | $205.3 |
| Checking Accts (mm) | 11.7 | 11.3 | 10.6 |
| # of Branches | 3,179 | 3,157 | 3,096 |
| # of ATMs | 9,308 | 9,310 | 8,943 |
| Investment Sales ($mm) | $4,389 | $5,211 | $4,346 |
| Home Equity Originations | $2.6 | $5.3 | $11.2 |
| Avg Home Equity Loans Owned | $94.8 | $95.1 | $91.8 |
| Avg Mortgage Loans Owned[2,3] | $14.3 | $15.6 | $9.9 |
| Mortgage Banking | | | |
| Mortgage Loan Originations | $37.7 | $56.1 | $39.2 |
| 3rd Party Mortgage Loans Svc'd | $682 | $659 | $600 |
| Auto | | | |
| Auto Originations | $3.8 | $5.6 | $5.2 |
| Avg Auto Loans and Leases | $46.1 | $47.0 | $42.4 |

1 Actual numbers for all periods, not over/under
2 Does not include held-for-sale loans
3 Balance reflects predominantly subprime mortgages owned. As of 9/30/08, $34.8B of held-for-investment prime mortgage loans sourced by RFS and $7.2B of prime mortgages sourced by Asset Management are reflected in Corporate for reporting and risk management purposes. The economic benefits of these loans flow to RFS

- Average deposits up 2% YoY
  - Branch production statistics YoY
    - Checking accounts up 10%
    - Credit card sales up 6%
    - Mortgage originations down 6%
    - Investment sales up 1%
  - Mortgage loan originations down 4% YoY, down 33% QoQ
    - Declines reflect tighter underwriting standards and the overall reduction in liquidity in the financial markets
    - For 3Q08, greater than 90% of mortgage originations fall under agency and government programs
- Home Equity originations down 77% YoY due to tighter underwriting standards
- 3rd party mortgage loans serviced up 14% YoY

# Retail Financial Services

**$ in millions**

| | 3Q08 | $ O/(U) 2Q08 | $ O/(U) 3Q07 |
|---|---|---|---|
| Net Interest Income | $3,144 | $89 | $463 |
| Noninterest Revenue | 1,731 | (229) | 211 |
| Total Revenue | $4,875 | ($140) | $674 |
| Credit Costs | 1,678 | 346 | 998 |
| Expense | 2,772 | 102 | 303 |
| Net Income | $247 | ($359) | ($392) |
| Regional Banking | $218 | ($136) | ($393) |
| Consumer and Business Banking | 723 | 49 | 132 |
| Loan Portfolio/Other | (505) | (185) | (525) |
| Mortgage Banking | (50) | (219) | (2) |
| Auto Finance | $79 | ($4) | $3 |
| Key Statistics [1] | | | |
| Overhead (excl. CDI) | 55% | 51% | 56% |
| Net Charge-off Rate [2] | 2.44% | 1.99% | 0.82% |
| Allowance for Loan Losses to EOP Loans | 2.64% | 2.39% | 1.22% |
| ROE[3] | 6% | 14% | 16% |
| EOP Equity ($B) | $25.0 | $17.0 | $16.0 |

1 Actual numbers for all periods, not over/under
2 The net charge-off rate for 3Q08 and 2Q08 excluded $45mm and $19mm, respectively of charge-offs related to prime mortgage loans held by Treasury in the Corporate segment, respectively
3 Calculated based on average equity. 3Q08 average equity was $17B

- Net income of $247mm, down 61% YoY driven by increased credit costs and higher noninterest expense offset partially by revenue growth in all businesses

  Revenue of $4.9B up 16% YoY

  Credit costs reflect $450mm in additions to the allowance for subprime mortgage and home equity loans, and higher estimated losses for the home lending portfolio

  - Current allowance for loan losses is $5.0B
  - An additional provision for prime mortgage loans of $250mm has been reflected in the Corporate segment. Certain prime mortgage loans are retained in the Corporate segment

  Regional Banking net income of $218mm, down 64% YoY, reflects significant increases in credit costs

  - Net revenue of $3.7B increased 11% YoY due to higher loan and deposit balances, wider deposit spreads and higher deposit-related fees offset partially by declines in education loan sales

  Mortgage banking net loss of $50mm due to higher mortgage reinsurance losses offset partially by increased servicing and production revenue

- Auto Finance net income of $79mm up 4% YoY

# Home Equity

## JPM 30-day delinquency trend


## Key statistics

| | 3Q08 | 2Q08 | 3Q07 |
|---|---|---|---|
| EOP owned portfolio ($B) | $94.6 | $95.1 | $93.0 |
| Net charge-offs ($mm) | $663 | $511 | $150 |
| Net charge-off rate | 2.78% | 2.16% | 0.65% |
| Nonperforming loans ($mm) | $1,142 | $1,008 | $556 |

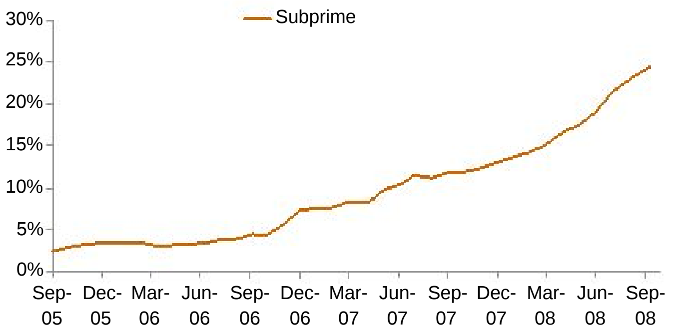
## Comments on home equity portfolio

- Significant underwriting changes made over the past year include elimination of stated income loans and state/MSA based reductions in maximum CLTVs based on expected housing price trends. Maximum CLTVs now range from 50% to 80%
- New originations down significantly in 3Q08
- High CLTVs continue to perform poorly, exacerbated by housing price declines in key geographies
- Continued deterioration —quarterly losses could be as high as $725-$850mm over the next several quarters (net charge-offs of 3.25% to 3.75%)

Note: CLTV = Combined-Loan-to-Value. This metric represents how much equity the borrower has in the property

# Subprime Mortgage

## JPM 30-day delinquency trend




## Key statistics

| | 3Q08 | 2Q08 | 3Q07 |
|---|---|---|---|
| EOP owned portfolio ($B)[1] | $13.4 | $14.8 | $12.1 |
| Net charge-offs ($mm) | $273 | $192 | $40 |
| Net charge-off rate | 7.65% | 4.98% | 1.62% |
| Nonperforming loans ($mm) | $2,384 | $1,715 | $790 |

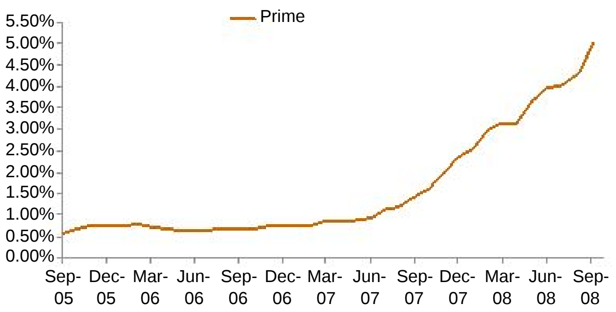
1 Excludes mortgage loans held in the Community Development loan portfolio

## Comments on subprime mortgage portfolio

- Portfolio experiencing credit deterioration as a result of risk layering and housing price declines
- Eliminated new production and portfolio is in run-off
- Continued deterioration —quarterly losses could be as high as $375-$425mm in early 2009

# Prime Mortgage

## JPM 30-day Delinquency Trend




## Key statistics

| | 3Q08 | 2Q08 | 3Q07 |
|---|---|---|---|
| EOP balances in Corporate ($B) | $42.0 | $42.6 | $32.8 |
| EOP balances in RFS[1] ($B) | $4.9 | $4.6 | $2.8 |
| **Total EOP balances ($B)** | **$46.9** | **$47.2** | **$35.6** |
| Corporate net charge-offs ($mm) | $130 | $84 | $4 |
| RFS net charge-offs ($mm) | $47 | $20 | $5 |
| **Total net charge -offs ($mm)** | **$177** | **$104** | **$9** |
| Net charge -off rate (%) | 1.51% | 0.91% | 0.11% |
| Nonperforming loans ($mm) | $1,496 | $1,232 | $282 |

[1] Includes Construction Loans and Loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by US government agencies

## Comments on prime mortgage portfolio

- CA/ FL exhibit the highest charge-off rates and account for 80% of 3Q08 losses while only 37% of the outstanding portfolio
- The loss contribution is greatest from the 2006 and 2007 vintages
- Recent underwriting changes for non-conforming loans include:
  - Eliminated stated income
  - Reduced allowable CLTVs (all markets); set even tighter CLTV limits in markets with declining HPAs
  - Exited broker business
  - Tightened underwriting standards even further for Florida
- Quarterly losses could be as high as $300mm in early 2009 (net charge-offs of 2.25% to 2.50%)



Note: CLTV = Combined-Loan-to-Value. This metric represents how much equity the borrower has in the property

# Card Services (Managed)

$ in millions

| | | $ O/(U) | |
|---|---|---|---|
| | 3Q08 | 2Q08 | 3Q07 |
| Revenue | $3,887 | $112 | $20 |
| Credit Costs | 2,229 | 35 | 866 |
| Expense | 1,194 | 9 | (68) |
| Net Income | $292 | $42 | ($494) |
| Key Statistics ($B)[1] | | | |
| Avg Outstandings | $157.6 | $152.8 | $148.7 |
| EOP Outstandings | $159.3 | $155.4 | $149.1 |
| Charge Volume | $93.9 | $93.6 | $89.8 |
| Net Accts Opened (mm) | 3.6 | 3.6 | 4.0 |
| Managed Margin | 8.18% | 7.92% | 8.29% |
| Net Charge-Off Rate | 5.00% | 4.98% | 3.64% |
| 30-Day Delinquency Rate | 3.69% | 3.46% | 3.25% |
| ROO (pretax) | 1.17% | 1.04% | 3.31% |
| ROE[2] | 8% | 7% | 22% |
| EOP Equity ($B) | $15.0 | $14.1 | $14.1 |

[1] Actual numbers for all periods, not over/under
[2] Calculated based on average equity. 3Q08 average equity was $14.1B

- Net income of $292mm down 63% YoY; decline in results driven by increase in credit costs, partially offset by lower noninterest expense
- Credit costs up $866mm or 64% YoY due to higher net charge-offs and an increase of $250mm in the allowance for loan losses
  - Net charge-off rate of 5.00% was up from 3.64% YoY and 4.98% QoQ
- Average outstandings of $157.6B up 6% YoY and 3% QoQ
- Charge volume growth of 5% YoY and flat QoQ
- Revenue of $3.9B up 1% YoY and 3% QoQ
- Managed margin of 8.18% was down from 8.29% YoY and up from 7.92% QoQ
- Expense of $1.2B down 5% YoY driven by lower marketing expense and was flat QoQ

# Commercial Banking

**$ in millions**

| | 3Q08 | $ O/(U) 2Q08 | $ O/(U) 3Q07 |
|---|---|---|---|
| Revenue | $1,125 | $19 | $116 |
| Middle Market Banking | 729 | 21 | 49 |
| Mid-Corporate Banking | 236 | 1 | 69 |
| Real Estate Banking | 91 | (3) | (17) |
| Other | 69 | - | 15 |
| Credit Costs | 126 | 79 | 14 |
| Expense | 486 | 10 | 13 |
| Net Income | $312 | ($43) | $54 |
| Key Statistics [1] | | | |
| Avg Loans & Leases ($B) | $72.3 | $71.1 | $61.3 |
| Avg Liability Balances ($B) [2] | $99.4 | $99.4 | $88.1 |
| Overhead Ratio | 43% | 43% | 47% |
| Net Charge-Off Rate | 0.22% | 0.28% | 0.13% |
| ALL / average loans | 2.65% | 2.61% | 2.67% |
| NPLs($mm) | $572 | $486 | $134 |
| ROE [3] | 18% | 20% | 15% |
| EOP Equity ($B) | $8.0 | $7.0 | $6.7 |

[1] Actual numbers for all periods, not over/under
[2] Includes deposits and deposits swept to on-balance sheet liabilities
[3] Calculated based on average equity. 3Q08 average equity was $7B

- Net income of $312mm up 21% YoY, driven by record revenue, partially offset by higher provision for credit losses and noninterest expense
- Average loans up 18% YoY with growth in Middle Market and Mid-Corporate. Liability balances up 13% YoY
- Record revenue of $1.1B up 11% YoY, reflecting higher revenue in all major products
- Credit costs reflect a weakening credit environment and growth in loan balances
  - Majority of NPLs and NCOs are related to residential real estate
  - Continue to monitor commercial real estate portfolio, which is expected to trend towards normalized levels
- Expense up 3% YoY with overhead ratio of 43%

# Treasury & Securities Services

**$ in millions**

| | 3Q08 | $ O/(U) 2Q08 | $ O/(U) 3Q07 |
|---|---|---|---|
| Revenue | $1,953 | ($66) | $205 |
| Treasury Services | 897 | 45 | 117 |
| Worldwide Securities Svcs | 1,056 | (111) | 88 |
| Expense | 1,339 | 22 | 205 |
| Net Income | $406 | ($19) | $46 |
| Key Statistics[1] | | | |
| Avg Liability Balances ($B)[2] | $260.0 | $268.3 | $236.4 |
| Assets under Custody ($T) | $14.4 | $15.5 | $15.6 |
| Pretax Margin | 29% | 33% | 33% |
| ROE[3] | 46% | 49% | 48% |
| TSS Firmwide Revenue | $2,672 | $2,721 | $2,412 |
| TS Firmwide Revenue | $1,616 | $1,554 | $1,444 |
| TSS Firmwide Avg Liab Bal ($B)[2] | $359.4 | $367.7 | $324.5 |
| EOP Equity ($B) | $4.5 | $3.5 | $3.0 |

1 Actual numbers for all periods, not over/under
2 Includes deposits and deposits swept to on-balance sheet liabilities
3 Calculated based on average equity. 3Q08 average equity was $3.5B

- Net income of $406mm up 13% YoY
  - Pretax margin of 29%
- Liability balances up 10% YoY
- Assets under custody down 8% YoY
- Revenue up 12% YoY
  - Higher client volumes across businesses
  - Record revenue in TS
  - WSS benefited from wider spreads on liability products and in securities lending and foreign exchange as a result of recent market conditions
- Expense up 18% YoY due to:
  - Business and volume growth
  - Investment in new product platforms
- Results include a benefit from reduced deferred tax liabilities

# Asset Management

| $ in millions | 3Q08 | $ O/(U) 2Q08 | $ O/(U) 3Q07 |
|---|---|---|---|
| Revenue | $1,961 | ($103) | ($244) |
| Private Bank | 631 | (77) | 7 |
| Institutional | 486 | 14 | (117) |
| Retail | 399 | (91) | (240) |
| Private Wealth Management | 352 | (4) | 13 |
| Bear Stearns Brokerage | 93 | 55 | 93 |
| Credit Costs | 20 | 3 | 17 |
| Expense | 1,362 | (38) | (4) |
| Net Income | $351 | ($44) | ($170) |
| Key Statistics ($B)[1] | | | |
| Assets under Management[2] | $1,153 | $1,185 | $1,163 |
| Assets under Supervision[2] | $1,562 | $1,611 | $1,539 |
| Average Loans[3] | $39.8 | $39.3 | $30.9 |
| Average Deposits | $65.6 | $70.0 | $59.9 |
| Pretax Margin | 30% | 31% | 38% |
| ROE[4] | 25% | 31% | 52% |
| EOP Equity | $7.0 | $5.2 | $4.0 |

1 Actual numbers for all periods, not over/under
2 Reflects $15B for assets under management and $68B for assets under supervision from the Bear Stearns merger on May 30, 2008
3 Reflects the transfer in 2007 of held-for-investment prime mortgage loans from AM to Treasury within the Corporate segment
4 Calculated based on average equity. 3Q08 average equity was $5.5B

- Net income of $351mm down by 33% YoY, largely driven by lower revenue
  - Pretax margin of 30%
- Assets under management of $1.2T, down 1% YoY
  - Market declines drove AUM down by $133B
  - Net AUM flows of $123B for the past 12 months; $46B for the quarter
  - Growth of 11% in alternative assets and $15B from the Bear Stearns merger
- Revenue of $2.0B down 11% YoY due to:
  - Lower performance fees and the effect of lower markets, including the impact of lower market valuations of seed capital investments;
  - Offset partially by the benefit of the Bear Stearns merger and increased revenue from higher loan and deposit balances
- Varied global investment performance
  - 77% of mutual fund AUM ranked in the first or second quartiles over past five years; 67% over past three years; 49% over one year
- Expense was flat YoY, as the effect of the Bear Stearns merger and increased headcount were offset by lower performance-based compensation

# Corporate/Private Equity

**Corporate/Private Equity net income - $ in millions**

| | 3Q08 | $ O/(U) 2Q08 | $ O/(U) 3Q07 |
|---|---|---|---|
| Private Equity | ($164) | ($263) | ($573) |
| Corporate | (1,064) | (1,083) | (1,206) |
| Merger-related items | (735) | (195) | (697) |
| Net Income[1] | ($1,963) | ($1,541) | ($2,476) |

**Merger-Related Items**

- Washington Mutual (estimated)
  - ($1.2B) conforming loan loss reserve adjustment (after-tax)
  - $581mm extraordinary gain (after-tax)
- Bear Stearns
  - ($95mm) of merger-related items (after-tax)

**Private Equity**

- Private Equity losses of $206mm
- EOP Private Equity portfolio of $7.5B
  - Represents 7.5% of shareholders' equity less goodwill

**Corporate**

- Net loss of $1.1B includes after-tax items:
  - $642mm loss on FNM and FRE preferred securities
  - $248mm charge related to offer to repurchase auction-rate securities
  - $234mm for addition to allowance for loan losses and net charge-offs for prime mortgage portfolio

1 Includes after-tax merger cost of $38mm in 3Q07

# PART II - KEY INVESTOR TOPICS

# Bear Stearns merger update

- Still expect Bear Stearns' units to contribute $1B +/- annualized net income (after-tax) by year-end 2009
- Some businesses are stronger than previously thought (e.g. Equity prime brokerage)
- Cost to de-risk is higher than previously thought but largely complete
- Overall merger integration progressing well

# WaMu provides unique opportunity to expand retail banking franchise and generate attractive returns for JPMorgan Chase shareholders

**Strategic Fit**

- Greatly enhances retail banking platform in attractive markets
  - Combined deposits of $911B and 5,410 branches at close[1]
  - Expanding into attractive new markets (CA + FL)
  - Increases market share in existing largest fast-growing markets (NY, TX, IL, AZ, CO, UT)

**Financially Compelling**

- Accretive immediately. Net income impact of approximately $0.50 per share in 2009, largely in RFS. 4Q08 impact of $0.10 +/-; does not include merger costs of approximately $100mm +/- (after-tax) or purchase accounting adjustments (including any additional extraordinary gain or loss)
  - Asset write-downs reduce risk to volatility in future earnings
  - Allows significant margin for error
- Opportunity to grow revenue and realize significant cost savings
  - Ability to bring expanded Chase products and services to WaMu branches
  - Drive efficiencies in branch network and back office
- JPMorgan Chase maintains strong capital and liquidity positions
  - Retail deposits add to stable funding base

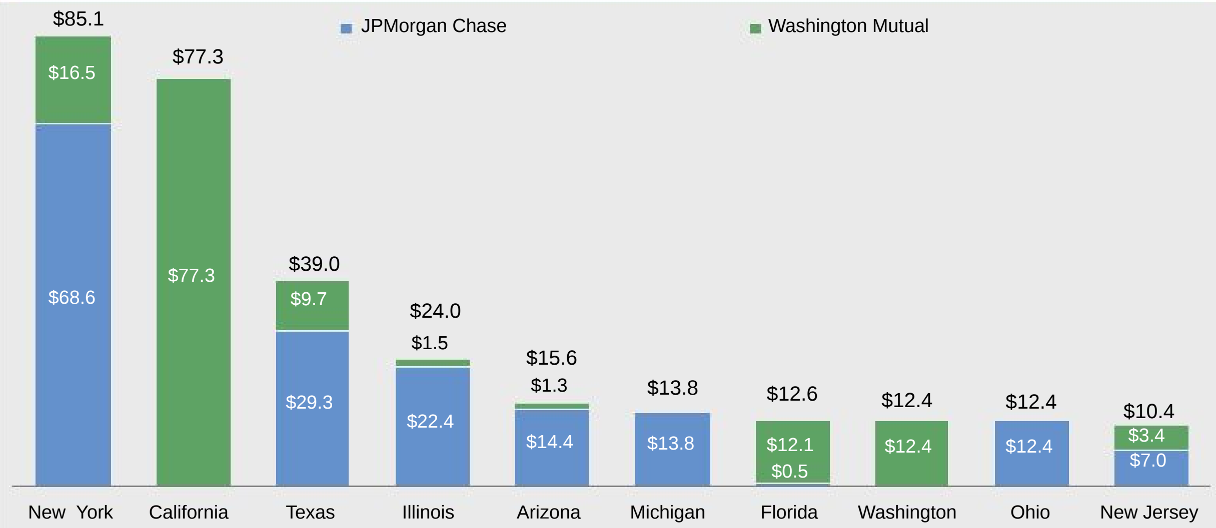
**Ability to execute**

- Proven capabilities with success in Bank One/Chase and Bank of New York transactions
- Little overlap with Bear Stearns integration

1 Source: SNL Financial; branch data as of September 18, 2008; deposit data as of June 30, 2008

# Combined retail franchise has leading market share in key states

Adjusted deposits in 10 key states ($B)




| | New York | California | Texas | Illinois | Arizona | Michigan | Florida | Washington | Ohio | New Jersey |
|---|---|---|---|---|---|---|---|---|---|---|
| Rank | 1 | 3 | 2 | 1 | 2 | 2 | 5 | 2 | 5 | 6 |
| Market share | 19.7% | 11.2% | 11.4% | 8.8% | 21.1% | 9.1% | 3.7% | 11.8% | 6.9% | 5.2% |
| Pop. growth (%)[1] | 1.6% | 6.8% | 11.3% | 4.0% | 17.5% | 2.0% | 11.6% | 8.0% | 1.5% | 2.9% |

Source: SNL Financial
Note: Deposit data as of June 30, 2008; excludes deposits greater than $500mm in a single branch
[1] 2008-2013 projected demographic data

# WaMu integration update

| | Current View the Same |
|---|---|
| ■ Integrate branch system | |
| ■ Close fewer than 10% of combined branches | ✓ |
| ■ Optimize staffing in the branches | ✓ |
| ■ Convert Washington Mutual branches to Chase's platform | ✓ |
| ■ Bring best sales and business practices to each | ✓ |
| ■ Leverage Washington Mutual branch footprint for growth | |
| ■ Introduce enhanced product offerings | ✓ |
| ■ Build out Business Banking (for small business clients) | ✓ |
| ■ Build out Middle Market | ✓ |
| ■ Benefits Private Bank and Private Client Services | ✓ |
| ■ Consumer lending | |
| ■ Run-off existing home lending and sub-prime credit card portfolios | ✓ |
| ■ Exit all non-bank branch retail lending | ✓ |
| ■ Future originations to Chase standards | ✓ |
| ■ Integrate mortgage servicing | Cautious |

**Integration plan generates top and bottom line growth**

# WaMu integration update — on track

## People

- Senior management decisions within first 5 days
- Management teams announced across all staff and businesses
- On track for full people decisions by December $1^{st}$

## Branches

- Conversion timeline to be complete by December $1^{st}$
- All major systems converted by end of 2009 – if not sooner

## Business

- Deposit outflow reversed in first 5 days
- Foreclosure prevention effort announced

# Impact of housing on consumer businesses

## Moderate housing-stress states

| U.S. (less CA, NV, FL, AZ) | |
|---|---|
| YOY Housing Price Change[1] | (11.90)% |
| September 2008 Unemployment Rate[2] | 5.80% |


## $ in billions

| U.S. (less CA,NV,FL,AZ) | 30+ Day Delinquency Rate 9/30/ 08 | 30+ Day Delinquency Rate 9/30/ 07 | Net Charge-off Rate 3Q08 | Net Charge-off Rate 3Q07 | 3Q08 EOP Loans |
|---|---|---|---|---|---|
| Home Equity | 2.00% | 1.50% | 1.30% | 0.50% | $68.2 |
| Prime Mortgage | 8.70% | 5.50% | 0.40% | 0.20% | $27.5 |
| Subprime Mortgage | 25.30% | 12.30% | 6.70% | 1.50% | $8.9 |
| Auto Finance | 2.00% | 1.36% | 1.10% | 0.90% | $29.2 |
| Business Banking | 1.90% | 1.60% | 1.20% | 0.80% | $15.1 |
| Card Services | 3.20% | 3.10% | 4.20% | 3.50% | $116.7 |

## High housing-stress states

| CA, NV, FL, AZ | |
|---|---|
| YOY Housing Price Change[1] | (27.90)% |
| September 2008 Unemployment Rate[2] | 7.20% |

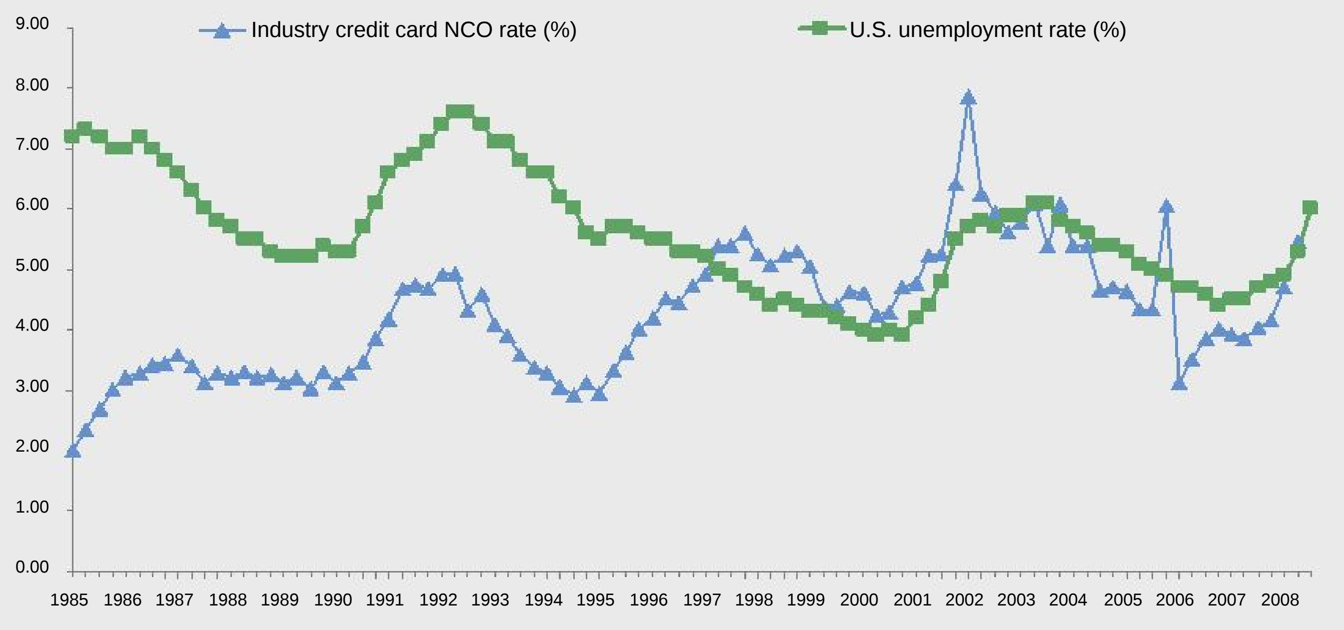

## $ in billions

| CA,NV,FL,AZ | 30+ Day Delinquency Rate 9/30/08 | 30+ Day Delinquency Rate 9/30/07 | Net Charge-off Rate 3Q08 | Net Charge-off Rate 3Q07 | 3Q08 EOP Loans |
|---|---|---|---|---|---|
| Home Equity | 4.00% | 1.60% | 6.70% | 1.10% | $26.4 |
| Prime Mortgage | 10.20% | 2.40% | 3.10% | 0.10% | $19.3 |
| Subprime Mortgage | 29.80% | 10.50% | 11.00% | 1.40% | $4.4 |
| Auto Finance | 2.90% | 1.32% | 2.30% | 1.08% | $7.5 |
| Business Banking | 2.40% | 0.60% | 1.20% | 0.30% | $1.4 |
| Card Services | 4.90% | 3.50% | 7.20% | 3.90% | $34.3 |

[1] Source: Fiserv Lending Solutions Case-Shiller Home Price Index; based on latest data available for housing price change (data as of 2Q08)
[2] Source: Bureau of Labor Statistics

# Historical trends in industry credit card net charge-offs and unemployment

**Industry credit card NCO rate[1] vs. U.S. unemployment rate[2]**




Source: Bureau of Labor Statistics; U.S. Department of Labor; Federal Reserve
Note: 3Q08 NCO rate unavailable
[1] Seasonally-adjusted NCO rates for U.S. commercial banks
[2] Seasonally-adjusted civilian (age 16+) unemployment rates

# Comments on consumer credit

- Home equity experiencing continued deterioration; quarterly losses could be as high as $725-$850mm over the next several quarters (net charge-offs of 3.25% to 3.75%)
- Subprime mortgage quarterly losses could be as high as $375-$425mm in early 2009
- Prime mortgage deterioration within prior range; quarterly losses could be as high as $300mm in early 2009 (net charge-offs of 2.25% to 2.50%)
- Credit card losses of approximately 5%+ in 4Q08; reasonable expectation that charge-offs will be at 6% at the start of 2009 and at 7%+ by year-end (ex. WaMu)
- Across all consumer credit lending portfolios, credit could deteriorate further in future depending on home prices, unemployment and the economy
- Likely additions to reserves in 4Q08

# Foreclosure prevention efforts – *The Way Forward*

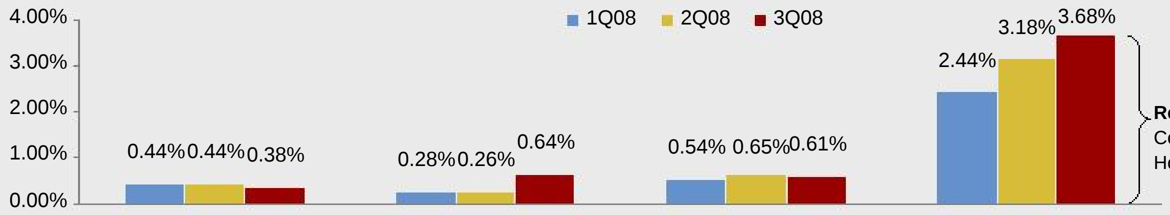
**Chase Foreclosure Prevention Program**

- Systematically review the entire mortgage portfolio to determine proactively which homeowners are most likely to require help – and try to provide it before they are unable to make payments
- Proactively reach out to homeowners to offer pre-qualified modifications
- Establish 24 new regional counseling centers to provide face-to-face help
- Add 300 more loan counselors so that delinquent homeowners can work with the same counselor throughout the process. Will add more counselors as needed
- Create an independent process within Chase to review each mortgage before it is sent into foreclosure – to validate each borrower was offered appropriate modifications
- Will not add any more Chase owned loans into the foreclosure process while implementing enhancements
- Disclose and explain in plain and simple terms the refinancing or modification alternatives for each kind of loan, including using in-language communications
- Expand the range of alternatives offered to modify pay-option ARMs
- Offer discounts on or donate 500 homes to community groups or government programs
- Use more flexible eligibility criteria and modification terms

# Commercial Banking credit quality

- Majority of NPLs and NCOs continue to come from Real Estate Banking
- For September 2008 YTD in Real Estate Banking, housing comprises 97% of the NPL's and 95% of NCO's
- WaMu Commercial Term Lending[1] credit quality in line with Middle Market and Mid-Corporate ratios

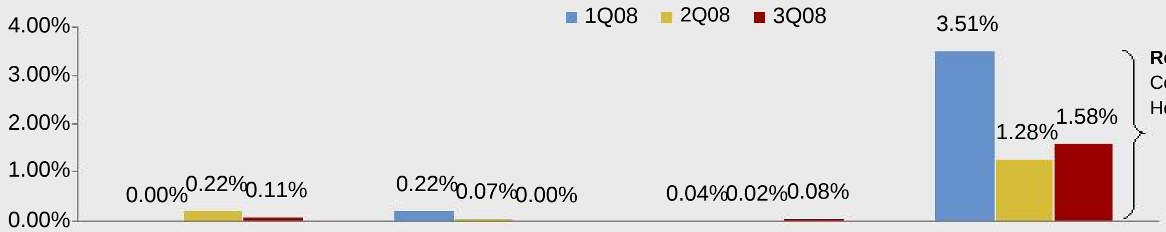
## NPL Ratio by business




| Real Estate NPL | YTD 9/30 |
|---|---|
| Commercial RE | 0.16% |
| Housing | 13.80% |

| Total 3Q08 avg. loans | Middle Market | Mid-Corporate | WaMu | Real Estate Banking |
|---|---|---|---|---|
| | **$43.2B** | **$16.5B** | **$44.5B** | **$7.5B** |

## NCO Ratio by business




| Real Estate NCO | YTD 9/30 |
|---|---|
| Commercial RE | 0.12% |
| Housing | 5.79% |

| Total 3Q08 avg. loans | Middle Market | Mid-Corporate | WaMu | Real Estate Banking |
|---|---|---|---|---|
| | **$43.2B** | **$16.5B** | **$44.5B** | **$7.5B** |

[1] Includes Multi-family lending, Commercial Real Estate lending and Commercial Mortgage lending
[2] 3Q08 data includes impact of fair value marks on purchased credit impaired loans
[3] Reflects credit ratios in Real Estate Banking segment of JPMorgan Chase

# Allowance to loan losses coverage ratios

**$ in millions**

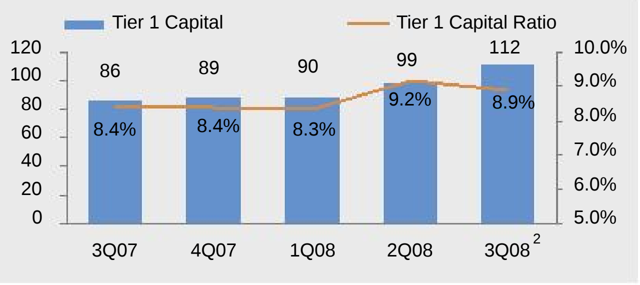
| | As of 3Q08 | | | | |
|---|---|---|---|---|---|
| | Loan Balances[1] | LLR | LLR / Loans | NCO rate | Potential 4Q08 Reserve Build |
| Home Lending (includes prime mortgage balances in Corporate) | $154,825 | $4,896 | 3.16% | 2.85% | $1,200 +/- |
| Card Services | 77,565 | 3,951 | 5.09% | 5.00% | $750 +/- |
| Commercial Banking | 71,901 | 1,905 | 2.65% | 0.22% | $50 +/- |
| Investment Bank | 69,022 | 2,654 | 3.85% | 0.07% | $400 +/- |
| **Total Firmwide** | **$534,074** | **$14,541** | **2.72%** | **1.91%** | |

- All figures are JPMorgan Chase only
- Firmwide total also includes Other RFS, TSS, AM and Corporate wholesale balances
- There will be an additional 4Q08 Card reserve build related to the WaMu credit card portfolio (already incorporated in WaMu 4Q08 guidance)

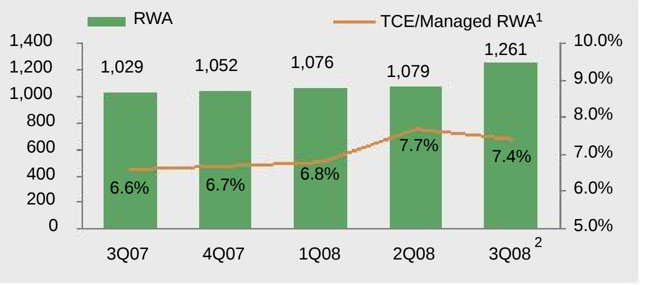
[1] Loan balances are on a reported basis and exclude held-for-sale loans
Note: Consumer businesses reflect EOP balances, while the Wholesale businesses reflect average balances

# Capital management / fortress balance sheet

## Tier 1 Capital under Basel I - $ in billions




## Risk Weighted Assets under Basel I $ in billions




[1] See note 1 on slide 38
[2] 3Q08 capital ratios incorporate the impact of WaMu transaction

## Current position

- Maintained strong capital positions
  - Raised $11.5B of common equity on 9/30/08
- Strong liquidity and funding position
  - Well-positioned to support our clients' needs
- Capital allocation to businesses updated and increased
  - View toward future implementation of new Basel II capital rules and off-balance sheet accounting standards
- Funding costs charged by Treasury to businesses are constantly reviewed and updated to reflect market conditions
- Basel II Tier I ratio would be higher

# TARP impact

## TARP overview

- Received $25B for issuance of 5% preferred shares to Department of Treasury (after 5 years, dividend rate increases to 9%)
- Issued to Treasury warrants to purchase 88.4mm shares of common stock; exercise price of $42.42 (50% of warrants expire if Firm raises $25B of preferred and/or common equity by 12/31/09)
- Future dividend increases or share repurchases subject to Treasury approval for 3 years
- Firm executive compensation and tax deductibility subject to certain limitations
  - No golden parachute.  No change in control
- FDIC guarantee on unsecured senior debt

## Use of TARP capital

- Did not need or ask for capital
- Asymmetric benefits to recipients
- Do not believe JPM should stand in the way of what is good for the system
- Represents excess capital which we hope to proactively put to good use for shareholders and customers (which is good for our country)
  - Must maintain safe and sound lending
- Will work to be creative around uses for capital and will continue lending
- Must maintain a healthy and vibrant company

## Pro forma capital ratios

- Tier 1 ratio estimated at 10.8% as of 9/30/08
- Continued focus on fortress balance sheet as strategic imperative

# Revenue growth drivers –lending

| Loan balances (period averages) -$ in billions | | |
|---|---|---|
| | | O / (U) % |
| | 3Q08 | 3Q07 |
| *Commercial Banking* | | |
| Mid-Corporate | $16.5 | 37% |
| Middle Market (Private Sector) | 32.6 | 7% |
| Real Estate | 7.5 | 5% |
| Government, Non-profits, and Hospitals | 10.6 | 45% |
| Total Commercial Banking[1] | $72.3 | 18% |
| *Investment Bank - large corporate*[2] | $69.0 | 11% |
| *Business Banking* | $16.4 | 11% |
| *Education loans*[3] | $14.1 | 44% |

- JPM continues to support client needs:
  - Since 3Q08, Mid-Corporate and IB loans are up approximately $8.0B. Business Banking and Education loan balances have also increased
  - Wholesale unfunded revolving commitments total approximately $300B; large potential draw on liquidity
  - Offered to repurchase about $4B of auction rate securities
  - Continue to originate consumer loans of all types with tightened underwriting standards (must be safe and sound) - home equity, mortgage, education and auto loans

1 Includes Other loans of $5.1B and $4.4B for 3Q08 and 3Q07 respectively
2 Represents retained loans
3 Education loans include loans held-for-sale of $1.2B and $3.2B for 3Q08 and 3Q07 respectively
Note: Data reflects heritage JPMorgan Chase balances

# Other revenue growth drivers

- Good underlying momentum in core business drivers propelling organic growth across businesses

**Key metrics**

| % Change YoY | 3Q08 | 2Q08 | 1Q08 | 4Q07 | 3Q07 |
|---|---|---|---|---|---|
| **Retail Financial Services** | | | | | |
| Regional Banking Average Deposits | 2% | 3% | 4% | 4% | 10% |
| Credit Cards Originated in Branches | 6% | 4% | 18% | 34% | 59% |
| **Commercial Banking** | | | | | |
| Liability Balances [1] | 13% | 18% | 22% | 22% | 22% |
| **Treasury and Securities Services** | | | | | |
| Liability Balances [1] | 10% | 23% | 21% | 30% | 23% |
| Loans | 29% | 18% | 22% | 23% | 35% |
| Assets under Custody | (8%) | 2% | 7% | 15% | 21% |
| **Asset Management** | | | | | |
| Assets under Management | (1%) | 7% | 13% | 18% | 24% |
| Loans [2] | 29% | 37% | 43% | 13% | 16% |
| Deposits | 10% | 25% | 24% | 26% | 17% |
| **Investing for the Future** | | | | | |
| # of ATMs | 4% | 8% | 8% | 8% | 14% |
| # of Branches | 3% | 2% | 2% | 2% | 16% |
| # of Branch Bankers & Sales Specialists | 5% | 9% | 21% | 23% | 23% |

[1] Includes deposits and deposits swept to on-balance sheet liabilities
[2] Reflects the transfer in 2007 of held-for-investment prime mortgage loans from AM to Corporate within the Corporate/Private Equity segment

# JPMorgan IB league table performance

## League table results

| | Thomson Volumes[1] | | | |
|---|---|---|---|---|
| | YTD 3Q 08 | | 2007 | |
| | Rank | Share | Rank | Share |
| **Global M&A Announced[2]** | **#3** | **24.0%** | **#4** | **27.0 %** |
| **Global Debt, Equity & Equity-related** | **#1** | **9.7%** | **#2** | **8.0 %** |
| US Debt, Equity & Equity-related | #1 | 15.0% | #2 | 10.0 % |
| **Global Equity & Equity-related** | **#1** | **12.0%** | **#2** | **9. 0%** |
| Global Converts | #1 | 13.4% | #1 | 15.0 % |
| **Global Long-term Debt** | **#1** | **8.8%** | **#3** | **7.0 %** |
| Global Investment Grade Debt | #1 | 7.2% | #2 | 7.2% |
| Global High Yield Debt | #1 | 20.8% | #1 | 14.5% |
| US High Yield Debt | #1 | 21.2% | #1 | 16.3% |
| Global ABS (ex CDOs) | #1 | 15.2% | #1 | 11.5% |
| **Global Loan Syndications** | **#1** | **11.7%** | **#1** | **13.1%** |

- Continue to rank #1 in the four most important capital raising league tables for YTD 3Q08[1]
  - Global Debt, Equity & Equity-related
  - Global Debt
  - Global Equity
  - Global Loans
- Ranked #1 in Global Fees for YTD 3Q08[3] with 8.8% market share

[1] Source: Thomson Reuters
[2] Global M&A market share and ranking for 2007 includes transactions withdrawn since 12/31/07
[3] Source: Dealogic
Note: Rankings as of 10/03/08; 2007 represents Full Year

# Maintaining leadership and growing market share positions

## Retail Financial Services (includes WaMu)

- #1 in deposit market share [1]
- #3 in branch network [1]
- #2 in ATMs [1]
- Maintained market share in mortgages and home equity at 15% in 3Q08 [2]
- #3 in home equity originations [3]
- #3 in mortgage servicing [3]
- #1 in auto finance (non-captive) [4]

## Card Services

- Ranked #1 in outstandings
  - 24% of industry outstandings[5], up from 23% in 2Q08 (includes WaMu)
- Market share gains in spend volume with 3Q08 YoY sales growth of 5% amidst declines in industry levels

## Commercial Banking (includes WaMu)

- #2 traditional middle market lender in the U.S. [6]
- #1 originator of multi-family loans in the U.S.[7]
- #2 asset-based lender in U.S.[6]

## Treasury & Securities Services

- #1 in Automated Clearing House Origination[8], CHIPS and Fedwire[9]
- #2 securities custodian[10]

## Asset Management

- Largest hedge fund manager[11]
- Largest international AAA-rated liquidity fund [12]
- Best Emerging Markets Fund[13]

1 Source: 3Q08 company reports & Wells Fargo/Wachovia press release
2 Source: Inside Mortgage Finance as of 3Q08
3 Source: Inside Mortgage Finance as of 2Q08
4 Source: Autocount (franchise), August 2008
5 Domestic GPCC O/S, Source: Carddata, 3Q08 company reports
6 Loan Pricing Corporation, 3Q08 YTD
7 FDIC and OTS as of 6/30/08
8 NACHA, 2008
9 Federal Reserve, 2008
10 Source: 3Q08 company reports
11 Absolute Return Magazine, March 2008 issue
12 iMoneyNet, December 2007
13 Investment Week, June 2007

# Comments on Environment

## Capital Markets Crisis

- Critical steps taken:
  - Central governments have provided powerful medicine to help promote financial stablitiy
  - Problems known and being resolved, however some financial recognition still remaining
  - Little new asset generation
  - De-leveraging continuing
  - Liquidity still in market

## Recession

- We are prepared for a difficult environment
- Could be deep
- Could be worse than capital markets crisis
- Factors
  - Rising unemployment: 4.8%[1] at 10/07 to 6.5%[1] at 10/08
  - Oil, housing, consumer, etc.
  - Deep financial pressure
  - More de-leveraging
- Round 2 financial effects
  - Commercial banks' losses growing
    - Recognized slower
    - Need to build loan loss reserves
    - Need for capital
  - Investment portfolio losses
  - More financial tightening, de-leveraging
- Cannot predict outcome

[1] Source: Bureau of Labor Statistics, seasonally-adjusted data

# 4Q08 Outlook recap

## Investment Bank

- Continued lower earnings is a reasonable expectation
- Higher credit costs expected; reserve additions likely

## Retail Financial Services

- Solid underlying growth
- See home lending credit outlook on page 25
- Additions to reserves likely in 4Q08
- WaMu integration well underway

## Card Services

- Potential increased funding costs due to Prime/LIBOR compression
- Lower charge volume
- Expect losses of approximately 5%+ in 4Q08; reasonable expectation that charge-offs will be at 6% at the start of 2009 and at 7% + by year-end (ex. WaMu)
- Additions to reserves likely in 4Q08

## Commercial Banking

- Good underlying growth
- Strong credit reserves but credit is expected to deteriorate

## Treasury and Security Services

- Continued underlying growth, although impacted by market conditions and levels

## Asset Management

- Management and performance fees impacted by lower market levels

## Corporate/Private Equity

- Private Equity
  - Expect losses of $500mm +/-
- Corporate
  - Net quarterly loss of $50-$100mm on average is still reasonable except for:
    - Prime mortgage credit costs are incremental and deteriorating
    - Investment portfolio volatility
- Anticipate 4Q08 gain of approximately $600mm (after-tax) on 11/1/08 dissolution of ChasePaymentech JV

## Washington Mutual

- Net income impact of approximately $0.50 per share in 2009, largely in RFS. 4Q08 impact of $0.10 +/-; does not include merger costs of approximately $100mm +/- (after-tax) or purchase accounting adjustments (including any additional extraordinary gain or loss)
- More detail to come on earnings expectations and segment disclosure

# Conclusions

- Extremely cautious on current environment; expect highly challenging conditions in 2009
- Recent government actions should help stabilize the markets and restore economic growth
- We continue to lend and see evidence of organic growth and increased market share in our businesses; will be creative and proactive in putting TARP capital to work
- Fortress balance sheet positions us well during uncertain market environment
- WaMu merger - remain enthusiastic about great strategic fit and a unique opportunity to expand retail banking franchise; Bear Stearns integration progressing well
- We remain focused on navigating through this downturn by carefully managing risk while investing and growing the franchise for the long term

# Notes on non-GAAP financial measures and forward-looking statements

***This presentation includes non-GAAP financial measures.***

1. *TCE as used on slide 3 for purposes of a return on tangible common equity is defined as common stockholders' equity less identifiable intangible assets (other than MSRs) and goodwill. TCE as used in slide 29 in the TCE/Managed RWA ratio, which is used for purposes of a capital strength calculation, is defined as common stockholders' equity plus a portion of preferred stock and junior subordinated notes (which have certain equity-like characteristics due to their subordinated and long-term nature) less identifiable intangible assets (other than MSRs) and goodwill. For 3Q08, the identifiable intangible assets and goodwill are deducted net of deferred tax liabilities related to identifiable intangibles created in non-taxable transactions and deferred tax liabilities related to tax deductible goodwill. The latter definition of TCE is used by the firm and some analysts and creditors of the firm when analyzing the firm's capital strength. The TCE measures used in this presentation are not necessarily comparable to similarly titled measures provided by other firms due to differences in calculation methodologies.*

2. *Financial results are presented on a managed basis, as such basis is described in the firm's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and in the Annual Report on Form 10-K for the year ended December 31, 2007.*

3. *All non-GAAP financial measures included in this presentation are provided to assist readers in understanding certain trend information. Additional information concerning such non-GAAP financial measures can be found in the above-referenced filings, to which reference is hereby made.*

***Forward looking statements***

*This 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. Factors that could cause JPMorgan Chase's actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008 and September 30, 2008, and its Annual Report on Form 10-K for the year ended December 31, 2007, each of which has been filed with the Securities and Exchange Commission and available on JPMorgan Chase's website (www.jpmorganchase.com) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*