



Cazenove and JPMorgan to create leading UK Investment Bank "JPMorgan Cazenove"

Transaction will combine Cazenove's investment banking business and JPMorgan's UK investment banking business in a jointly owned company

Transaction structure preserves Cazenove's operational independence while providing its clients with access to JPMorgan's global network, capital strength and broad capabilities

Cazenove to contribute its leading corporate broking, equities and corporate finance businesses comprising approximately 750 employees and £50 million of capital

JPMorgan to contribute to the partnership approximately 70 employees from its UK corporate finance, M&A and equity and debt capital markets businesses and £50 million of capital

In addition, Cazenove Group to receive £110 million from JPMorgan

Cazenove Group will retain its fund management business and make a capital repayment of an estimated £340 million to its shareholders

Cazenove's David Mayhew to be Chairman and Robert Pickering to be Chief Executive

LONDON, 5 November 2004 - Cazenove Group plc and JPMorgan Chase & Co. (NYSE: JPM) announced today that they have agreed to combine Cazenove's investment banking business and JPMorgan's UK investment banking business in a new company to be owned jointly. The partnership will provide investment banking advice and services to clients in the United Kingdom and Ireland.

The partnership, which has been approved by the boards of directors of both companies and is expected to take effect in the first quarter of 2005, is to be called "JPMorgan Cazenove." It will be one of the UK's foremost investment banks, and on a pro-forma basis for the first nine months of 2004 will be the market's number one corporate broker and M&A house and a leading provider of equity and debt for UK companies.

JPMorgan Cazenove will have approximately 820 employees, including about 70 who will move from JPMorgan. It will operate from Cazenove's current headquarters in the

City of London. For the year ending 30 April 2004, the partnership would have had pro-forma profit before tax of approximately double Cazenove's pre-exceptional profit for the same period.

The transaction will enable Cazenove Group to release a substantial amount of capital from its current balance sheet and allow it to make a capital repayment of an estimated £340 million to its shareholders.

After an initial period of five years, the agreement provides for an annual review of the ownership structure. Thereafter, JPMorgan will have a call option to buy the remainder of the partnership from Cazenove, and Cazenove will have a put option to sell its stake in the partnership to JPMorgan. If an option is exercised, JPMorgan Cazenove will be independently valued.

JPMorgan Cazenove will be led by David Mayhew as Chairman and by Robert Pickering as Chief Executive, who retain their existing roles in Cazenove. The partnership's 10-member board of directors will comprise three executive directors from Cazenove, three non-executive directors from JPMorgan and four independent non-executive directors. In addition to David Mayhew and Robert Pickering, the board members will be Michael Power from Cazenove, who will be Finance Director; Bill Winters, Co-Chief Executive Officer of the Investment Bank at JPMorgan; Klaus Diederichs, head of European Investment Banking at JPMorgan; and John Corrie, head of European Equities at JPMorgan. The four independent non-executive directors will be appointed prior to completion of the transaction.

Four Vice Chairmen will concentrate on high-level client relationships. The Vice Chairmen will be: Terence Eccles from JPMorgan, John Paynter from Cazenove, Lord Renwick of Clifton from JPMorgan and Nick Wiles from Cazenove.

An executive committee chaired by Robert Pickering and including Michael Power will be composed of the new entity's business heads, from Cazenove: Charles Bishop, Ed Byers, Alan Carruthers, Glenn Martin and Tim Wise; and from JPMorgan: Mark Breuer, Ian Hannam, John Mayne, Robert McGuire, and Lloyd Pengilly.

A committee focused on the international businesses will also be established under the chairmanship of Robert Pickering.

JPMorgan and the partnership will operate separate secondary equities and equity research businesses, reflecting their distinct offerings to institutional clients. They will be branded JPMorgan and Cazenove respectively.

Cazenove's Continental European and Asian businesses will be within the partnership but will continue to operate under the Cazenove brand. JPMorgan South Africa will be acquiring Cazenove South Africa upon completion.

Cazenove Fund Management will be owned entirely by current Cazenove shareholders and will continue to grow its business.

Commenting on this announcement, David Mayhew, Chairman of Cazenove, said: "Cazenove has a long tradition of listening to clients' needs and providing services which meet them. Increasingly, that means access to capital and a broad range of sophisticated financial products to structure their capital efficiently and manage risk together with cross border advice and execution. This innovative partnership, with a world-scale investment bank which shares our view that client service is of the essence, will enable us to continue to provide impartial advice whilst meeting the

changing demands of our clients. It will bring tangible benefit to clients, employees and shareholders alike and I am committed to helping to make it successful."

Bill Winters, Co-Chief Executive Officer of the Investment Bank at JPMorgan, said: "The combination of JPMorgan's broad capabilities with Cazenove's client-driven approach is extremely powerful. We believe that the partnership will create a unique and valued offering for existing and new clients. The partnership will also preserve Cazenove's operational independence while offering a creative approach to solving clients' needs through access to JPMorgan's global network, capital strength and broad capabilities."

Robert Pickering, Chief Executive of Cazenove, said: "This transaction is a major vote of confidence in Cazenove and its people. Our aim is to be the leading UK investment banking and equities business. We will provide a unique proposition to clients: relationship-based advice but backed up by the full range of capabilities which JPMorgan can provide, both in the UK and internationally."

William B. Harrison, Jr., Chairman and Chief Executive Officer of JPMorgan Chase, said: "For JPMorgan, this partnership represents an important step forward in growing our client franchise in one of the world's most important capital markets. We look forward to working with the outstanding leadership of Cazenove on this innovative partnership."

Walter Gubert, Chairman of JPMorgan in Europe, the Middle East and Africa said: "This is a natural step in the evolution of our franchise and in our ambition to provide the best to our clients, we could not have found a better partner."

Photo call at 10:30 a.m. and press conference at 11:00 a.m. today, 5 November:

Cazenove and JPMorgan will hold a photo call and press conference today at 10:30 a.m. and 11:00 a.m. respectively at Cazenove's headquarters, 20 Moorgate, London. To attend, please arrive at least 15 minutes prior to start time with press credentials for registration. Cameras will not be allowed at the press conference.

The transaction is subject to approval by shareholders of Cazenove Group plc and to receipt of regulatory approvals, including that of the Financial Services Authority.

For further information, please contact:

For Media:

Kate Bolsover, Cazenove 020-7155-5501

Michael Golden, JPMorgan 020-7325-8504

For Investors:

Ann Borowiec, JPMorgan +1-212-270-7318

Notes to Editors:

Cazenove Group plc is a leading independent investment bank. A relationship based advisory firm with strong distribution, it combines high quality impartial advice with knowledge and understanding of financial markets. The firm has two principal business divisions, Investment Banking, which includes Corporate Finance, Capital Markets and Equities, and Fund Management for institutional, charity and private clients. Information about the firm is available at www.cazenove.com.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$1.1 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.