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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): October 15, 2008

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))

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Item 2.02 Results of Operations and Financial Condition

On October 15, 2008, JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") reported 2008 third quarter net income of $527 million, or $0.11 per share, compared with net income of $3.4 billion, or $0.97 per share, for the third quarter of 2007. A copy of the 2008 third 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.

Each of the Exhibits provided with this Form 8-K shall be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended.

This current report on Form 8-K (including the Exhibits hereto) 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 Current Report on Form 8-K dated September 26, 2008, its Quarterly Reports on Form 10-Q for the quarters ended June 30, 2008, and March 31, 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.

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 — Third Quarter 2008 Results
99.2	JPMorgan Chase & Co. Earnings Release Financial Supplement — Third Quarter 2008

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/ Louis Rauchenberger
Louis Rauchenberger

Managing Director and Controller
[Principal Accounting Officer]

Dated: October 15, 2008

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EXHIBIT INDEX

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99.2	JPMorgan Chase & Co. Earnings Release Financial Supplement - - Third Quarter 2008

Exhibit 12.1

JPMORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges

Nine months ended September 30, (in millions, except ratios)	2008
Excluding Interest on Deposits	
Income before income tax expense and extraordinary gain	$ 4,115
Fixed charges:	
Interest expense	14,889
One-third of rents, net of income from subleases *(a)*	349
Total fixed charges	15,238
Add: Equity in undistributed loss of affiliates	497
Income before income tax expense and extraordinary gain and fixed charges, excluding capitalized interest	$ 19,850
Fixed charges, as above	$ 15,238
Ratio of earnings to fixed charges	1.30
Including Interest on Deposits	
Fixed charges, as above	$ 15,238
Add: Interest on deposits	11,551
Total fixed charges and interest on deposits	$ 26,789
Income before income tax expense and extraordinary gain and fixed charges, excluding capitalized interest, as above	$ 19,850
Add: Interest on deposits	11,551
Total income before income tax expense and extraordinary gain, fixed charges and interest on deposits	$ 31,401
Ratio of earnings to fixed charges	1.17

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

JPMORGAN CHASE & CO.

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

Nine months ended September 30, (in millions, except ratios)	2008
Excluding Interest on Deposits	
Income before income tax expense and extraordinary gain	$ 4,115
Fixed charges:	
Interest expense	14,889
One-third of rents, net of income from subleases *(a)*	349
Total fixed charges	15,238
Add: Equity in undistributed loss of affiliates	497
Income before income tax expense and extraordinary gain and fixed charges, excluding capitalized interest	$ 19,850
Fixed charges, as above	$ 15,238
Preferred stock dividends (pre-tax)	344
Fixed charges including preferred stock dividends	$ 15,582
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.27
Including Interest on Deposits	
Fixed charges including preferred stock dividends, as above	$ 15,582
Add: Interest on deposits	11,551
Total fixed charges including preferred stock dividends and interest on deposits	$ 27,133
Income before income tax expense and extraordinary gain and fixed charges, excluding capitalized interest, as above	$ 19,850
Add: Interest on deposits	11,551
Total income before income tax expense and extraordinary gain, fixed charges and interest on deposits	$ 31,401
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.16

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

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

JPMorgan Chase & Co.

News release: IMMEDIATE RELEASE

JPMORGAN CHASE REPORTS THIRD-QUARTER 2008 NET INCOME OF $527 MILLION, OR $0.11 PER SHARE, INCLUDING ESTIMATED[1] LOSSES OF $640 MILLION (AFTER-TAX) OR $0.18 PER SHARE FOR WASHINGTON MUTUAL MERGER-RELATED ITEMS

- **Acquired Washington Mutual's banking operations on September 25:**
  - **Significantly strengthened consumer franchise, with more than 5,400 branches**
  - **Results included estimated[1] losses of $640 million (after-tax) for Washington Mutual merger-related items: $1.2 billion charge to conform loan loss reserves and a $581 million extraordinary gain**
- **Reported net markdowns of $3.6 billion due to mortgage-related positions and leveraged lending exposures in the Investment Bank**
- **Maintained #1 rankings for Global Investment Banking Fees and Global Debt, Equity & Equity-related volumes for the quarter and year to date[2]**
- **Grew revenue by 16% and increased branch production at Retail Financial Services**
- **Achieved double-digit net income growth at both Commercial Banking and Treasury & Securities Services**
- **Reported the following significant after-tax items:**
  - **$927 million benefit from reduced deferred tax liabilities**
  - **$642 million loss on Fannie Mae and Freddie Mac preferred securities**
  - **$248 million charge related to offer to repurchase auction-rate securities**
- **Increased credit reserves by $1.3 billion firmwide to $15.3 billion, resulting in loan loss allowance coverage of 3.18% for consumer businesses and 2.11% for wholesale businesses, before Washington Mutual**
- **Maintained strong Tier 1 Capital of $112 billion, or 8.9% (estimated); raised $11.5 billion of common equity during the quarter**

New York, October 15, 2008 – JPMorgan Chase & Co. (NYSE: JPM) today reported third-quarter 2008 net income of $527 million, compared with net income of $3.4 billion in the third quarter of 2007. Earnings per share were $0.11, compared with $0.97 in the third quarter of 2007. Current-quarter results include a charge of $1.2 billion (after-tax) to conform loan loss reserves and an extraordinary gain of $581 million (after-tax), related to the acquisition of Washington Mutual's banking operations, which closed on September 25, 2008.

Jamie Dimon, Chairman and Chief Executive Officer, commented on the quarter: "Our third quarter financial results declined sharply, driven by markdowns on mortgage trading positions and leveraged loans, and higher credit costs due to continued deterioration in our home-lending

1 Washington Mutual merger-related results subject to future refinements
2 Source: Dealogic for fees and Thomson Reuters for volumes

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portfolio. In this environment, we have kept our focus on meeting our clients' needs and deploying capital wisely. We continue to see numerous examples of organic growth, including in Investment Banking market share, new checking accounts, net flows in Asset Management and increased loan and liability balances in Commercial Banking and Treasury & Securities Services."

Mr. Dimon further remarked: "I am pleased that we were in a position during the quarter to purchase Washington Mutual's banking operations, becoming the largest U.S. depository institution, with more than $900 billion in deposits. We welcome Washington Mutual employees to JPMorgan Chase and look forward to bringing together the best of both firms. This acquisition adds more than 2,200 branches, allowing us to expand nationwide — both in our existing markets and into attractive new ones, in states like California, Florida and Washington — and to further grow our other business lines through our enhanced branch network."

"We expect the Washington Mutual transaction to create long-term value for shareholders while also being immediately accretive, adding 50 cents per share to earnings in 2009. In light of the unprecedented challenges and risks facing the housing market, we have incorporated expectations of significant credit losses from Washington Mutual's home-lending portfolio into the structure of the transaction. We also raised $11.5 billion of common equity to support the transaction and add to our already substantial capital base."

Dimon added: "Given the uncertainty in the capital markets, housing sector and economy overall, it is reasonable to expect reduced earnings for our firm over the next few quarters. However, with a total loan loss allowance of $19 billion (including Washington Mutual) and an 8.9% Tier 1 capital ratio, we feel well-positioned to handle the turbulent environment and, most importantly, to continue to invest in our businesses and serve our clients well."

"Finally, I want to express how proud I am of our employees — their outstanding efforts and commitment to building a great company under extremely stressful circumstances has made a tremendous difference in our ability to manage risk and execute complex transactions. Together, we will continue to focus on creating a stronger and more profitable franchise in the years to come."

In the discussion below of the business segments and of JPMorgan Chase as a firm, information is presented on a managed basis. Managed basis starts with GAAP results and includes the following adjustments: for Card Services and the firm as a whole, the impact of credit card securitizations is excluded, and for each line of business and the firm as a whole, net revenue is shown on a tax-equivalent basis. For more information about managed basis, as well as other non-GAAP financial measures used by management to evaluate the performance of each line of business, see Notes 1 and 2 (page 13).

The effects of Washington Mutual's banking operations are not included in the discussion of the results of the business segments below, as such operations did not have a material effect on the results of the quarter ended September 30, 2008, except as follows: (1) for JPMorgan Chase as a firm and for the Corporate/Private Equity segment, the charge to conform Washington Mutual's loan loss reserves and the extraordinary gain related to the transaction are reflected, and (2) for consolidated information as of September 30, 2008, such as the period end balance sheet, credit related statistics, capital ratios and headcount, the amounts presented reflect the acquisition of these banking operations.

The following discussion compares the third quarter of 2008 with the third quarter of 2007 unless otherwise noted.

INVESTMENT BANK (IB)

Results for IB				2Q08		3Q07	
($ millions)	3Q08	2Q08	3Q07	$ O/(U)	O/(U) %	$ O/(U)	O/(U) %
Net Revenue	$ 4,035	$ 5,470	$ 2,946	$ (1,435)	(26)%	$ 1,089	37%
Provision for Credit Losses	234	398	227	(164)	(41)	7	3
Noninterest Expense	3,816	4,734	2,378	(918)	(19)	1,438	60
Net Income	$ 882	$ 394	$ 296	$ 488	124%	$ 586	198%

Discussion of Results:

Net income was $882 million, an increase of $586 million from the prior year. The improved results reflected an increase in net revenue and the benefit of reduced deferred tax liabilities offset largely by increased noninterest expense.

Net revenue was $4.0 billion, an increase of $1.1 billion, or 37%, from the prior year. Investment banking fees were $1.6 billion, up 20% from the prior year. Advisory fees were $576 million, down 3% from the prior year, reflecting decreased levels of activity. Debt underwriting fees were $499 million, up 7%. Equity underwriting fees were $518 million, up 94% from the prior year. Fixed Income Markets revenue was $815 million, up 19% from the prior year. The increase was driven by record results in rates and currencies, and strong performance in credit trading, emerging markets, and commodities, as well as gains of $343 million from the widening of the firm's credit spread on certain structured liabilities. Largely offsetting these results were mortgage-related net markdowns of $2.6 billion, as well as $1.0 billion of net markdowns on leveraged lending funded and unfunded commitments. Equity Markets revenue was a record $1.7 billion, up by $1.1 billion from the prior year, driven by strong trading results and client revenue, as well as a gain of $429 million from the widening of the firm's credit spread on certain structured liabilities. Credit Portfolio revenue was a loss of $23 million, down $415 million from the prior year, reflecting net markdowns due to wider counterparty credit spreads and fewer gains from loan workouts, largely offset by higher net interest income and increased revenue from risk management activities.

The provision for credit losses was $234 million, compared with $227 million in the prior year, reflecting a weakening credit environment. Net charge-offs were $13 million, compared with $67 million in the prior year. The allowance for loan losses to total loans retained was 3.85% for the current quarter, an increase from 1.80% in the prior year.

Average loans retained were $69.0 billion, an increase of $7.1 billion, or 11%, from the prior year, largely driven by growth in acquisition finance activity, including leveraged lending. Average fair value and held-for-sale loans were $17.6 billion, up $297 million, or 2%, from the prior year.

Noninterest expense was $3.8 billion, an increase of $1.4 billion, or 60%, from the prior year, largely driven by higher compensation expense and additional operating costs relating to the Bear Stearns merger.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- Ranked #1 in Global Debt, Equity and Equity-related; #1 in Global Equity and Equity-related; #1 in Global Long-Term Debt; #1 in Global Syndicated Loans; and #3 in Global Announced M&A, based upon volume, for the year to date ended September 30, 2008, according to Thomson Reuters.
- Ranked #1 in Global Investment Banking Fees for the year to date ended September 30, 2008, according to Dealogic.

- § Return on Equity was 13% on $26.0 billion of average allocated capital.
- § Increased allocated capital to $33.0 billion on September 30, 2008.

RETAIL FINANCIAL SERVICES (RFS)

Results for RFS				2Q08		3Q07	
($ millions)	3Q08	2Q08	3Q07	$ O/(U)	O/(U) %	$ O/(U)	O/(U) %
Net Revenue	$ 4,875	$ 5,015	$ 4,201	$ (140)	(3)%	$ 674	16%
Provision for Credit Losses	1,678	1,332	680	346	26	998	147
Noninterest Expense	2,772	2,670	2,469	102	4	303	12
Net Income	$ 247	$ 606	$ 639	$ (359)	(59)%	$ (392)	(61)%

Discussion of Results:

Net income was $247 million, a decrease of $392 million, or 61%, reflecting a significant increase in the provision for credit losses in Regional Banking and higher noninterest expense in Mortgage Banking. These factors were offset partially by revenue growth in all businesses.

Net revenue was $4.9 billion, an increase of $674 million, or 16%, from the prior year. Net interest income was $3.1 billion, up $463 million, or 17%, due to higher loan and deposit balances and wider deposit spreads. Noninterest revenue was $1.7 billion, up $211 million, or 14%, as higher net mortgage servicing revenue and increased deposit-related fees were offset partially by declines in education loan sales.

The provision for credit losses was $1.7 billion, as housing price declines have continued to result in significant increases in estimated losses, particularly for high loan-to-value home equity and mortgage loans. Home equity net charge-offs were $663 million (2.78% net charge-off rate), compared with $150 million (0.65% net charge-off rate) in the prior year. Subprime mortgage net charge-offs were $273 million (7.65% net charge-off rate), compared with $40 million (1.62% net charge-off rate) in the prior year. Prime mortgage net charge-offs (including net charge-offs reflected in the Corporate segment) were $177 million (1.51% net charge-off rate), compared with $9 million (0.11% net charge-off rate) in the prior year. The current-quarter provision includes an increase in the allowance for loan losses of $450 million due to increases in estimated losses in the subprime and home equity mortgage portfolios. An additional $250 million increase in the allowance for loan losses for prime mortgage loans has been reflected in the Corporate segment.

Noninterest expense was $2.8 billion, an increase of $303 million, or 12%, from the prior year, reflecting higher mortgage reinsurance losses and increased servicing expense.

Regional Banking net income was $218 million, down $393 million, or 64%, from the prior year. Net revenue was $3.7 billion, up $363 million, or 11%, as the benefits of higher loan and deposit balances, wider deposit spreads and higher deposit-related fees were offset partially by declines in education loan sales. The provision for credit losses was $1.6 billion, compared with $574 million in the prior year. The provision reflected weakness in the home equity and mortgage portfolios (see Retail Financial Services discussion of the provision for credit losses for further detail). Noninterest expense was $1.8 billion, up $13 million, or 1%, from the prior year.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Checking accounts totaled 11.7 million, up 1.0 million, or 10%.
- § Average total deposits grew to $210.2 billion, up $4.9 billion, or 2%.
- § Average home equity loans were $94.8 billion, up $3.0 billion, or 3%. Home equity originations were $2.6 billion, down $8.6 billion, or 77%.
- § Average business banking loans were $16.4 billion and originations were $1.2 billion.
- § Number of branches grew to 3,179, up 83.
- § Branch sales of credit cards increased by 6%.
- § Branch sales of investment products increased by 1%.
- § Overhead ratio (excluding amortization of core deposit intangibles) decreased to 45% from 49%.

Mortgage Banking reported a net loss of $50 million, compared with a net loss of $48 million in the prior year. Net revenue was $666 million, up $260 million, or 64%. Net revenue comprises production revenue and net mortgage servicing revenue. Production revenue was $254 million, up $78 million, reflecting lower markdowns of $91 million on the mortgage warehouse and pipeline as compared with markdowns of $186 million in the prior year. The current-year result was also affected by an increase in reserves related to the offer to repurchase of previously-sold loans. Net mortgage servicing revenue – which includes loan servicing revenue, MSR risk management results and other changes in fair value – was $412 million, an increase of $182 million, or 79%, from the prior year. Loan servicing revenue was $695 million, an increase of $66 million on growth of 14% in third-party loans serviced. MSR risk management results were $107 million, compared with negative $22 million in the prior year. Other changes in fair value of the MSR asset were negative $390 million compared with negative $377 million in the prior year. Noninterest expense was $747 million, an increase of $262 million, or 54%. The increase reflected higher mortgage reinsurance losses and higher servicing costs due to increased delinquencies and defaults.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Mortgage loan originations were $37.7 billion, down 4% from the prior year and down 33% from the prior quarter.
- § Total third-party mortgage loans serviced were $681.8 billion, an increase of $81.8 billion, or 14%.

Auto Finance net income was $79 million, an increase of $3 million, or 4%, from the prior year. Net revenue was $506 million, up $59 million, or 13%, driven by higher loan balances and increased automobile operating lease revenue. The provision for credit losses was $124 million, up $28 million, reflecting higher estimated losses. The net charge-off rate was 1.12%, compared with 0.97% in the prior year. Noninterest expense was $252 million, an increase of $28 million, or 13%, driven by increased depreciation expense on owned automobiles subject to operating leases.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Auto loan originations were $3.8 billion, down 27%, reflecting industry-wide weakness in auto sales.
- § Average loans were $43.8 billion, up 10%.

CARD SERVICES (CS)[a]

Results for CS ($ millions)	3Q08	2Q08	3Q07	2Q08 $ O/(U)	2Q08 O/(U) %	3Q07 $ O/(U)	3Q07 O/(U) %
Net Revenue	$ 3,887	$ 3,775	$ 3,867	$ 112	3%	$ 20	1%
Provision for Credit Losses	2,229	2,194	1,363	35	2	866	64
Noninterest Expense	1,194	1,185	1,262	9	1	(68)	(5)
Net Income	$ 292	$ 250	$ 786	$ 42	17%	$ (494)	(63)%

(a) Presented on a managed basis; see Note 1 (page 13) for further explanation of managed basis.

Discussion of Results:

Net income was $292 million, a decline of $494 million, or 63%, from the prior year. The decrease was driven by a higher provision for credit losses, partially offset by lower noninterest expense.

End-of-period managed loans were $159.3 billion, an increase of $10.3 billion, or 7%, from the prior year and $3.9 billion, or 3%, from the prior quarter. Average managed loans were $157.6 billion, an increase of $8.9 billion, or 6%, from the prior year and $4.7 billion, or 3%, from the prior quarter. The increase from the prior year in both end-of-period and average managed loans reflects organic portfolio growth.

Managed net revenue was $3.9 billion, an increase of $20 million, or 1%, from the prior year. Net interest income was $3.2 billion, up $133 million, or 4%, from the prior year, driven by higher average managed loan balances and wider loan spreads. These benefits were offset partially by the effect of higher revenue reversals associated with higher charge-offs. Noninterest revenue was $646 million, a decrease of $113 million, or 15%, from the prior year. Interchange income increased, benefiting from a 5% increase in charge volume, but was more than offset by increased rewards expense and higher volume-driven payments to partners (both of which are netted against interchange income), as well as a decrease in securitization income.

The managed provision for credit losses was $2.2 billion, an increase of $866 million, or 64%, from the prior year, due to a higher level of charge-offs and an increase of $250 million in the allowance for loan losses. The managed net charge-off rate for the quarter was 5.00%, up from 3.64% in the prior year and 4.98% in the prior quarter. The 30-day managed delinquency rate was 3.69%, up from 3.25% in the prior year and 3.46% in the prior quarter.

Noninterest expense was $1.2 billion, a decrease of $68 million, or 5%, from the prior year due to lower marketing expense.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- Return on equity was 8%, down from 22%.
- Pretax income to average managed loans (ROO) was 1.17%, compared with 3.31% in the prior year and 1.04% in the prior quarter.
- Net interest income as a percentage of average managed loans was 8.18%, down from 8.29% in the prior year and up from 7.92% in the prior quarter.
- Net accounts of 3.6 million were opened during the quarter.
- Charge volume was $93.9 billion, an increase of $4.1 billion, or 5%, reflecting an increase of 5% in sales volume and a 2% increase in balance transfers.
- Merchant processing volume was $197.1 billion, an increase of $15.7 billion, or 9%, and total transactions were 5.7 billion, an increase of 713 million, or 14% (data represents 100% of Chase Paymentech Solutions joint venture).

- § The termination of Chase Paymentech Solutions, a global payments and merchant-acquiring joint venture between JPMorgan Chase & Co. and First Data Corporation, is expected to be completed in the fourth quarter. JPMorgan Chase & Co. will retain approximately 51% of the business under the Chase Paymentech name.

COMMERCIAL BANKING (CB)

Results for CB ($ millions)	3Q08	2Q08	3Q07	2Q08 $ O/(U)	2Q08 O/(U) %	3Q07 $ O/(U)	3Q07 O/(U) %
Net Revenue	$ 1,125	$ 1,106	$ 1,009	$ 19	2%	$ 116	11%
Provision for Credit Losses	126	47	112	79	168	14	13
Noninterest Expense	486	476	473	10	2	13	3
Net Income	$ 312	$ 355	$ 258	$ (43)	(12)%	$ 54	21%

Discussion of Results:

Net income was $312 million, an increase of $54 million, or 21%, from the prior year, driven by record net revenue, partially offset by an increase in the provision for credit losses and higher noninterest expense.

Net revenue was $1.1 billion, an increase of $116 million, or 11%, from the prior year. Net interest income was $737 million, up $18 million, or 3%, driven by double-digit growth in loan and liability balances, predominantly offset by spread compression in the liability and loan portfolios. Noninterest revenue was $388 million, an increase of $98 million, or 34%, from the prior year, reflecting higher deposit-related fees, investment banking fees, and other income.

Middle Market Banking revenue was $729 million, an increase of $49 million, or 7%, from the prior year. Mid-Corporate Banking revenue was $236 million, an increase of $69 million, or 41%. Real Estate Banking revenue was $91 million, a decline of $17 million, or 16%.

The provision for credit losses was $126 million, an increase of $14 million, or 13%, compared with the prior year. The current-quarter provision reflects a weakening credit environment and growth in loan balances. The allowance for loan losses to total loans retained was 2.65% for the current quarter, in line with the prior year and up from 2.61% in the prior quarter. Nonperforming loans were $572 million, up $438 million from the prior year and up $86 million from the prior quarter, reflecting increases across all businesses and the effect of a weakening credit environment. Net charge-offs were $40 million (0.22% net charge-off rate), compared with $20 million (0.13% net charge-off rate) in the prior year and $49 million (0.28% net charge-off rate) in the prior quarter.

Noninterest expense was $486 million, an increase of $13 million, or 3%, from the prior year, due to higher performance-based compensation expense.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Overhead ratio was 43%, an improvement from 47%.
- § Gross investment banking revenue (which is shared with the Investment Bank) was $252 million, an increase of $58 million, or 30%.
- § Average loan balances were $72.3 billion, up $11.0 billion, or 18%, and up $1.2 billion, or 2%, from the prior quarter.

- Average liability balances were $99.4 billion, up $11.3 billion, or 13%, and in line with the prior quarter.

TREASURY & SECURITIES SERVICES (TSS)

Results for TSS				2Q08		3Q07	
($ millions)	3Q08	2Q08	3Q07	$ O/(U)	O/(U) %	$ O/(U)	O/(U) %
Net Revenue	$ 1,953	$ 2,019	$ 1,748	$ (66)	(3%)	$ 205	12%
Provision for Credit Losses	18	7	9	11	157	9	100
Noninterest Expense	1,339	1,317	1,134	22	2	205	18
Net Income	$ 406	$ 425	$ 360	$ (19)	(4%)	$ 46	13%

Discussion of Results:

Net income was $406 million, an increase of $46 million, or 13%, from the prior year, driven by higher net revenue and the benefit of reduced deferred tax liabilities. This increase was predominantly offset by higher noninterest expense. Net income decreased by $19 million, or 4%, from the prior quarter, which benefited from seasonal activity in securities lending, depositary receipts, and foreign exchange volumes.

Net revenue was $2.0 billion, an increase of $205 million, or 12%, from the prior year. Worldwide Securities Services net revenue was $1.1 billion, an increase of $88 million, or 9%, from the prior year. The growth was driven by wider spreads on liability products and in securities lending and foreign exchange, combined with increased product usage by new and existing clients (largely in custody, fund services and alternative investment services). These benefits were offset partially by market depreciation. Treasury Services net revenue was a record $897 million, an increase of $117 million, or 15%, reflecting higher liability balances as well as volume growth in electronic funds transfer products and trade loans. TSS firmwide net revenue, which includes Treasury Services net revenue recorded in other lines of business, grew to $2.7 billion, an increase of $260 million, or 11%. Treasury Services firmwide net revenue grew to $1.6 billion, an increase of $172 million, or 12%.

Noninterest expense was $1.3 billion, an increase of $205 million, or 18%, from the prior year, reflecting higher expense related to business and volume growth as well as continued investment in new product platforms.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- TSS pretax margin(2) was 29%, down from 33% in both the prior quarter and prior year.
- Average liability balances were $260.0 billion, up 10%.
- Assets under custody were $14.4 trillion, down 8%.
- Key new client relationships/services added in the third quarter:
  - Selected by Banco Santander Chile as successor depositary bank for its ADR program.
  - In the aftermath of Hurricanes Gustav and Ivan, Louisiana’s Department of Social Services used J.P. Morgan prepaid debit cards to deliver more than $195 million in emergency food stamp benefits to more than 565,000 households.

ASSET MANAGEMENT (AM)

Results for AM ($ millions)	3Q08	2Q08	3Q07	2Q08 $ O/(U)	2Q08 O/(U) %	3Q07 $ O/(U)	3Q07 O/(U) %
Net Revenue	$ 1,961	$ 2,064	$ 2,205	$ (103)	(5)%	$ (244)	(11)%
Provision for Credit Losses	20	17	3	3	18	17	NM
Noninterest Expense	1,362	1,400	1,366	(38)	(3)	(4)	—
Net Income	$ 351	$ 395	$ 521	$ (44)	(11)%	$ (170)	(33)%

Discussion of Results:

Net income was $351 million, a decline of $170 million, or 33%, from the prior year, driven largely by lower net revenue.

Net revenue was $2.0 billion, a decrease of $244 million, or 11%, from the prior year. Noninterest revenue was $1.6 billion, a decline of $331 million, or 17%, due to lower performance fees and the effect of lower markets, including the impact of lower market valuations of seed capital investments; these effects were offset partially by the benefit of the Bear Stearns merger and increased revenue from net asset inflows. Net interest income was $380 million, up $87 million, or 30%, from the prior year, predominantly due to higher loan and deposit balances and wider deposit spreads.

Private Bank revenue was $631 million, relatively flat compared with the prior year, as increased loan and deposit balances and higher assets under management largely offset the effect of lower markets and lower performance fees. Institutional revenue declined 19% to $486 million due to lower performance fees, partially offset by growth in assets under management. Retail revenue decreased 38% to $399 million due to the effect of lower markets, including the impact of lower market valuations of seed capital investments and net equity outflows. Private Wealth Management revenue grew 4% to $352 million due to higher loan and deposit balances and growth in assets under management. Bear Stearns Brokerage contributed $93 million to revenue.

Assets under supervision were $1.6 trillion, an increase of $23 billion, or 1%, from the prior year. Assets under management were $1.2 trillion, down $10 billion, or 1%, from the prior year. The decrease was predominantly due to lower equity markets and equity product outflows, offset by liquidity product inflows across all segments and the addition of Bear Stearns assets under management. Custody, brokerage, administration and deposit balances were $409 billion, up $33 billion, driven by the addition of Bear Stearns Brokerage.

The provision for credit losses was $20 million, compared with $3 million in the prior year, reflecting an increase in loan balances and a lower level of recoveries.

Noninterest expense of $1.4 billion was flat compared with the prior year as the effect of the Bear Stearns merger and increased headcount were offset by lower performance-based compensation.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Pretax margin[2] was 30%, down from 38%.
- § Assets under management were $1.2 trillion, down $10 billion, or 1%, included:
  - Growth of $156 billion, or 42%, in liquidity products;
  - Growth of $13 billion, or 11%, in alternative assets; and
  - The addition of $15 billion from the Bear Stearns merger.

- § Assets under management net inflows were $46 billion for the third quarter of 2008. Net inflows were $123 billion for the 12-month period ended September 30, 2008.
- § Assets under management that ranked in the top two quartiles for investment performance were 77% over five years, 67% over three years and 49% over one year.
- § Customer assets in 4 and 5 Star-rated funds were 39%.
- § Average loans of $39.8 billion were up $8.8 billion, or 29%.
- § Average deposits of $65.6 billion were up $5.7 billion, or 10%.

CORPORATE/PRIVATE EQUITY

Results for Corporate/Private				2Q08		3Q07	
Equity ($ millions)	3Q08	2Q08	3Q07	$ O/(U)	O/(U) %	$ O/(U)	O/(U) %
Net Revenue	$ (1,748)	$ 229	$ 1,001	$ (1,977)	NM	$ (2,749)	NM
Provision for Credit Losses	2,355	290	(31)	2,065	NM	2,386	NM
Noninterest Expense	168	395	245	(227)	(57)	(77)	(31)
Extraordinary Gain	581	—	—	581	NM	581	NM
Net Income/(Loss)	$ (1,963)	$ (422)	$ 513	$ (1,541)	(365)%	$ (2,476)	NM

Discussion of Results:

Net loss for Corporate/Private Equity was $2.0 billion, compared with net income of $513 million in the prior year.

Net loss included a charge of $1.2 billion (after-tax) to conform loan loss reserves and an extraordinary gain of $581 million (after-tax) related to the acquisition of Washington Mutual's banking operations, which closed on September 25, 2008. Net loss also included $95 million (after-tax) of continuing Bear Stearns merger-related items.

Net loss for Private Equity was $164 million, compared with net income of $409 million in the prior year. Net revenue was negative $216 million, a decrease of $949 million, reflecting Private Equity losses of $206 million, compared with gains of $766 million in the prior year. Noninterest expense was $41 million, a decline of $54 million from the prior year, reflecting lower compensation expense.

Excluding the above merger-related items, the net loss for Corporate was $1.1 billion, compared with net income of $142 million in the prior year. Net revenue was negative $1.5 billion, compared with revenue of $268 million in the prior year. This decrease reflects a higher level of trading losses, including losses of $1.0 billion on preferred securities of Fannie Mae and Freddie Mac, a $375 million charge related to the offer to repurchase auction-rate securities, and the absence of a $115 million gain from the sale of MasterCard shares in the prior year. These losses were offset partially by securities gains of $440 million. Excluding the provision related to Washington Mutual, the current-quarter provision for credit losses of $378 million includes an increase in the allowance for loan losses of $250 million for prime mortgage (see Retail Financial Services' discussion of the provision for loan losses for further detail). Noninterest expense was $127 million, a decrease of $23 million from the prior year, driven by lower litigation expense.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- § Private Equity portfolio totaled $7.5 billion, up from $6.6 billion in the prior year and down from $7.7 billion in the prior quarter. The portfolio represented 7.5% of total stockholders' equity less goodwill, down from 8.8% in the prior year and 8.9% in the prior quarter.

JPMORGAN CHASE (JPM)(a)

Results for JPM(a)				2Q08		3Q07	
($ millions)	3Q08	2Q08	3Q07	$ O/(U)	O/(U) %	$ O/(U)	O/(U) %
Net Revenue	$ 16,088	$ 19,678	$ 16,977	$ (3,590)	(18)%	$ (889)	(5)%
Provision for Credit Losses(b)	6,660	4,285	2,363	2,375	55	4,297	182
Noninterest Expense	11,137	12,177	9,327	(1,040)	(9)	1,810	19
Extraordinary Gain	581	—	—	581	NM	581	NM
Net Income	$ 527	$ 2,003	$ 3,373	$ (1,476)	(74)%	$ (2,846)	(84)%

(a) Presented on a managed basis; see Note 1 (page 13) for further explanation of managed basis. Net revenue on a U.S. GAAP basis was $14,737 million, $18,399 million and $16,112 million for the third quarter of 2008, second quarter of 2008 and third quarter of 2007, respectively.

(b) Provision for the third quarter of 2008 included a $1,976 million charge to conform Washington Mutual's allowance for loan losses with JPMorgan Chase's accounting policy.

Discussion of Results:

Net income was $527 million, a decrease of $2.8 billion, or 84%, from the prior year. The decline in earnings was driven by a higher provision for credit losses and increased noninterest expense.

Managed net revenue was $16.1 billion, a decrease of $889 million, or 5%, from the prior year. Noninterest revenue was $5.2 billion, down $3.3 billion, or 39%, due to lower principal transactions revenue, which reflected mortgage-related net markdowns and net markdowns on leveraged lending funded and unfunded commitments. Net interest income was $10.9 billion, up $2.4 billion, or 29%, due to higher trading-related net interest income and higher loan and deposit balances.

The managed provision for credit losses was $6.7 billion, including the $2.0 billion charge to conform Washington Mutual's loan loss allowance; however, this charge is excluded from the following analyses. The managed provision for credit losses was $4.7 billion, up $2.3 billion, or 98%, from the prior year. The total consumer-managed provision for credit losses was $4.3 billion, compared with $2.0 billion in the prior year, reflecting increases in the allowance for credit losses related to home equity, subprime and prime mortgage and credit card loans, as well as higher net charge-offs. Consumer-managed net charge-offs were $3.3 billion, compared with $1.7 billion in the prior year, resulting in managed net charge-off rates of 3.40% and 1.96%, respectively. The wholesale provision for credit losses was $398 million, compared with $351 million in the prior year, due to an increase in the allowance for credit losses reflecting the effect of a weakening credit environment and loan growth. Wholesale net charge-offs were $52 million, compared with net charge-offs of $82 million, resulting in net charge-off rates of 0.10% and 0.19%, respectively. The firm had total nonperforming assets of $15.9 billion at September 30, 2008, up from the prior-year level of $3.0 billion. The amount at September 30, 2008 included $8.1 billion of nonperforming assets from the acquisition of Washington Mutual's banking operations.

Noninterest expense was $11.1 billion, up $1.8 billion, or 19%, from the prior year. The increase was driven by higher compensation expense and additional operating costs relating to the Bear Stearns merger.

Key Metrics and Business Updates:
(All comparisons to the prior-year quarter except as noted)

- Tier 1 capital ratio was 8.9% at September 30, 2008 (estimated), 9.2% at June 30, 2008, and 8.4% at September 30, 2007.
- Headcount was 228,452, which includes 41,785 from the acquisition of Washington Mutual's banking operations. The remaining 186,667, which includes the effect of the Bear Stearns merger, reflects an increase of 6,820 from September 30, 2007.

Notes:

1. In addition to analyzing the firm's results on a reported basis, management analyzes the firm's results and the results of the lines of business on a managed basis, which is a non-GAAP financial measure. The firm's definition of managed basis starts with the reported U.S. GAAP results and includes the following adjustments: First, for Card Services and the firm, managed basis excludes the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. The presentation of Card Services results on a managed basis assumes that credit card loans that have been securitized and sold in accordance with SFAS 140 still remain on the balance sheet and that the earnings on the securitized loans are classified in the same manner as the earnings on retained loans recorded on the balance sheet. JPMorgan Chase uses the concept of managed basis to evaluate the credit performance and overall financial performance of the entire managed credit card portfolio. Operations are funded and decisions are made about allocating resources, such as employees and capital, based upon managed financial information. In addition, the same underwriting standards and ongoing risk monitoring are used for both loans on the balance sheet and securitized loans. Although securitizations result in the sale of credit card receivables to a trust, JPMorgan Chase retains the ongoing customer relationships, as the customers may continue to use their credit cards; accordingly, the customer's credit performance will affect both the securitized loans and the loans retained on the balance sheet. JPMorgan Chase believes managed-basis information is useful to investors, enabling them to understand both the credit risks associated with the loans reported on the balance sheet and the firm's retained interests in securitized loans. Second, managed revenue (noninterest revenue and net interest income) for each of the segments and the firm is presented on a tax-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits is presented in the managed results on a basis comparable to taxable securities and investments. This methodology allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense. See page 6 of JPMorgan Chase's Earnings Release Financial Supplement (third quarter of 2008) for a reconciliation of JPMorgan Chase's income statement from a reported basis to a managed basis.

2. Pretax margin represents income before income tax expense divided by total net revenue, which is, in management's view, a comprehensive measure of pretax performance derived by measuring earnings after all costs are taken into consideration. It is, therefore, another basis that management uses to evaluate the performance of TSS and AM against the performance of competitors.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan, Chase, and WaMu brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

JPMorgan Chase will host a conference call today at 9:00 a.m. (Eastern Time) to review third-quarter financial results. The general public can call the following dial-in numbers or listen via live audio webcast:

Toll Free (U.S. and Canada)	International	Access Code
1-800-701-9724	1-719-955-1577	463578
1-800-214-0694	1-719-955-1425	714140
1-888-732-6202	1-719-955-1017	343160

The live audio webcast and presentation slides will be available on www.jpmorganchase.com under Investor Relations, Investor Presentations. A replay of the conference call will be available beginning at approximately 12:00 p.m. on Wednesday, October 15, through midnight, Wednesday, October 29, by telephone at (888) 203-1112 (U.S. and Canada), access code: 2034261 or (719) 457-0820 (International). The replay will also be available via webcast on www.jpmorganchase.com under Investor Relations, Investor Presentations. 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 Internet site: www.jpmorganchase.com.

This 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. 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 Current Report on Form 8-K dated September 26, 2008, its Quarterly Reports on Form 10-Q for the quarters ended June 30, 2008 and March 31, 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.jpmorganchase.com), and on the Securities and Exchange Commission's website. 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.

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

	QUARTERLY TRENDS					YEAR-TO-DATE		
				3Q08 Change				2008 Change
	3Q08	2Q08	3Q07	2Q08	3Q07	2008	2007	2007
SELECTED INCOME STATEMENT DATA								
Total net revenue	$ 14,737	$ 18,399	$ 16,112	(20)%	(9)%	$ 50,026	$ 53,988	(7)%
Provision for credit losses	3,811	3,455	1,785	10	114	11,690	4,322	170
Provision for credit losses — accounting conformity (a)	1,976	—	—	NM	NM	1,976	—	NM
Total noninterest expense	11,137	12,177	9,327	(9)	19	32,245	30,983	4
Income (loss) before extraordinary gain	(54)	2,003	3,373	NM	NM	4,322	12,394	(65)
Extraordinary gain (b)	581	—	—	NM	NM	581	—	NM
Net income	527	2,003	3,373	(74)	(84)	4,903	12,394	(60)
PER COMMON SHARE:								
Basic Earnings								
Income (loss) before extraordinary gain	(0.06)	0.56	1.00	NM	NM	1.19	3.63	(67)
Net income	0.11	0.56	1.00	(80)	(89)	1.36	3.63	(63)
Diluted Earnings								
Income (loss) before extraordinary gain	(0.06)	0.54	0.97	NM	NM	1.15	3.52	(67)
Net income	0.11	0.54	0.97	(80)	(89)	1.32	3.52	(63)
Cash dividends declared	0.38	0.38	0.38	—	—	1.14	1.10	4
Book value	36.95	37.02	35.72	—	3	36.95	35.72	3
Closing share price	46.70	34.31	45.82	36	2	46.70	45.82	2
Market capitalization	174,048	117,881	153,901	48	13	174,048	153,901	13
COMMON SHARES OUTSTANDING:								
Weighted-average diluted shares outstanding	3,444.6(g)	3,531.0	3,477.7	(2)	(1)	3,525.3	3,519.6	—
Common shares outstanding at period-end (c)	3,726.9	3,435.7	3,358.8	8	11	3,726.9	3,358.8	11
FINANCIAL RATIOS: (d)								
Income (loss) before extraordinary gain:								
Return on common equity ("ROE")	(1)%	6%	11%			4%	14%	
Return on equity-goodwill ("ROE-GW") (e)	(1)	10	18			7	23	
Return on assets ("ROA")	(0.01)	0.48	0.91			0.35	1.16	
Net income:								
ROE	1	6	11			5	14	
ROE-GW (e)	2	10	18			8	23	
ROA	0.12	0.48	0.91			0.39	1.16	
CAPITAL RATIOS:								
Tier 1 capital ratio	8.9(h)	9.2	8.4					
Total capital ratio	12.7(h)	13.4	12.5					
SELECTED BALANCE SHEET DATA (Period-end)								
Total assets	$ 2,251,469	$ 1,775,670	$ 1,479,575	27	52	$ 2,251,469	$ 1,479,575	52
Wholesale loans	288,445	229,359	197,728	26	46	288,445	197,728	46
Consumer loans	472,936	308,670	288,592	53	64	472,936	288,592	64
Deposits	969,783	722,905	678,091	34	43	969,783	678,091	43
Common stockholders' equity	137,691	127,176	119,978	8	15	137,691	119,978	15
Headcount	228,452(i)	195,594	179,847	17	27	228,452(i)	179,847	27
LINE OF BUSINESS NET INCOME								
Investment Bank	$ 882	$ 394	$ 296	124	198	$ 1,189	$ 3,015	(61)
Retail Financial Services	247	606	639	(59)	(61)	626	2,283	(73)
Card Services	292	250	786	17	(63)	1,151	2,310	(50)
Commercial Banking	312	355	258	(12)	21	959	846	13
Treasury & Securities Services	406	425	360	(4)	13	1,234	975	27
Asset Management	351	395	521	(11)	(33)	1,102	1,439	(23)
Corporate/Private Equity (f)	(1,963)	(422)	513	(365)	NM	(1,358)	1,526	NM
Net income	**$ 527**	**$ 2,003**	**$ 3,373**	(74)	(84)	**$ 4,903**	**$ 12,394**	(60)

(a) Effective September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual, Inc. ("Washington Mutual") from the Federal Deposit Insurance Corporation ("FDIC"). The third quarter of 2008 included an accounting conformity loan loss reserve provision related to this transaction.

(b) JPMorgan Chase acquired the banking operations of Washington Mutual for $1.9 billion. The fair value of Washington Mutual net assets acquired exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, nonfinancial assets that are not held for sale were written down against that negative goodwill. The negative goodwill that remained after writing down nonfinancial assets was recognized as an extraordinary gain.

(c) On September 30, 2008, the Firm issued $11.5 billion, or 284 million shares, of its common stock at $40.50 per share.

(d) Ratios are based upon annualized amounts.

(e) Net income applicable to common stock divided by 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 also utilizes this measure to facilitate comparisons to competitors.

(f) The third quarter of 2008 included an accounting conformity loan loss reserve provision and an extraordinary gain related to the Washington Mutual transaction, as well as losses on preferred equity interests in Federal National Mortgage Association ("FNMA"), and Federal Home Loan Mortgage Corporation ("Freddie Mac"). Prior periods included the after-tax impact of material litigation actions, tax audit benefits, equity earnings related to Bear Stearns and merger costs.

(g) Common equivalent shares have been excluded from the computation of diluted earnings per share for the third quarter of 2008, as the effect would be antidilutive.

(h) Estimated.

(i) Includes headcount related to the acquisition of Washington Mutual banking operations of 41,785.

Exhibit 99.2

JPMorgan Chase & Co.

EARNINGS RELEASE FINANCIAL SUPPLEMENT

THIRD QUARTER 2008

JPMORGAN CHASE & CO.
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The effects of Washington Mutual's banking operations are not included in the line of business financial highlights that follow as such operations did not have a material effect on the results of the quarter ended September 30, 2008, except as follows: (1) for JPMorgan Chase as a firm and for the Corporate/Private Equity segment, the charge to conform Washington Mutual's loan loss reserves and the extraordinary gain related to the transaction are reflected, and (2) for consolidated information as of September 30, 2008, such as the period end balance sheet, credit related statistics, capital ratios and headcount, the amounts presented reflect the acquisition of these banking operations.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SELECTED INCOME STATEMENT DATA										
Total net revenue	$ 14,737	$ 18,399	$ 16,890	$ 17,384	$ 16,112	(20)%	(9)%	$ 50,026	$ 53,988	(7)%
Provision for credit losses	3,811	3,455	4,424	2,542	1,785	10	114	11,690	4,322	170
Provision for credit losses — accounting conformity (a)	1,976	—	—	—	—	NM	NM	1,976	—	NM
Total noninterest expense	11,137	12,177	8,931	10,720	9,327	(9)	19	32,245	30,983	4
Income (loss) before extraordinary gain	(54)	2,003	2,373	2,971	3,373	NM	NM	4,322	12,394	(65)
Extraordinary gain (b)	581	—	—	—	—	NM	NM	581	—	NM
Net income	527	2,003	2,373	2,971	3,373	(74)	(84)	4,903	12,394	(60)
PER COMMON SHARE:										
Basic Earnings										
Income (loss) before extraordinary gain	(0.06)	0.56	0.70	0.88	1.00	NM	NM	1.19	3.63	(67)
Net income	0.11	0.56	0.70	0.88	1.00	(80)	(89)	1.36	3.63	(63)
Diluted Earnings										
Income (loss) before extraordinary gain	(0.06)	0.54	0.68	0.86	0.97	NM	NM	1.15	3.52	(67)
Net income	0.11	0.54	0.68	0.86	0.97	(80)	(89)	1.32	3.52	(63)
Cash dividends declared	0.38	0.38	0.38	0.38	0.38	—	—	1.14	1.10	4
Book value	36.95	37.02	36.94	36.59	35.72	—	3	36.95	35.72	3
Closing share price	46.70	34.31	42.95	43.65	45.82	36	2	46.70	45.82	2
Market capitalization	174,048	117,881	146,066	146,986	153,901	48	13	174,048	153,901	13
COMMON SHARES OUTSTANDING:										
Weighted-average diluted shares outstanding	3,444.6(g)	3,531.0	3,494.7	3,471.8	3,477.7	(2)	(1)	3,525.3	3,519.6	—
Common shares outstanding at period-end (c)	3,726.9	3,435.7	3,400.8	3,367.4	3,358.8	8	11	3,726.9	3,358.8	11
FINANCIAL RATIOS: (d)										
Income (loss) before extraordinary gain:										
Return on common equity ("ROE")	(1)%	6%	8%	10%	11%			4%	14%	
Return on equity-goodwill ("ROE-GW") (e)	(1)	10	12	15	18			7	23	
Return on assets ("ROA")	(0.01)	0.48	0.61	0.77	0.91			0.35	1.16	
Net income:										
ROE	1	6	8	10	11			5	14	
ROE-GW (e)	2	10	12	15	18			8	23	
ROA	0.12	0.48	0.61	0.77	0.91			0.39	1.16	
CAPITAL RATIOS:										
Tier 1 capital ratio	8.9(h)	9.2	8.3	8.4	8.4					
Total capital ratio	12.7(h)	13.4	12.5	12.6	12.5					
SELECTED BALANCE SHEET DATA (Period-end)										
Total assets	$ 2,251,469	$ 1,775,670	$ 1,642,862	$ 1,562,147	$ 1,479,575	27	52	$ 2,251,469	$ 1,479,575	52
Wholesale loans	288,445	229,359	231,297	213,076	197,728	26	46	288,445	197,728	46
Consumer loans	472,936	308,670	305,759	306,298	288,592	53	64	472,936	288,592	64
Deposits	969,783	722,905	761,626	740,728	678,091	34	43	969,783	678,091	43
Common stockholders' equity	137,691	127,176	125,627	123,221	119,978	8	15	137,691	119,978	15
Headcount	228,452(i)	195,594	182,166	180,667	179,847	17	27	228,452(i)	179,847	27
LINE OF BUSINESS NET INCOME										
Investment Bank	$ 882	$ 394	$ (87)	$ 124	$ 296	124	198	$ 1,189	$ 3,015	(61)
Retail Financial Services	247	606	(227)	752	639	(59)	(61)	626	2,283	(73)
Card Services	292	250	609	609	786	17	(63)	1,151	2,310	(50)
Commercial Banking	312	355	292	288	258	(12)	21	959	846	13
Treasury & Securities Services	406	425	403	422	360	(4)	13	1,234	975	27
Asset Management	351	395	356	527	521	(11)	(33)	1,102	1,439	(23)
Corporate/Private Equity (f)	(1,963)	(422)	1,027	249	513	(365)	NM	(1,358)	1,526	NM
Net income	**$ 527**	**$ 2,003**	**$ 2,373**	**$ 2,971**	**$ 3,373**	(74)	(84)	**$ 4,903**	**$ 12,394**	(60)

(a) The third quarter of 2008 included an accounting conformity loan loss reserve provision related to the acquisition of Washington Mutual's banking operations.

(b) JPMorgan Chase acquired the banking operations of Washington Mutual for $1.9 billion. The fair value of Washington Mutual net assets acquired exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, nonfinancial assets that are not held for sale were written down against that negative goodwill. The negative goodwill that remained after writing down nonfinancial assets was recognized as an extraordinary gain.

(c) On September 30, 2008, the Firm issued $11.5 billion, or 284 million shares, of its common stock at $40.50 per share.

(d) Ratios are based upon annualized amounts.

(e) Net income applicable to common stock divided by 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 also utilizes this measure to facilitate comparisons to competitors.

(f) The third quarter of 2008 included an accounting conformity loan loss reserve provision and an extraordinary gain related to the Washington Mutual transaction, as well as losses on preferred equity interests in Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("Freddie Mac"). Prior periods included the after-tax impact of material litigation actions, tax audit benefits, equity earnings related to Bear Stearns and merger costs. See Corporate/Private Equity Financial Highlights for additional details.

(g) Common equivalent shares have been excluded from the computation of diluted earnings per share for the third quarter of 2008, as the effect would be antidilutive.

(h) Estimated.

(i) Includes headcount related to the acquisition of Washington Mutual banking operations of 41,785.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
REVENUE										
Investment banking fees	$ 1,316	$ 1,612	$ 1,216	$ 1,662	$ 1,336	(18)%	(1)%	$ 4,144	$ 4,973	(17)%
Principal transactions	(2,763)	752	(803)	165	650	NM	NM	(2,814)	8,850	NM
Lending & deposit-related fees	1,168	1,105	1,039	1,066	1,026	6	14	3,312	2,872	15
Asset management, administration and commissions	3,485	3,628	3,596	3,896	3,663	(4)	(5)	10,709	10,460	2
Securities gains (losses)	424	647	33	148	237	(34)	79	1,104	16	NM
Mortgage fees and related income	457	696	525	898	221	(34)	107	1,678	1,220	38
Credit card income	1,771	1,803	1,796	1,857	1,777	(2)	—	5,370	5,054	6
Other income	(115)	(138)	1,829	469	289	17	NM	1,576	1,360	16
Noninterest revenue	**5,743**	**10,105**	**9,231**	**10,161**	**9,199**	(43)	(38)	**25,079**	**34,805**	(28)
Interest income	17,326	16,529	17,532	18,619	18,806	5	(8)	51,387	52,768	(3)
Interest expense	8,332	8,235	9,873	11,396	11,893	1	(30)	26,440	33,585	(21)
Net interest income	**8,994**	**8,294**	**7,659**	**7,223**	**6,913**	8	30	**24,947**	**19,183**	30
TOTAL NET REVENUE	**14,737**	**18,399**	**16,890**	**17,384**	**16,112**	(20)	(9)	**50,026**	**53,988**	(7)
Provision for credit losses	3,811	3,455	4,424	2,542	1,785	10	114	11,690	4,322	170
Provision for credit losses — accounting conformity (a)	1,976	—	—	—	—	NM	NM	1,976	—	NM
NONINTEREST EXPENSE										
Compensation expense	5,858	6,913	4,951	5,469	4,677	(15)	25	17,722	17,220	3
Occupancy expense	766	669	648	659	657	14	17	2,083	1,949	7
Technology, communications and equipment expense	1,112	1,028	968	986	950	8	17	3,108	2,793	11
Professional & outside services	1,451	1,450	1,333	1,421	1,260	—	15	4,234	3,719	14
Marketing	453	413	546	570	561	10	(19)	1,412	1,500	(6)
Other expense	1,096	1,233	169	1,254	812	(11)	35	2,498	2,560	(2)
Amortization of intangibles	305	316	316	339	349	(3)	(13)	937	1,055	(11)
Merger costs	96	155	—	22	61	(38)	57	251	187	34
TOTAL NONINTEREST EXPENSE	**11,137**	**12,177**	**8,931**	**10,720**	**9,327**	(9)	19	**32,245**	**30,983**	4
Income (loss) before income tax expense and extraordinary gain	**(2,187)**	**2,767**	**3,535**	**4,122**	**5,000**	NM	NM	**4,115**	**18,683**	(78)
Income tax expense (benefit) (b)	(2,133)	764	1,162	1,151	1,627	NM	NM	(207)	6,289	NM
Income (loss) before extraordinary gain	(54)	2,003	2,373	2,971	3,373	NM	NM	4,322	12,394	(65)
Extraordinary gain (c)	581	—	—	—	—	NM	NM	581	—	NM
NET INCOME	**$ 527**	**$ 2,003**	**$ 2,373**	**$ 2,971**	**$ 3,373**	(74)	(84)	**$ 4,903**	**$ 12,394**	(60)
DILUTED EARNINGS PER SHARE										
Income (loss) before extraordinary gain	**$ (0.06)**	**$ 0.54**	**$ 0.68**	**$ 0.86**	**$ 0.97**	NM	NM	**$ 1.15**	**$ 3.52**	(67)
Extraordinary gain	**0.17**	—	—	—	—	NM	NM	**0.17**	—	NM
Net Income	**$ 0.11**	**$ 0.54**	**$ 0.68**	**$ 0.86**	**$ 0.97**	(80)	(89)	**$ 1.32**	**$ 3.52**	(60)
FINANCIAL RATIOS										
Income (loss) before extraordinary gain:										
ROE	(1)%	6%	8%	10%	11%			4%	14%	
ROE-GW	(1)	10	12	15	18			7	23	
ROA	(0.01)	0.48	0.61	0.77	0.91			0.35	1.16	
Net income:										
ROE	1	6	8	10	11			5	14	
ROE-GW	2	10	12	15	18			8	23	
ROA	0.12	0.48	0.61	0.77	0.91			0.39	1.16	
Effective income tax rate (b)	98	28	33	28	33			(5)	34	
Overhead ratio	76	66	53	62	58			64	57	
EXCLUDING IMPACT OF MERGER COSTS (d)										
Income (loss) before extraordinary gain	$ (54)	$ 2,003	$ 2,373	$ 2,971	$ 3,373	NM	NM	$ 4,322	$ 12,394	(65)
Less merger costs (after-tax)	60	96	—	14	38	(38)	58	156	116	34
Income before extraordinary gain excluding merger costs	**$ 6**	**$ 2,099**	**$ 2,373**	**$ 2,985**	**$ 3,411**	(100)	(100)	**$ 4,478**	**$ 12,510**	(64)
Diluted Per Share:										
Income (loss) before extraordinary gain	$ (0.06)	$ 0.54	$ 0.68	$ 0.86	$ 0.97	NM	NM	$ 1.15	$ 3.52	(67)
Less merger costs (after-tax)	0.02	0.03	—	—	0.01	(33)	100	0.05	0.03	67
Income (loss) before extraordinary gain excluding merger costs	**$ (0.04)**	**$ 0.57**	**$ 0.68**	**$ 0.86**	**$ 0.98**	NM	NM	**$ 1.20**	**$ 3.55**	(66)

(a) The third quarter of 2008 included an accounting conformity loan loss reserve provision related to the acquisition of Washington Mutual's banking operations.

(b) The income tax benefit in the third quarter and year-to-date 2008 is predominantly the result of reduced deferred tax liabilities on overseas earnings, as well as the tax benefit associated with the conforming loan loss reserve provision related to the acquisition of Washington Mutual's banking operations.

(c) JPMorgan Chase acquired the banking operations of Washington Mutual from the FDIC for $1.9 billion. The fair value of the net assets acquired from the FDIC exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, nonfinancial assets that are not held for sale were written down against that negative goodwill. The negative goodwill that remained after writing down nonfinancial assets was recognized as an extraordinary gain.

(d) Net income excluding merger costs, a non-GAAP financial measure, is used by the Firm to facilitate comparison of results against the Firm's ongoing operations and with other companies' U.S. GAAP financial statements.

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

JPMORGAN CHASE & CO.

	Sep 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Sep 30, 2008 Change Jun 30 2008	Sep 30, 2008 Change Sep 30 2007
ASSETS							
Cash and due from banks	$ 54,350	$ 32,255	$ 46,888	$ 40,144	$ 32,766	69%	66%
Deposits with banks	34,372	17,150	12,414	11,466	26,714	100	29
Federal funds sold and securities purchased under resale agreements	233,668	176,287	203,176	170,897	135,589	33	72
Securities borrowed	152,050	142,854	81,014	84,184	84,697	6	80
Trading assets:							
Debt and equity instruments	401,609	409,608	386,170	414,273	389,119	(2)	3
Derivative receivables	118,648	122,389	99,110	77,136	64,592	(3)	84
Securities	150,779	119,173	101,647	85,450	97,706	27	54
Loans (net of allowance for loan losses)	742,329	524,783	525,310	510,140	478,207	41	55
Accrued interest and accounts receivable (a)	104,232	64,294	50,989	24,823	26,401	62	295
Premises and equipment	9,962	11,843	9,457	9,319	8,892	(16)	12
Goodwill	46,121	45,993	45,695	45,270	45,335	—	2
Other intangible assets:							
Mortgage servicing rights	17,048	11,617	8,419	8,632	9,114	47	87
Purchased credit card relationships	1,827	1,984	2,140	2,303	2,427	(8)	(25)
All other intangibles	3,653	3,675	3,815	3,796	3,959	(1)	(8)
Other assets	180,821	91,765	66,618	74,314	74,057	97	144
TOTAL ASSETS	**$ 2,251,469**	**$ 1,775,670**	**$ 1,642,862**	**$ 1,562,147**	**$ 1,479,575**	27	52
LIABILITIES							
Deposits	$ 969,783	$ 722,905	$ 761,626	$ 740,728	$ 678,091	34	43
Federal funds purchased and securities sold under repurchase agreements	224,075	194,724	192,633	154,398	178,767	15	25
Commercial paper	54,480	50,151	50,602	49,596	33,978	9	60
Other borrowed funds	134,445	22,594	28,430	28,835	31,154	495	332
Trading liabilities:							
Debt and equity instruments	76,213	87,841	78,982	89,162	80,748	(13)	(6)
Derivative payables	85,816	95,749	78,983	68,705	68,426	(10)	25
Accounts payable, accrued expenses and other liabilities (including the allowance for lending-related commitments) (b)	260,563	171,004	106,088	94,476	86,524	52	201
Beneficial interests issued by consolidated VIEs	11,437	20,071	14,524	14,016	13,283	(43)	(14)
Long-term debt	271,416	260,192	189,995	183,862	173,696	4	56
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities	17,398	17,263	15,372	15,148	14,930	1	17
TOTAL LIABILITIES	**2,105,626**	**1,642,494**	**1,517,235**	**1,438,926**	**1,359,597**	28	55
STOCKHOLDERS' EQUITY							
Preferred stock	8,152	6,000	—	—	—	36	NM
Common stock	3,942	3,658	3,658	3,658	3,658	8	8
Capital surplus	90,535	78,870	78,072	78,597	78,295	15	16
Retained earnings	55,217	56,313	55,762	54,715	53,064	(2)	4
Accumulated other comprehensive income (loss)	(2,227)	(1,566)	(512)	(917)	(1,830)	(42)	(22)
Shares held in RSU trust	(267)	(269)	—	—	—	1	NM
Treasury stock, at cost	(9,509)	(9,830)	(11,353)	(12,832)	(13,209)	3	28
TOTAL STOCKHOLDERS' EQUITY	**145,843**	**133,176**	**125,627**	**123,221**	**119,978**	10	22
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 2,251,469**	**$ 1,775,670**	**$ 1,642,862**	**$ 1,562,147**	**$ 1,479,575**	27	52

(a) Includes margin loans; receivables from brokers, dealers and clearing organizations; and securities fails.

(b) Includes brokerage customer payables; payables to brokers, dealers and clearing organizations; and securities fails.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
AVERAGE BALANCES										
ASSETS										
Deposits with banks	$ 41,303	$ 38,813	$ 31,975	$ 41,363	$ 39,906	6%	4%	$ 37,378	$ 24,848	50%
Federal funds sold and securities purchased under resale agreements	164,980	155,664	153,864	140,622	133,780	6	23	158,195	134,009	18
Securities borrowed	134,651	100,322	83,490	86,649	87,955	34	53	106,258	85,878	24
Trading assets — debt instruments	298,760	302,053	322,986	308,175	310,445	(1)	(4)	307,899	287,680	7
Securities	119,443	109,834	89,757	93,236	95,694	9	25	106,392	95,982	11
Loans	536,890	537,964	526,598	508,172	476,912	—	13	533,829	470,078	14
Other assets (a)	37,237	15,629	—	—	—	138	NM	17,694	—	NM
Total interest-earning assets	**1,333,264**	**1,260,279**	**1,208,670**	**1,178,217**	**1,144,692**	6	16	**1,267,645**	**1,098,475**	15
Trading assets — equity instruments	92,300	99,525	78,810	93,453	86,177	(7)	7	90,220	86,923	4
Goodwill	45,947	45,781	45,699	45,321	45,276	—	1	45,809	45,194	1
Other intangible assets:										
Mortgage servicing rights	11,811	9,947	8,273	8,795	9,290	19	27	10,017	8,487	18
All other intangible assets	5,512	5,823	6,202	6,220	6,532	(5)	(16)	5,845	6,840	(15)
All other noninterest-earning assets	267,525	247,344	222,143	198,031	185,367	8	44	245,749	183,853	34
TOTAL ASSETS	**$ 1,756,359**	**$ 1,668,699**	**$ 1,569,797**	**$ 1,530,037**	**$ 1,477,334**	5	19	**$ 1,665,285**	**$ 1,429,772**	16
LIABILITIES										
Interest-bearing deposits	$ 589,348	$ 612,305	$ 600,132	$ 587,297	$ 540,937	(4)	9	$ 600,554	$ 517,856	16
Federal funds purchased and securities sold under repurchase agreements	200,032	203,348	179,897	171,450	206,174	(2)	(3)	194,446	204,942	(5)
Commercial paper	47,579	47,323	47,584	48,821	26,511	1	79	47,496	24,726	92
Other borrowings (b)	91,756	92,309	107,552	99,259	104,995	(1)	(13)	97,185	100,492	(3)
Other liabilities (c)	70,065	19,168	—	—	—	266	NM	29,891	—	NM
Beneficial interests issued by consolidated VIEs	11,431	17,990	14,082	14,183	14,454	(36)	(21)	14,490	14,691	(1)
Long-term debt	261,385	229,336	200,354	191,797	177,851	14	47	230,472	162,929	41
Total interest-bearing liabilities	**1,271,596**	**1,221,779**	**1,149,601**	**1,112,807**	**1,070,922**	4	19	**1,214,534**	**1,025,636**	18
Noninterest-bearing liabilities	351,023	315,965	295,616	295,670	287,436	11	22	320,978	286,369	12
TOTAL LIABILITIES	**1,622,619**	**1,537,744**	**1,445,217**	**1,408,477**	**1,358,358**	6	19	**1,535,512**	**1,312,005**	17
Preferred stock	7,100	4,549	—	—	—	56	NM	3,895	—	NM
Common stockholders' equity	126,640	126,406	124,580	121,560	118,976	—	6	125,878	117,767	7
TOTAL STOCKHOLDERS' EQUITY	**133,740**	**130,955**	**124,580**	**121,560**	**118,976**	2	12	**129,773**	**117,767**	10
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 1,756,359**	**$ 1,668,699**	**$ 1,569,797**	**$ 1,530,037**	**$ 1,477,334**	5	19	**$ 1,665,285**	**$ 1,429,772**	16
AVERAGE RATES										
INTEREST-EARNING ASSETS										
Deposits with banks	3.04%	3.87%	4.22%	4.95%	5.06%			3.66%	4.85%	
Federal funds sold and securities purchased under resale agreements	3.76	3.84	3.80	4.41	4.83			3.80	4.92	
Securities borrowed	2.07	2.29	3.56	4.77	5.60			2.53	5.45	
Trading assets — debt instruments	6.06	5.59	5.75	5.84	6.09			5.80	5.90	
Securities	5.09	5.27	5.47	5.58	5.69			5.26	5.68	
Loans	6.31	6.36	7.10	7.60	7.80			6.58	7.66	
Other assets (a)	3.29	3.97	—	—	—			3.49	—	
Total interest-earning assets	**5.22**	**5.34**	**5.88**	**6.30**	**6.55**			**5.47**	**6.46**	
INTEREST-BEARING LIABILITIES										
Interest-bearing deposits	2.26	2.36	3.09	3.84	4.13			2.57	4.12	
Federal funds purchased and securities sold under repurchase agreements	2.63	2.73	3.31	4.35	5.18			2.87	5.16	
Commercial paper	2.05	2.17	3.41	4.40	4.68			2.54	4.82	
Other borrowings (b)	4.32	4.28	5.03	5.02	4.90			4.57	4.88	
Other liabilities (c)	0.90	1.32	—	—	—			0.99	—	
Beneficial interests issued by consolidated VIEs	2.87	2.24	3.78	4.36	4.52			2.90	3.86	
Long-term debt	3.31	3.27	3.82	3.90	3.99			3.44	3.87	
Total interest-bearing liabilities	**2.61**	**2.71**	**3.45**	**4.06**	**4.41**			**2.91**	**4.38**	
INTEREST RATE SPREAD	2.61%	2.63%	2.43%	2.24%	2.14%			2.56%	2.08%	
NET YIELD ON INTEREST-EARNING ASSETS	2.73%	2.71%	2.59%	2.46%	2.43%			2.68%	2.37%	
NET YIELD ON INTEREST-EARNING ASSETS ADJUSTED FOR SECURITIZATIONS	3.06%	3.06%	2.95%	2.80%	2.75%			3.02%	2.70%	

(a) Predominantly margin loans.

(b) Includes securities sold but not yet purchased.

(c) Includes brokerage customer payables.

JPMORGAN CHASE & CO.
RECONCILIATION FROM REPORTED TO MANAGED SUMMARY
(in millions)

The Firm prepares its Consolidated financial statements using accounting principles generally accepted in the United States of America (“U.S. GAAP”). That presentation, which is referred to as “reported basis,” provides the reader with an understanding of the Firm’s results that can be tracked consistently from year to year and enables a comparison of the Firm’s performance with other companies’ U.S. GAAP financial statements.

In addition to analyzing the Firm’s results on a reported basis, management reviews the Firm’s and the lines’ of business results on a “managed” basis, which is a non-GAAP financial measure. The Firm’s definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications that assume credit card loans securitized by Card Services remain on the balance sheet and presents revenue on a fully taxable-equivalent (“FTE”) basis. These adjustments do not have any impact on net income as reported by the lines of business or by the Firm as a whole. The impact of these adjustments are summarized below. For additional information about managed basis, please refer to the Glossary of Terms on page 34.

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
CREDIT CARD INCOME										
Credit card income — reported	$ 1,771	$ 1,803	$ 1,796	$ 1,857	$ 1,777	(2)%	—%	$ 5,370	$ 5,054	6%
Impact of:										
Credit card securitizations	(843)	(843)	(937)	(885)	(836)	—	(1)	(2,623)	(2,370)	(11)
Credit card income — managed	$ 928	$ 960	$ 859	$ 972	$ 941	(3)	(1)	$ 2,747	$ 2,684	2
OTHER INCOME										
Other income — reported	$ (115)	$ (138)	$ 1,829	$ 469	$ 289	17	NM	$ 1,576	$ 1,360	16
Impact of:										
Tax-equivalent adjustments	323	247	203	182	192	31	68	773	501	54
Other income — managed	$ 208	$ 109	$ 2,032	$ 651	$ 481	91	(57)	$ 2,349	$ 1,861	26
TOTAL NONINTEREST REVENUE										
Total noninterest revenue — reported	$ 5,743	$ 10,105	$ 9,231	$ 10,161	$ 9,199	(43)	(38)	$ 25,079	$ 34,805	(28)
Impact of:										
Credit card securitizations	(843)	(843)	(937)	(885)	(836)	—	(1)	(2,623)	(2,370)	(11)
Tax-equivalent adjustments	323	247	203	182	192	31	68	773	501	54
Total noninterest revenue — managed	$ 5,223	$ 9,509	$ 8,497	$ 9,458	$ 8,555	(45)	(39)	$ 23,229	$ 32,936	(29)
NET INTEREST INCOME										
Net interest income — reported	$ 8,994	$ 8,294	$ 7,659	$ 7,223	$ 6,913	8	30	$ 24,947	$ 19,183	30
Impact of:										
Credit card securitizations	1,716	1,673	1,618	1,504	1,414	3	21	5,007	4,131	21
Tax-equivalent adjustments	155	202	124	90	95	(23)	63	481	287	68
Net interest income — managed	$ 10,865	$ 10,169	$ 9,401	$ 8,817	$ 8,422	7	29	$ 30,435	$ 23,601	29
TOTAL NET REVENUE										
Total net revenue — reported	$ 14,737	$ 18,399	$ 16,890	$ 17,384	$ 16,112	(20)	(9)	$ 50,026	$ 53,988	(7)
Impact of:										
Credit card securitizations	873	830	681	619	578	5	51	2,384	1,761	35
Tax-equivalent adjustments	478	449	327	272	287	6	67	1,254	788	59
Total net revenue — managed	$ 16,088	$ 19,678	$ 17,898	$ 18,275	$ 16,977	(18)	(5)	$ 53,664	$ 56,537	(5)
PROVISION FOR CREDIT LOSSES										
Provision for credit losses — reported	$ 5,787	$ 3,455	$ 4,424	$ 2,542	$ 1,785	67	224	$ 13,666	$ 4,322	216
Impact of:										
Credit card securitizations	873	830	681	619	578	5	51	2,384	1,761	35
Provision for credit losses — managed	$ 6,660	$ 4,285	$ 5,105	$ 3,161	$ 2,363	55	182	$ 16,050	$ 6,083	164
INCOME TAX EXPENSE										
Income tax expense (benefit) — reported	$ (2,133)	$ 764	$ 1,162	$ 1,151	$ 1,627	NM	NM	$ (207)	$ 6,289	NM
Impact of:										
Tax-equivalent adjustments	478	449	327	272	287	6	67	1,254	788	59
Income tax expense (benefit) — managed	$ (1,655)	$ 1,213	$ 1,489	$ 1,423	$ 1,914	NM	NM	$ 1,047	$ 7,077	(85)

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
TOTAL NET REVENUE (FTE)										
Investment Bank	$ 4,035	$ 5,470	$ 3,011	$ 3,172	$ 2,946	(26)%	37%	$ 12,516	$ 14,998	(17)%
Retail Financial Services	4,875	5,015	4,702	4,815	4,201	(3)	16	14,592	12,664	15
Card Services	3,887	3,775	3,904	3,971	3,867	3	1	11,566	11,264	3
Commercial Banking	1,125	1,106	1,067	1,084	1,009	2	11	3,298	3,019	9
Treasury & Securities Services	1,953	2,019	1,913	1,930	1,748	(3)	12	5,885	5,015	17
Asset Management	1,961	2,064	1,901	2,389	2,205	(5)	(11)	5,926	6,246	(5)
Corporate/Private Equity	(1,748)	229	1,400	914	1,001	NM	NM	(119)	3,331	NM
TOTAL NET REVENUE	$ 16,088	$ 19,678	$ 17,898	$ 18,275	$ 16,977	(18)	(5)	$ 53,664	$ 56,537	(5)
NET INCOME										
Investment Bank	$ 882	$ 394	$ (87)	$ 124	$ 296	124	198	$ 1,189	$ 3,015	(61)
Retail Financial Services	247	606	(227)	752	639	(59)	(61)	626	2,283	(73)
Card Services	292	250	609	609	786	17	(63)	1,151	2,310	(50)
Commercial Banking	312	355	292	288	258	(12)	21	959	846	13
Treasury & Securities Services	406	425	403	422	360	(4)	13	1,234	975	27
Asset Management	351	395	356	527	521	(11)	(33)	1,102	1,439	(23)
Corporate/Private Equity (a)	(1,963)	(422)	1,027	249	513	(365)	NM	(1,358)	1,526	NM
TOTAL NET INCOME	$ 527	$ 2,003	$ 2,373	$ 2,971	$ 3,373	(74)	(84)	$ 4,903	$ 12,394	(60)
AVERAGE EQUITY (b)										
Investment Bank	$ 26,000	$ 23,319	$ 22,000	$ 21,000	$ 21,000	11	24	$ 23,781	$ 21,000	13
Retail Financial Services	17,000	17,000	17,000	16,000	16,000	—	6	17,000	16,000	6
Card Services	14,100	14,100	14,100	14,100	14,100	—	—	14,100	14,100	—
Commercial Banking	7,000	7,000	7,000	6,700	6,700	—	4	7,000	6,435	9
Treasury & Securities Services	3,500	3,500	3,500	3,000	3,000	—	17	3,500	3,000	17
Asset Management	5,500	5,066	5,000	4,000	4,000	9	38	5,190	3,834	35
Corporate/Private Equity	53,540	56,421	55,980	56,760	54,176	(5)	(1)	55,307	53,398	4
TOTAL AVERAGE EQUITY	$ 126,640	$ 126,406	$ 124,580	$ 121,560	$ 118,976	—	6	$ 125,878	$ 117,767	7
RETURN ON EQUITY (b)										
Investment Bank	13%	7%	(2)%	2%	6%			7%	19%	
Retail Financial Services	6	14	(5)	19	16			5	19	
Card Services	8	7	17	17	22			11	22	
Commercial Banking	18	20	17	17	15			18	18	
Treasury & Securities Services	46	49	46	56	48			47	43	
Asset Management	25	31	29	52	52			28	50	

(a) The third quarter of 2008 included an accounting conformity loan loss reserve provision and an extraordinary gain related to the Washington Mutual transaction, as well as losses on preferred equity interests in FNMA and Freddie Mac. Prior periods included the after-tax impact of material litigation actions, tax audit benefits, equity earnings related to Bear Stearns and merger costs. See Corporate/Private Equity Financial Highlights for additional details.

(b) Each business segment is allocated capital by taking into consideration stand-alone peer comparisons, economic risk measures and regulatory capital requirements. The amount of capital assigned to each business is referred to as equity.

Note on business segment presentation:

The effects of Washington Mutual's banking operations are not included in the line of business finanical highlights that follow as such operations did not have a material effect on the results of the quarter ended September 30, 2008, except as follows: (1) for JPMorgan Chase as a firm and for the Corporate/Private Equity segment, the charge to conform Washington Mutual's loan loss reserves and the extraordinary gain related to the transaction are reflected, and (2) for consolidated information as of September 30, 2008, such as the period end balance sheet, credit related statistics, capital ratios and headcount, the amounts presented reflect the acquisition of these banking operations.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Investment banking fees	$ 1,593	$ 1,735	$ 1,206	$ 1,657	$ 1,330	(8)%	20%	$ 4,534	$ 4,959	(9)%
Principal transactions	(922)	838	(798)	(623)	(435)	NM	(112)	(882)	5,032	NM
Lending & deposit-related fees	118	105	102	142	118	12	—	325	304	7
Asset management, administration and commissions	847	709	744	705	712	19	19	2,300	1,996	15
All other income	(279)	(226)	(66)	(166)	(76)	(23)	(267)	(571)	88	NM
Noninterest revenue	**1,357**	**3,161**	**1,188**	**1,715**	**1,649**	(57)	(18)	**5,706**	**12,379**	(54)
Net interest income	2,678	2,309	1,823	1,457	1,297	16	106	6,810	2,619	160
TOTAL NET REVENUE (a)	**4,035**	**5,470**	**3,011**	**3,172**	**2,946**	(26)	37	**12,516**	**14,998**	(17)
Provision for credit losses	234	398	618	200	227	(41)	3	1,250	454	175
Credit reimbursement from TSS (b)	31	30	30	30	31	3	—	91	91	—
NONINTEREST EXPENSE										
Compensation expense	2,162	3,132	1,241	1,561	1,178	(31)	84	6,535	6,404	2
Noncompensation expense	1,654	1,602	1,312	1,450	1,200	3	38	4,568	3,659	25
TOTAL NONINTEREST EXPENSE	**3,816**	**4,734**	**2,553**	**3,011**	**2,378**	(19)	60	**11,103**	**10,063**	10
Income (loss) before income tax expense	**16**	**368**	**(130)**	**(9)**	**372**	(96)	(96)	**254**	**4,572**	(94)
Income tax expense (benefit) (c)	(866)	(26)	(43)	(133)	76	NM	NM	(935)	1,557	NM
NET INCOME (LOSS)	**$ 882**	**$ 394**	**$ (87)**	**$ 124**	**$ 296**	124	198	**$ 1,189**	**$ 3,015**	(61)
FINANCIAL RATIOS										
ROE	13%	7%	(2)%	2%	6%			7%	19%	
ROA	0.39	0.19	(0.05)	0.07	0.17			0.19	0.59	
Overhead ratio	95	87	85	95	81			89	67	
Compensation expense as a % of total net revenue	54	57	41	49	40			52	43	
REVENUE BY BUSINESS										
Investment banking fees:										
Advisory	$ 576	$ 370	$ 483	$ 646	$ 595	56	(3)	$ 1,429	$ 1,627	(12)
Equity underwriting	518	542	359	544	267	(4)	94	1,419	1,169	21
Debt underwriting	499	823	364	467	468	(39)	7	1,686	2,163	(22)
Total investment banking fees	**1,593**	**1,735**	**1,206**	**1,657**	**1,330**	(8)	20	**4,534**	**4,959**	(9)
Fixed income markets	815	2,347	466	615	687	(65)	19	3,628	5,724	(37)
Equity markets	1,650	1,079	976	578	537	53	207	3,705	3,325	11
Credit portfolio	(23)	309	363	322	392	NM	NM	649	990	(34)
Total net revenue	**$ 4,035**	**$ 5,470**	**$ 3,011**	**$ 3,172**	**$ 2,946**	(26)	37	**$ 12,516**	**$ 14,998**	(17)
REVENUE BY REGION										
Americas	$ 1,052	$ 3,165	$ 536	$ 1,128	$ 1,016	(67)	4	$ 4,753	$ 7,037	(32)
Europe/Middle East/Africa	2,509	1,512	1,641	1,334	1,389	66	81	5,662	5,967	(5)
Asia/Pacific	474	793	834	710	541	(40)	(12)	2,101	1,994	5
Total net revenue	**$ 4,035**	**$ 5,470**	**$ 3,011**	**$ 3,172**	**$ 2,946**	(26)	37	**$ 12,516**	**$ 14,998**	(17)

(a) Total net revenue included tax-equivalent adjustments, predominantly due to tax-exempt income from municipal bond investments and income tax credits related to affordable housing investments, of $427 million, $404 million, $289 million, $230 million, and $255 million for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $1.1 billion and $697 million for year-to-date 2008 and 2007, respectively.

(b) Treasury & Securities Services (“TSS”) was charged a credit reimbursement related to certain exposures managed within the Investment Bank credit portfolio on behalf of clients shared with TSS.

(c) The income tax benefit in the third quarter and year-to-date 2008 is predominantly the result of reduced deferred tax liabilities on overseas earnings.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SELECTED BALANCE SHEET DATA (Period-end)										
Equity	$ 33,000	$ 26,000	$ 22,000	$ 21,000	$ 21,000	27%	57%	$ 33,000	$ 21,000	57%
SELECTED BALANCE SHEET DATA (Average)										
Total assets	$ 890,040	$ 814,860	$ 755,828	$ 735,685	$ 710,665	9	25	$ 820,497	$ 688,730	19
Trading assets — debt and equity instruments	360,821	367,184	369,456	371,842	372,212	(2)	(3)	365,802	355,708	3
Trading assets — derivative receivables	105,462	99,395	90,234	74,659	63,017	6	67	98,390	59,336	66
Loans:										
Loans retained (a)	69,022	76,239	74,106	68,928	61,919	(9)	11	73,107	59,996	22
Loans held-for-sale & loans at fair value	17,612	20,440	19,612	24,977	17,315	(14)	2	19,215	15,278	26
Total loans	**86,634**	**96,679**	**93,718**	**93,905**	**79,234**	(10)	9	**92,322**	**75,274**	23
Adjusted assets (b)	694,459	676,777	662,419	644,573	625,619	3	11	677,945	600,688	13
Equity	26,000	23,319	22,000	21,000	21,000	11	24	23,781	21,000	13
Headcount	30,989	37,057	25,780	25,543	25,691	(16)	21	30,989	25,691	21
CREDIT DATA AND QUALITY STATISTICS										
Net charge-offs (recoveries)	$ 13	$ (8)	$ 13	$ (9)	$ 67	NM	(81)	$ 18	$ 45	(60)
Nonperforming assets:										
Nonperforming loans (c)	436	313	321	353	265	39	65	436	265	65
Other nonperforming assets	147	177	118	100	60	(17)	145	147	60	145
Allowance for credit losses:										
Allowance for loan losses	2,654	2,429	1,891	1,329	1,112	9	139	2,654	1,112	139
Allowance for lending-related commitments	463	469	607	560	568	(1)	(18)	463	568	(18)
Total allowance for credit losses	**3,117**	**2,898**	**2,498**	**1,889**	**1,680**	8	86	**3,117**	**1,680**	86
Net charge-off (recovery) rate (a) (d)	0.07%	(0.04)%	0.07%	(0.05)%	0.43%			0.03%	0.10%	
Allowance for loan losses to average loans (a) (d)	3.85	3.19(e)	2.55(e)	1.93	1.80			3.63(e)	1.85	
Allowance for loan losses to nonperforming loans (c)	657	843	683	439	585			657	585	
Nonperforming loans to average loans	0.50	0.32	0.34	0.38	0.33			0.47	0.35	

(a) Loans retained included credit portfolio loans, leveraged leases and other accrual loans, and excluded loans at fair value.

(b) Adjusted assets, a non-GAAP financial measure, equals total assets minus (1) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (2) assets of variable interest entities ("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 Investment Bank's ("IB") 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 that excludes the assets discussed above, which are considered to have a low risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.

(c) Nonperforming loans included loans held-for-sale and loans at fair value of $32 million, $25 million, $44 million, $50 million, and $75 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, which were excluded from the allowance coverage ratios. Nonperforming loans excluded distressed loans held-for-sale that were purchased as part of IB's proprietary activities.

(d) Loans held-for-sale & loans at fair value were excluded when calculating the allowance coverage ratio and net charge-off (recovery) rate.

(e) Excluding the impact of a loan originated in March 2008 to Bear Stearns, the adjusted ratio would be 3.46%, 2.61%, and 3.76% for the quarters ended June 30, 2008, and March 31, 2008, and year-to-date 2008, respectively. The average balance of the loan extended to Bear Stearns was $6.0 billion, $1.7 billion, and $2.6 billion for the quarters ended June 30, 2008, and March 31, 2008, and year-to-date 2008, respectively.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
MARKET RISK — AVERAGE TRADING AND CREDIT PORTFOLIO VAR (a)										
Trading activities:										
Fixed income	$ 183	$ 155	$ 120	$ 103	$ 98	18%	87%	$ 150	$ 72	108%
Foreign exchange	20	26	35	31	23	(23)	(13)	27	21	29
Equities	80	30	31	63	35	167	129	47	43	9
Commodities and other	41	31	28	29	28	32	46	33	34	(3)
Diversification (b)	(104)	(92)	(92)	(102)	(72)	(13)	(44)	(95)	(68)	(40)
Total trading VAR (c)	**220**	**150**	**122**	**124**	**112**	47	96	**162**	102	59
Credit portfolio VAR (d)	47	35	30	26	17	34	176	38	14	171
Diversification (b)	(49)	(36)	(30)	(27)	(22)	(36)	(123)	(39)	(16)	(144)
Total trading and credit portfolio VAR	**$ 218**	**$ 149**	**$ 122**	**$ 123**	**$ 107**	46	104	**$ 161**	100	61

	September 30, 2008 YTD		Full Year 2007	
MARKET SHARES AND RANKINGS (e)	**Market Share**	**Rankings**	**Market Share**	**Rankings**
Global debt, equity and equity-related	10%	#1	8%	# 2
Global syndicated loans	12%	#1	13%	# 1
Global long-term debt (f)	9%	#1	7%	# 3
Global equity and equity-related (g)	12%	#1	9%	# 2
Global announced M&A (h)	24%	#3	27%	# 4
U.S. debt, equity and equity-related	15%	#1	10%	# 2
U.S. syndicated loans	27%	#1	24%	# 1
U.S. long-term debt (f)	15%	#1	10%	# 2
U.S. equity and equity-related (g)	17%	#1	11%	# 5
U.S. announced M&A (h)	33%	#3	28%	# 3

(a) Results for second quarter 2008 include one month of the combined Firm's results and two months of heritage JPMorgan Chase & Co. results. All prior periods reflect heritage JPMorgan Chase & Co. results.

(b) Average VARs were less than the sum of the VARs of their market risk components, which was due to risk offsets resulting from portfolio diversification. The diversification effect reflected the fact that the risks were not perfectly correlated. The risk of a portfolio of positions is usually less than the sum of the risks of the positions themselves.

(c) Trading VAR includes predominantly all trading activities in IB; however, particular risk parameters of certain products are not fully captured, for example, correlation risk or the credit spread sensitivity of certain mortgage products. Trading VAR does not include VAR related to held-for-sale funded loans and unfunded commitments, nor the debit valuation adjustments ("DVA") taken on derivative and structured liabilities to reflect the credit quality of the Firm. Trading VAR also does not include the MSR portfolio or VAR related to other corporate functions, such as Corporate/Private Equity.

(d) Includes VAR on derivative credit valuation adjustments, hedges of the credit valuation adjustment and mark-to-market hedges of the retained loan portfolio, which are all reported in principal transactions revenue. This VAR does not include the retained loan portfolio.

(e) Source: Thomson Reuters Securities data. September 30, 2008 YTD results are pro forma for the acquisition of Bear Stearns. Full year 2007 results represent heritage-JPMorgan Chase & Co. only.

(f) Includes asset-backed securities, mortgage-backed securities and municipal securities.

(g) Includes rights offerings; U.S. domiciled equity and equity-related transactions.

(h) Source: Thomson Reuters Securities data. Global announced M&A is based upon rank value; all other rankings were based upon 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%. Global and U.S. announced M&A market share and ranking for 2007 include transactions withdrawn since December 31, 2007. U.S. announced M&A represents any U.S. involvement ranking.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Lending & deposit-related fees	$ 538	$ 497	$ 461	$ 496	$ 492	8%	9%	$ 1,496	$ 1,385	8%
Asset management, administration and commissions	346	375	377	332	336	(8)	3	1,098	943	16
Securities gains (losses)	—	—	—	1	—	—	—	—	—	—
Mortgage fees and related income	437	696	525	888	229	(37)	91	1,658	1,206	37
Credit card income	204	194	174	174	167	5	22	572	472	21
All other income	206	198	154	219	296	4	(30)	558	687	(19)
Noninterest revenue	**1,731**	**1,960**	**1,691**	**2,110**	**1,520**	(12)	14	**5,382**	**4,693**	15
Net interest income	3,144	3,055	3,011	2,705	2,681	3	17	9,210	7,971	16
TOTAL NET REVENUE	**4,875**	**5,015**	**4,702**	**4,815**	**4,201**	(3)	16	**14,592**	**12,664**	15
Provision for credit losses	1,678	1,332	2,492	1,051	680	26	147	5,502	1,559	253
NONINTEREST EXPENSE										
Compensation expense	1,120	1,184	1,160	1,113	1,087	(5)	3	3,464	3,256	6
Noncompensation expense	1,552	1,386	1,310	1,313	1,265	12	23	4,248	3,753	13
Amortization of intangibles	100	100	100	114	117	—	(15)	300	351	(15)
TOTAL NONINTEREST EXPENSE	**2,772**	**2,670**	**2,570**	**2,540**	**2,469**	4	12	**8,012**	**7,360**	9
Income (loss) before income tax expense	**425**	**1,013**	**(360)**	**1,224**	**1,052**	(58)	(60)	**1,078**	**3,745**	(71)
Income tax expense (benefit)	178	407	(133)	472	413	(56)	(57)	452	1,462	(69)
NET INCOME (LOSS)	**$ 247**	**$ 606**	**$ (227)**	**$ 752**	**$ 639**	(59)	(61)	**$ 626**	**$ 2,283**	(73)
FINANCIAL RATIOS										
ROE	6%	14%	(5)%	19%	16%			5%	19%	
Overhead ratio	57	53	55	53	59			55	58	
Overhead ratio excluding core deposit intangibles (a)	55	51	53	50	56			53	55	
SELECTED BALANCE SHEET DATA (Period-end)										
Assets	$ 228,982	$ 230,695	$ 227,916	$ 225,908	$ 216,754	(1)	6	$ 228,982	$ 216,754	6
Loans:										
Loans retained	187,548	187,595	184,211	181,016	172,498	—	9	187,548	172,498	9
Loans held-for-sale & loans at fair value (b)	9,655	16,282	18,000	16,541	18,274	(41)	(47)	9,655	18,274	(47)
Total loans	**197,203**	**203,877**	**202,211**	**197,557**	**190,772**	(3)	3	**197,203**	**190,772**	3
Deposits	222,574	223,121	230,854	221,129	216,135	—	3	222,574	216,135	3
Equity	$ 25,000	$ 17,000	$ 17,000	$ 16,000	$ 16,000	47	56	25,000	16,000	56
SELECTED BALANCE SHEET DATA (Average)										
Assets	$ 230,428	$ 232,725	$ 227,560	$ 221,557	$ 214,852	(1)	7	$ 230,239	$ 216,218	6
Loans:										
Loans retained	187,429	185,993	182,220	176,140	168,495	1	11	185,222	165,479	12
Loans held-for-sale & loans at fair value (b)	16,037	20,492	17,841	17,538	19,560	(22)	(18)	18,116	24,289	(25)
Total loans	**203,466**	**206,485**	**200,061**	**193,678**	**188,055**	(1)	8	**203,338**	**189,768**	7
Deposits	222,180	226,487	225,555	219,226	216,904	(2)	2	224,731	217,669	3
Equity	17,000	17,000	17,000	16,000	16,000	—	6	17,000	16,000	6
Headcount	67,265	69,550	70,095	69,465	68,528	(3)	(2)	67,265	68,528	(2)

(a) Retail Financial Services uses the overhead ratio (excluding the amortization of core deposit intangibles ("CDI")), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation results in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this method would result in an improving overhead ratio over time, all things remaining equal. This non-GAAP ratio excludes Regional Banking's core deposit intangible amortization expense related to The Bank of New York transaction and the Bank One merger of $99 million, $99 million, $99 million, $113 million, and $116 million for the quarters ending September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $297 million and $347 million for year-to-date 2008 and 2007, respectively.

(b) Loans included prime mortgage loans originated with the intent to sell, which were accounted for at fair value. These loans, classified as trading assets on the Consolidated balance sheets, totaled $8.1 billion, $14.1 billion, $13.5 billion, $12.6 billion, and $14.4 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. Average loans included prime mortgage loans, classified as trading assets on the Consolidated balance sheets, of $14.5 billion, $16.9 billion, $13.4 billion, $13.5 billion, and $14.1 billion for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $14.9 billion and $11.4 billion for the year-to-date 2008 and 2007, respectively.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
CREDIT DATA AND QUALITY STATISTICS										
Net charge-offs	$ 1,196	$ 941	$ 789	$ 522	$ 350	27%	242%	$ 2,926	$ 805	263%
Nonperforming loans (a) (b) (c)	4,443	3,515	2,992	2,399	1,820	26	144	4,443	1,820	144
Nonperforming assets (a) (b) (c)	5,131	4,123	3,524	2,886	2,232	24	130	5,131	2,232	130
Allowance for loan losses	4,957	4,475	4,208	2,634	2,105	11	135	4,957	2,105	135
Net charge-off rate (d) (e)	2.44%	1.99%	1.71%	1.17%	0.82%			2.05%	0.65%	
Allowance for loan losses to ending loans (d)	2.64	2.39	2.28	1.46	1.22			2.64	1.22	
Allowance for loan losses to nonperforming loans (d)	117	134	147	113	117			117	117	
Nonperforming loans to total loans	2.25	1.72	1.48	1.21	0.95			2.25	0.95	
REGIONAL BANKING										
Noninterest revenue	$ 1,049	$ 1,022	$ 878	$ 940	$ 1,013	3	4	$ 2,949	$ 2,783	6
Net interest income	2,652	2,571	2,543	2,363	2,325	3	14	7,766	6,920	12
Total net revenue	**3,701**	**3,593**	**3,421**	**3,303**	**3,338**	3	11	**10,715**	**9,703**	10
Provision for credit losses	1,552	1,213	2,324	915	574	28	170	5,089	1,301	291
Noninterest expense	1,773	1,778	1,794	1,785	1,760	—	1	5,345	5,238	2
Income (loss) before income tax expense	**376**	**602**	**(697)**	**603**	**1,004**	(38)	(63)	**281**	**3,164**	(91)
Net income (loss)	**218**	**354**	**(433)**	**371**	**611**	(38)	(64)	**139**	**1,930**	(93)
ROE	7%	11%	(14)	% 12%	21%			1%	22%	
Overhead ratio	48	49	52	54	53			50	54	
Overhead ratio excluding core deposit intangibles (f)	45	47	50	51	49			47	50	

(a) Nonperforming loans included loans held-for-sale and loans accounted for at fair value of $207 million, $180 million, $129 million, $69 million, and $17 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. Certain of these loans are classified as trading assets on the Consolidated balance sheets.

(b) Nonperforming loans and assets excluded (1) loans eligible for repurchase as well as loans repurchased from Governmental National Mortgage Association (“GNMA”) pools that are insured by U.S. government agencies of $1.8 billion, $1.9 billion, $1.8 billion, $1.5 billion, and $1.3 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and (2) education loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of $405 million, $ 371 million, $252 million, $279 million, and $241 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts for GNMA and education loans are excluded, as reimbursement is proceeding normally.

(c) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform with all other home lending products. Prior period nonperforming loans and assets have been revised to conform with this change.

(d) Loans held-for-sale and loans accounted for at fair value under SFAS 159 were excluded when calculating the allowance coverage ratio and the net charge-off rate.

(e) The net charge-off rate for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, and December 31, 2007, excluded $45 million, $19 million, $14 million, and $2 million, respectively, and the nine months ended September 30, 2008, excluded $78 million of charge-offs related to prime mortgage loans held by Corporate/Private Equity.

(f) Regional Banking uses the overhead ratio (excluding the amortization of core deposit intangibles (“CDI”)), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation results in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this inclusion would result in an improving overhead ratio over time, all things remaining equal. This non-GAAP ratio excludes Regional Banking’s core deposit intangible amortization expense related to The Bank of New York transaction and the Bank One merger of $99 million, $99 million, $99 million, $113 million, and $116 million for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $297 million and $347 million for year-to-date 2008 and 2007, respectively.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
REGIONAL BANKING (continued)										
BUSINESS METRICS (in billions)										
Home equity origination volume	$ 2.6	$ 5.3	$ 6.7	$ 9.8	$ 11.2	(51)%	(77)%	$ 14.6	$ 38.5	(62)%
End of period loans owned:										
Home equity	$ 94.6	$ 95.1	$ 95.0	$ 94.8	$ 93.0	(1)	2	$ 94.6	$ 93.0	2
Mortgage (a)	13.6	14.9	15.9	15.7	12.3	(9)	11	13.6	12.3	11
Business banking	16.5	16.4	15.8	15.4	14.9	1	11	16.5	14.9	11
Education	15.3	13.0	12.4	11.0	10.2	18	50	15.3	10.2	50
Other loans (b)	1.0	1.1	1.1	2.3	2.4	(9)	(58)	1.0	2.4	(58)
Total end of period loans	**141.0**	**140.5**	**140.2**	**139.2**	**132.8**	—	6	**141.0**	**132.8**	6
End of period deposits:										
Checking	$ 69.0	$ 69.1	$ 69.1	$ 67.0	$ 64.5	—	7	$ 69.0	$ 64.5	7
Savings	105.0	105.8	105.4	96.0	95.7	(1)	10	105.0	95.7	10
Time and other	37.5	37.0	44.6	48.7	46.5	1	(19)	37.5	46.5	(19)
Total end of period deposits	**211.5**	**211.9**	**219.1**	**211.7**	**206.7**	—	2	**211.5**	**206.7**	2
Average loans owned:										
Home equity	$ 94.8	$ 95.1	$ 95.0	$ 94.0	$ 91.8	—	3	$ 95.0	$ 89.1	7
Mortgage loans (a)	14.3	15.6	15.8	13.7	9.9	(8)	44	15.2	9.2	65
Business banking	16.4	16.1	15.6	15.1	14.8	2	11	16.1	14.5	11
Education (c)	14.1	12.7	12.0	10.6	9.8	11	44	12.9	10.4	24
Other loans (b)	1.0	1.1	1.5	2.3	2.4	(9)	(58)	1.2	2.6	(54)
Total average loans (c)	**140.6**	**140.6**	**139.9**	**135.7**	**128.7**	—	9	**140.4**	**125.8**	12
Average deposits:										
Checking	$ 68.0	$ 68.5	$ 66.3	$ 64.5	$ 64.9	(1)	5	$ 63.4	$ 66.5	(5)
Savings	105.5	105.8	100.3	96.3	97.1	—	9	103.9	97.4	7
Time and other	36.7	39.6	47.7	47.7	43.3	(7)	(15)	45.5	42.5	7
Total average deposits	**210.2**	**213.9**	**214.3**	**208.5**	**205.3**	(2)	2	**212.8**	**206.4**	3
Average assets	148.7	149.3	149.9	147.1	140.6	—	6	149.3	138.1	8
Average equity	12.4	12.4	12.4	11.8	11.8	—	5	12.4	11.8	5
CREDIT DATA AND QUALITY STATISTICS										
30+ day delinquency rate (d) (e)	4.18%	3.61%	3.23%	3.03%	2.39%			4.18%	2.39%	
Net charge-offs										
Home equity	$ 663	$ 511	$ 447	$ 248	$ 150	30	342	$ 1,621	$ 316	413
Mortgage	318	211	163	73	40	51	NM	692	86	NM
Business banking	55	51	40	38	33	8	67	146	88	66
Other loans	34	48	21	28	23	(29)	48	103	88	17
Total net charge-offs	**1,070**	**821**	**671**	**387**	**246**	30	335	**2,562**	**578**	343
Net charge-off rate										
Home equity	2.78%	2.16%	1.89%	1.05%	0.65%			2.28%	0.47%	
Mortgage (f)	7.59	4.95	3.79	2.06	1.60			5.40	1.25	
Business banking	1.33	1.27	1.03	1.00	0.88			1.21	0.81	
Other loans	0.97	1.80	0.89	1.21	1.01			1.21	1.28	
Total net charge-off rate (c) (f)	**2.92**	**2.35**	**1.94**	**1.16**	**0.78**			**2.41**	**0.63**	
Nonperforming assets (g) (h)	$ 4,310	$ 3,506	$ 3,047	$ 2,574	$ 2,034	23	112	$ 4,310	$ 2,034	112

(a) Balance reported predominantly reflected subprime mortgage loans owned.

(b) Included commercial loans derived from community development activities prior to March 31, 2008.

(c) Average loans included loans held-for-sale of \$1.2 billion, \$3.1 billion, \$4.0 billion, \$3.7 billion, and \$3.2 billion for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and \$2.8 billion and \$3.8 billion for year-to-date 2008 and 2007, respectively. These amounts were excluded when calculating the net charge-off rate.

(d) Excluded loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by U.S. government agencies of \$2.0 billion, \$1.5 billion, \$1.5 billion, \$1.2 billion, and \$979 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts are excluded as reimbursement is proceeding normally.

(e) Excluded loans that are 30 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$787 million, \$594 million, \$534 million, \$663 million, and \$590 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts are excluded as reimbursement is proceeding normally.

(f) The net charge-off rate for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, and December 31, 2007, excluded \$45 million, \$19 million, \$14 million, and \$2 million, respectively, and the nine months ended September 30, 2008, excluded \$78 million of charge-offs related to prime mortgage loans held by Corporate/Private Equity.

(g) Nonperforming assets excluded (1) loans eligible for repurchase as well as loans repurchased from Governmental National Mortgage Association ("GNMA") pools that are insured by U.S. government agencies of \$1.8 billion, \$1.9 billion, \$1.8 billion, \$1.5 billion, and \$1.3 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and (2) education loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$405 million, \$371 million, \$252 million, \$279 million, and \$241 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts for GNMA and education loans are excluded, as reimbursement is proceeding normally.

(h) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform with all other home lending products. Prior period nonperforming assets have been revised to conform with this change.

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

JPMorgan Chase & Co.

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
REGIONAL BANKING (continued)										
RETAIL BRANCH BUSINESS METRICS										
Investment sales volume	$ 4,389	$ 5,211	$ 4,084	$ 4,114	$ 4,346	(16)%	1%	$ 13,684	$ 14,246	(4)%
Number of:										
Branches	3,179	3,157	3,146	3,152	3,096	1	3	3,179	3,096	3
ATMs	9,308	9,310	9,237	9,186	8,943	—	4	9,308	8,943	4
Personal bankers	10,201	9,995	9,826	9,650	9,503	2	7	10,201	9,503	7
Sales specialists	3,959	4,116	4,133	4,105	4,025	(4)	(2)	3,959	4,025	(2)
Active online customers (in thousands)	7,315	7,180	6,454	5,918	5,706	2	28	7,315	5,706	28
Checking accounts (in thousands)	11,672	11,336	11,068	10,839	10,644	3	10	11,672	10,644	10
MORTGAGE BANKING										
Production revenue	$ 254	$ 597	$ 576	$ 321	$ 176	(57)	44	$ 1,427	$ 1,039	37
Net mortgage servicing revenue:										
Loan servicing revenue	695	678	634	665	629	3	10	2,007	1,845	9
Changes in MSR asset fair value:										
Due to inputs or assumptions in model	(786)	1,519	(632)	(766)	(810)	NM	3	101	250	(60)
Other changes in fair value	(390)	(394)	(425)	(393)	(377)	1	(3)	(1,209)	(1,138)	(6)
Total changes in MSR asset fair value	**(1,176)**	**1,125**	**(1,057)**	**(1,159)**	**(1,187)**	NM	1	**(1,108)**	**(888)**	(25)
Derivative valuation adjustments and other	893	(1,478)	598	1,232	788	NM	13	13	(353)	NM
Total net mortgage servicing revenue	412	325	175	738	230	27	79	912	604	51
Total net revenue	**666**	**922**	**751**	**1,059**	**406**	(28)	64	**2,339**	**1,643**	42
Noninterest expense	747	649	536	518	485	15	54	1,932	1,469	32
Income (loss) before income tax expense	**(81)**	**273**	**215**	**541**	**(79)**	NM	(3)	**407**	**174**	134
Net income (loss)	**(50)**	**169**	**132**	**332**	**(48)**	NM	(4)	**251**	**107**	135
ROE	(8)%	28%	22%	66	(10)%			14%	7%	
Business metrics (in billions)										
Third-party mortgage loans serviced (ending)	$ 681.8	$ 659.1	$ 627.1	$ 614.7	$ 600.0	3	14	$ 681.8	$ 600.0	14
MSR net carrying value (ending)	10.6	10.9	8.4	8.6	9.1	(3)	16	10.6	9.1	16
Avg mortgage loans held-for-sale & loans at fair value (a)	14.9	17.4	13.8	13.8	16.4	(14)	(9)	15.4	20.4	(25)
Average assets	35.4	36.2	32.2	30.6	31.4	(2)	13	34.6	35.0	(1)
Average equity	2.4	2.4	2.4	2.0	2.0	—	20	2.4	2.0	20
Mortgage origination volume by channel (in billions)										
Retail	$ 8.4	$ 12.5	$ 12.6	$ 9.9	$ 11.1	(33)	(24)	$ 33.5	$ 35.6	(6)
Wholesale	5.9	9.1	10.6	10.2	9.8	(35)	(40)	25.6	32.5	(21)
Correspondent	13.2	17.0	12.0	9.5	7.2	(22)	83	42.2	18.4	129
CNT (negotiated transactions)	10.2	17.5	11.9	10.4	11.1	(42)	(8)	39.6	32.9	20
Total	**37.7**	**56.1**	**47.1**	**40.0**	**39.2**	(33)	(4)	**140.9**	**119.4**	18

(a) Included $14.5 billion, $16.9 billion, $13.4 billion, $13.5 billion, and $14.1 billion of prime mortgage loans at fair value for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $14.9 billion and $11.4 billion for year-to-date 2008 and 2007, respectively. These loans are classified as trading assets on the Consolidated balance sheets.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
AUTO FINANCE										
Noninterest revenue	$ 157	$ 155	$ 151	$ 142	$ 140	1%	12%	$ 463	$ 409	13%
Net interest income	349	343	379	308	307	2	14	1,071	898	19
Total net revenue	**506**	**498**	**530**	**450**	**447**	2	13	**1,534**	**1,307**	17
Provision for credit losses	124	117	168	133	96	6	29	409	247	66
Noninterest expense	252	243	240	237	224	4	13	735	653	13
Income before income tax expense	**130**	**138**	**122**	**80**	**127**	(6)	2	**390**	**407**	(4)
Net income	**79**	**83**	**74**	**49**	**76**	(5)	4	**236**	246	(4)
ROE	14%	15%	13%	9%	14%			14%	15%	
ROA	0.68	0.71	0.65	0.44	0.70			0.68	0.76	
Business metrics (in billions)										
Auto origination volume	$ 3.8	$ 5.6	$ 7.2	$ 5.6	$ 5.2	(32)	(27)	$ 16.6	$ 15.7	6
End-of-period loans and lease related assets										
Loans outstanding	$ 43.2	$ 44.7	$ 44.4	$ 42.0	$ 40.3	(3)	7	$ 43.2	$ 40.3	7
Lease financing receivables	0.1	0.2	0.3	0.3	0.6	(50)	(83)	0.1	0.6	(83)
Operating lease assets	2.2	2.1	2.0	1.9	1.8	5	22	2.2	1.8	22
Total end-of-period loans and lease related assets	**45.5**	**47.0**	**46.7**	**44.2**	**42.7**	(3)	7	**45.5**	**42.7**	7
Average loans and lease related assets										
Loans outstanding	$ 43.8	$ 44.7	$ 42.9	$ 41.1	$ 39.9	(2)	10	$ 43.8	$ 39.8	10
Lease financing receivables	0.1	0.2	0.3	0.5	0.7	(50)	(86)	0.2	1.1	(82)
Operating lease assets	2.2	2.1	1.9	1.9	1.8	5	22	2.1	1.7	24
Total average loans and lease related assets	**46.1**	**47.0**	**45.1**	**43.5**	**42.4**	(2)	9	**46.1**	**42.6**	8
Average assets	46.4	47.3	45.5	43.8	42.9	(2)	8	46.4	43.1	8
Average equity	2.3	2.3	2.3	2.2	2.2	—	5	2.3	2.2	5
Credit quality statistics										
30+ day delinquency rate	1.82%	1.57%	1.44%	1.85%	1.65%			1.82%	1.65%	
Net charge-offs										
Loans	$ 123	$ 118	$ 117	$ 132	$ 98	4	26	$ 358	$ 218	64
Lease receivables	1	1	1	1	1	—	—	3	3	—
Total net charge-offs	**124**	**119**	**118**	**133**	**99**	4	25	**361**	**221**	63
Net charge-off rate										
Loans	1.12%	1.06%	1.10%	1.27%	0.97%			1.09%	0.73%	
Lease receivables	3.98	2.01	1.34	0.79	0.57			2.00	0.36	
Total net charge-off rate	**1.12**	**1.07**	**1.10**	**1.27**	**0.97**			**1.10**	**0.72**	
Nonperforming assets	$ 239	$ 164	$ 160	$ 188	$ 156	46	53	$ 239	$ 156	53

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Credit card income	$ 633	$ 673	$ 600	$ 712	$ 692	(6)%	(9)%	$ 1,906	$ 1,973	(3)%
All other income	13	91	119	122	67	(86)	(81)	223	239	(7)
Noninterest revenue	646	764	719	834	759	(15)	(15)	2,129	2,212	(4)
Net interest income	3,241	3,011	3,185	3,137	3,108	8	4	9,437	9,052	4
TOTAL NET REVENUE	**3,887**	**3,775**	**3,904**	**3,971**	**3,867**	3	1	**11,566**	**11,264**	3
Provision for credit losses	2,229	2,194	1,670	1,788	1,363	2	64	6,093	3,923	55
NONINTEREST EXPENSE										
Compensation expense	267	258	267	260	256	3	4	792	761	4
Noncompensation expense	773	763	841	790	827	1	(7)	2,377	2,383	—
Amortization of intangibles	154	164	164	173	179	(6)	(14)	482	547	(12)
TOTAL NONINTEREST EXPENSE	**1,194**	**1,185**	**1,272**	**1,223**	**1,262**	1	(5)	**3,651**	**3,691**	(1)
Income before income tax expense	464	396	962	960	1,242	17	(63)	1,822	3,650	(50)
Income tax expense	172	146	353	351	456	18	(62)	671	1,340	(50)
NET INCOME	**$ 292**	**$ 250**	**$ 609**	**$ 609**	**$ 786**	17	(63)	**$ 1,151**	**$ 2,310**	(50)
Memo: Net securitization gains (amortization)	**$ (28)**	**$ 36**	**$ 70**	**$ 28**	**$ —**	NM	NM	**$ 78**	**$ 39**	100
FINANCIAL METRICS										
ROE	8%	7%	17%	17%	22%			11%	22%	
Overhead ratio	31	31	33	31	33			32	33	
% of average managed outstandings:										
Net interest income	8.18	7.92	8.34	8.20	8.29			8.15	8.15	
Provision for credit losses	5.63	5.77	4.37	4.67	3.64			5.26	3.53	
Noninterest revenue	1.63	2.01	1.88	2.18	2.03			1.84	1.99	
Risk adjusted margin (a)	4.19	4.16	5.85	5.71	6.68			4.73	6.61	
Noninterest expense	3.01	3.12	3.33	3.20	3.37			3.15	3.32	
Pretax income (ROO) (b)	1.17	1.04	2.52	2.51	3.31			1.57	3.29	
Net income	0.74	0.66	1.60	1.59	2.10			0.99	2.08	
BUSINESS METRICS										
Charge volume (in billions)	$ 93.9	$ 93.6	$ 85.4	$ 95.5	$ 89.8	—	5	$ 272.9	$ 259.1	5
Net accounts opened (in millions)	3.6	3.6	3.4	5.3	4.0	—	(10)	10.6	11.1	(5)
Credit cards issued (in millions)	156.9	157.6	156.4	155.0	153.6	—	2	156.9	153.6	2
Number of registered internet customers (in millions)	27.5	28.0	26.7	28.3	26.4	(2)	4	27.5	26.4	4
Merchant acquiring business (c)										
Bank card volume (in billions)	$ 197.1	$ 199.3	$ 182.4	$ 194.4	$ 181.4	(1)	9	$ 578.8	$ 524.7	10
Total transactions (in billions)	5.7	5.6	5.2	5.4	5.0	2	14	16.5	14.3	15

(a) Represents total net revenue less provision for credit losses.

(b) Pretax return on average managed outstandings.

(c) Represents 100% of the merchant acquiring business.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SELECTED ENDING BALANCES										
Loans:										
Loans on balance sheets	$ 77,565	$ 76,278	$ 75,888	$ 84,352	$ 79,409	2%	(2)%	$ 77,565	$ 79,409	(2)%
Securitized loans	81,745	79,120	75,062	72,701	69,643	3	17	81,745	69,643	17
Managed loans	**$ 159,310**	**$ 155,398**	**$ 150,950**	**$ 157,053**	**$ 149,052**	3	7	**$ 159,310**	**$ 149,052**	7
Equity	$ 15,000	$ 14,100	$ 14,100	$ 14,100	$ 14,100	6	6	$ 15,000	$ 14,100	6
SELECTED AVERAGE BALANCES										
Managed assets	$ 169,413	$ 161,601	$ 159,602	$ 158,183	$ 154,956	5	9	$ 163,560	$ 155,206	5
Loans:										
Loans on balance sheets	$ 79,183	$ 75,630	$ 79,445	$ 79,028	$ 79,993	5	(1)	$ 78,090	$ 80,301	(3)
Securitized loans	78,371	77,195	74,108	72,715	68,673	2	14	76,564	68,200	12
Managed average loans	**$ 157,554**	**$ 152,825**	**$ 153,553**	**$ 151,743**	**$ 148,666**	3	6	**$ 154,654**	**$ 148,501**	4
Equity	$ 14,100	$ 14,100	$ 14,100	$ 14,100	$ 14,100	—	—	$ 14,100	$ 14,100	—
Headcount	19,722	19,570	18,931	18,554	18,887	1	4	19,722	18,887	4
MANAGED CREDIT QUALITY STATISTICS										
Net charge-offs	$ 1,979	$ 1,894	$ 1,670	$ 1,488	$ 1,363	4	45	$ 5,543	$ 4,008	38
Net charge-off rate	5.00%	4.98%	4.37%	3.89%	3.64%			4.79%	3.61%	
Managed delinquency ratios										
30+ days	3.69%	3.46%	3.66%	3.48%	3.25%			3.69%	3.25%	
90+ days	1.74	1.76	1.84	1.65	1.50			1.74	1.50	
Allowance for loan losses (a)	$ 3,951	$ 3,705	$ 3,404	$ 3,407	$ 3,107	7	27	$ 3,951	$ 3,107	27
Allowance for loan losses to period-end loans (a)	5.09%	4.86%	4.49%	4.04%	3.91%			5.09%	3.91%	

(a) Loans on a reported basis.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT DATA (a)										
Credit card income										
Reported	$ 1,476	$ 1,516	$ 1,537	$ 1,597	$ 1,528	(3)%	(3)%	$ 4,529	$ 4,343	4%
Securitization adjustments	(843)	(843)	(937)	(885)	(836)	—	(1)	(2,623)	(2,370)	(11)
Managed credit card income	**$ 633**	**$ 673**	**$ 600**	**$ 712**	**$ 692**	(6)	(9)	**$ 1,906**	**$ 1,973**	(3)
Net interest income										
Reported	$ 1,525	$ 1,338	$ 1,567	$ 1,633	$ 1,694	14	(10)	$ 4,430	$ 4,921	(10)
Securitization adjustments	1,716	1,673	1,618	1,504	1,414	3	21	5,007	4,131	21
Managed net interest income	**$ 3,241**	**$ 3,011**	**$ 3,185**	**$ 3,137**	**$ 3,108**	8	4	**$ 9,437**	**$ 9,052**	4
Total net revenue										
Reported	$ 3,014	$ 2,945	$ 3,223	$ 3,352	$ 3,289	2	(8)	$ 9,182	$ 9,503	(3)
Securitization adjustments	873	830	681	619	578	5	51	2,384	1,761	35
Managed total net revenue	**$ 3,887**	**$ 3,775**	**$ 3,904**	**$ 3,971**	**$ 3,867**	3	1	**$ 11,566**	**$ 11,264**	3
Provision for credit losses										
Reported	$ 1,356	$ 1,364	$ 989	$ 1,169	$ 785	(1)	73	$ 3,709	$ 2,162	72
Securitization adjustments	873	830	681	619	578	5	51	2,384	1,761	35
Managed provision for credit losses	**$ 2,229**	**$ 2,194**	**$ 1,670**	**$ 1,788**	**$ 1,363**	2	64	**$ 6,093**	**$ 3,923**	55
BALANCE SHEETS — AVERAGE BALANCES (a)										
Total average assets										
Reported	$ 93,701	$ 87,021	$ 88,013	$ 88,244	$ 88,856	8	5	$ 89,594	$ 89,491	—
Securitization adjustments	75,712	74,580	71,589	69,939	66,100	2	15	73,966	65,715	13
Managed average assets	**$ 169,413**	**$ 161,601**	**$ 159,602**	**$ 158,183**	**$ 154,956**	5	9	**$ 163,560**	**$ 155,206**	5
CREDIT QUALITY STATISTICS (a)										
Net charge-offs										
Reported	$ 1,106	$ 1,064	$ 989	$ 869	$ 785	4	41	$ 3,159	$ 2,247	41
Securitization adjustments	873	830	681	619	578	5	51	2,384	1,761	35
Managed net charge-offs	**$ 1,979**	**$ 1,894**	**$ 1,670**	**$ 1,488**	**$ 1,363**	4	45	**$ 5,543**	**$ 4,008**	38

(a) JPMorgan Chase & Co. uses the concept of “managed receivables” to evaluate the credit performance and overall 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 affect both the receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase & Co. 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. Managed results exclude the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. Securitization does not change reported net income versus managed earnings; however, it does affect the classification of items on the Consolidated Statements of Income and Consolidated Balance Sheets.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Lending & deposit-related fees	$ 212	$ 207	$ 193	$ 172	$ 159	2%	33%	$ 612	$ 475	29%
Asset management, administration and commissions	29	26	26	24	24	12	21	81	68	19
All other income (a)	147	150	115	130	107	(2)	37	412	394	5
Noninterest revenue	**388**	**383**	**334**	**326**	**290**	1	34	**1,105**	**937**	18
Net interest income	737	723	733	758	719	2	3	2,193	2,082	5
TOTAL NET REVENUE	**1,125**	**1,106**	**1,067**	**1,084**	**1,009**	2	11	**3,298**	**3,019**	9
Provision for credit losses	126	47	101	105	112	168	13	274	174	57
NONINTEREST EXPENSE										
Compensation expense	177	173	178	184	160	2	11	528	522	1
Noncompensation expense	298	290	294	307	300	3	(1)	882	890	(1)
Amortization of intangibles	11	13	13	13	13	(15)	(15)	37	42	(12)
TOTAL NONINTEREST EXPENSE	**486**	**476**	**485**	**504**	**473**	2	3	**1,447**	**1,454**	—
Income before income tax expense	**513**	**583**	**481**	**475**	**424**	(12)	21	**1,577**	**1,391**	13
Income tax expense	201	228	189	187	166	(12)	21	618	545	13
NET INCOME	**$ 312**	**$ 355**	**$ 292**	**$ 288**	**$ 258**	(12)	21	**$ 959**	**$ 846**	13
MEMO:										
Revenue by product:										
Lending	$ 377	$ 376	$ 379	$ 380	$ 343	—	10	$ 1,132	$ 1,039	9
Treasury services	643	630	616	631	594	2	8	1,889	1,719	10
Investment banking	87	91	68	70	64	(4)	36	246	222	11
Other	18	9	4	3	8	100	125	31	39	(21)
Total Commercial Banking revenue	**$ 1,125**	**$ 1,106**	**$ 1,067**	**$ 1,084**	**$ 1,009**	2	11	**$ 3,298**	**$ 3,019**	9
IB revenue, gross (b)	**$ 252**	**$ 270**	**$ 203**	**$ 227**	**$ 194**	(7)	30	**$ 725**	**$ 661**	10
Revenue by business:										
Middle Market Banking	$ 729	$ 708	$ 706	$ 695	$ 680	3	7	$ 2,143	$ 1,994	7
Mid-Corporate Banking	236	235	207	239	167	—	41	678	576	18
Real Estate Banking	91	94	97	102	108	(3)	(16)	282	319	(12)
Other	69	69	57	48	54	—	28	195	130	50
Total Commercial Banking revenue	**$ 1,125**	**$ 1,106**	**$ 1,067**	**$ 1,084**	**$ 1,009**	2	11	**$ 3,298**	**$ 3,019**	9
FINANCIAL RATIOS										
ROE	18%	20%	17%	17%	15%			18%	18%	
Overhead ratio	43	43	45	46	47			44	48	

(a) IB-related and commercial card revenue is included in all other income.

(b) Represents the total revenue related to investment banking products sold to Commercial Banking ("CB") clients.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SELECTED BALANCE SHEET DATA (Period-end)										
Equity	$ 8,000	$ 7,000	$ 7,000	$ 6,700	$ 6,700	14%	19%	$ 8,000	$ 6,700	19%
SELECTED BALANCE SHEET DATA (Average)										
Total assets	$ 101,681	$ 103,469	$ 101,979	$ 94,550	$ 86,652	(2)	17	$ 102,374	$ 84,643	21
Loans:										
Loans retained	71,901	70,682	67,510	63,749	60,839	2	18	70,038	59,045	19
Loans held-for-sale & loans at fair value	397	379	521	1,795	433	5	(8)	432	550	(21)
Total loans (a)	**72,298**	**71,061**	**68,031**	**65,544**	**61,272**	2	18	**70,470**	**59,595**	18
Liability balances (b)	99,410	99,404	99,477	96,716	88,081	—	13	99,430	84,697	17
Equity	7,000	7,000	7,000	6,700	6,700	—	4	7,000	6,435	9
MEMO:										
Loans by business:										
Middle Market Banking	$ 43,155	$ 42,879	$ 40,111	$ 38,275	$ 37,617	1	15	$ 42,052	$ 37,016	14
Mid-Corporate Banking	16,491	15,357	15,150	15,440	12,076	7	37	15,669	11,484	36
Real Estate Banking	7,513	7,500	7,457	7,347	7,144	—	5	7,490	7,038	6
Other	5,139	5,325	5,313	4,482	4,435	(3)	16	5,259	4,057	30
Total Commercial Banking loans	**$ 72,298**	**$ 71,061**	**$ 68,031**	**$ 65,544**	**$ 61,272**	2	18	**$ 70,470**	**$ 59,595**	18
Headcount	3,965	4,028	4,075	4,125	4,158	(2)	(5)	3,965	4,158	(5)
CREDIT DATA AND QUALITY STATISTICS										
Net charge-offs	$ 40	$ 49	$ 81	$ 33	$ 20	(18)	100	$ 170	$ 11	NM
Nonperforming loans (c)	572	486	446	146	134	18	327	572	134	327
Allowance for credit losses:										
Allowance for loan losses (d)	1,905	1,843	1,790	1,695	1,623	3	17	1,905	1,623	17
Allowance for lending-related commitments	191	170	200	236	236	12	(19)	191	236	(19)
Total allowance for credit losses	**2,096**	**2,013**	**1,990**	**1,931**	**1,859**	4	13	**2,096**	**1,859**	13
Net charge-off rate (a)	0.22%	0.28%	0.48%	0.21%	0.13%			0.32%	0.02%	
Allowance for loan losses to average loans (a)	2.65	2.61	2.65	2.66	2.67			2.72	2.75	
Allowance for loan losses to nonperforming loans (c)	333	401	426	1,161	1,211			333	1,211	
Nonperforming loans to average loans	0.79	0.68	0.66	0.22	0.22			0.81	0.22	

(a) Loans held-for-sale and loans accounted for at fair value were excluded when calculating the allowance coverage ratio and the net charge-off rate.

(b) Liability balances include deposits and deposits swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities sold under repurchase agreements.

(c) Nonperforming loans included loans held-for-sale and loans at fair value of $26 million at both June 30, 2008 and March 31, 2008. These amounts were excluded when calculating the allowance coverage ratios. There were no nonperforming loans held-for-sale or held at fair value at September 30, 2008, December 31, 2007, and September 30, 2007.

(d) The allowance for loan losses at June 30, 2008, included an amount related to loans acquired in the merger with Bear Stearns.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Lending & deposit-related fees	$ 290	$ 283	$ 269	$ 247	$ 244	2%	19%	$ 842	$ 676	25%
Asset management, administration and commissions	719	846	820	806	730	(15)	(2)	2,385	2,244	6
All other income	221	228	200	228	171	(3)	29	649	480	35
Noninterest revenue	**1,230**	**1,357**	**1,289**	**1,281**	**1,145**	(9)	7	**3,876**	**3,400**	14
Net interest income	723	662	624	649	603	9	20	2,009	1,615	24
TOTAL NET REVENUE	**1,953**	**2,019**	**1,913**	**1,930**	**1,748**	(3)	12	**5,885**	**5,015**	17
Provision for credit losses	18	7	12	4	9	157	100	37	15	147
Credit reimbursement to IB (a)	(31)	(30)	(30)	(30)	(31)	(3)	—	(91)	(91)	—
NONINTEREST EXPENSE										
Compensation expense	664	669	641	607	579	(1)	15	1,974	1,746	13
Noncompensation expense	661	632	571	598	538	5	23	1,864	1,563	19
Amortization of intangibles	14	16	16	17	17	(13)	(18)	46	49	(6)
TOTAL NONINTEREST EXPENSE	**1,339**	**1,317**	**1,228**	**1,222**	**1,134**	2	18	**3,884**	**3,358**	16
Income before income tax expense	**565**	**665**	**643**	**674**	**574**	(15)	(2)	**1,873**	**1,551**	21
Income tax expense	159	240	240	252	214	(34)	(26)	639	576	11
NET INCOME	**$ 406**	**$ 425**	**$ 403**	**$ 422**	**$ 360**	(4)	13	**$ 1,234**	**$ 975**	27
REVENUE BY BUSINESS										
Treasury Services	$ 897	$ 852	$ 813	$ 824	$ 780	5	15	2,562	$ 2,189	17
Worldwide Securities Services	1,056	1,167	1,100	1,106	968	(10)	9	3,323	2,826	18
TOTAL NET REVENUE	**$ 1,953**	**$ 2,019**	**$ 1,913**	**$ 1,930**	**$ 1,748**	(3)	12	**$ 5,885**	**$ 5,015**	17
FINANCIAL RATIOS										
ROE	46%	49%	46%	56%	48%			47%	43%	
Overhead ratio	69	65	64	63	65			66	67	
Pretax margin ratio (b)	29	33	34	35	33			32	31	
SELECTED BALANCE SHEET DATA (Period-end)										
Equity	$ 4,500	$ 3,500	$ 3,500	$ 3,000	$ 3,000	29	50	$ 4,500	$ 3,000	50
SELECTED BALANCE SHEET DATA (Average)										
Total assets	$ 49,386	$ 56,192	$ 57,204	$ 60,830	$ 55,688	(12)	(11)	$ 54,243	$ 50,829	7
Loans (c)	26,650	23,822	23,086	23,489	20,602	12	29	24,527	19,921	23
Liability balances (d)	259,992	268,293	254,369	250,645	236,381	(3)	10	260,882	221,606	18
Equity	3,500	3,500	3,500	3,000	3,000	—	17	3,500	3,000	17
Headcount	27,592	27,232	26,561	25,669	25,209	1	9	27,592	25,209	9

(a) TSS is charged a credit reimbursement related to certain exposures managed within the IB credit portfolio on behalf of clients shared with TSS.

(b) Pretax margin represents income before income tax expense divided by total net revenue, which is a measure of pretax performance and another basis by which management evaluates its performance and that of its competitors.

(c) Loan balances include wholesale overdrafts, commercial card and trade finance loans.

(d) Liability balances include deposits and deposits swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities sold under repurchase agreements.

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

TSS firmwide metrics include revenue recorded in the CB, Regional Banking and Asset Management ("AM") lines of business and excludes FX revenue recorded in the IB for TSS-related FX activity. In order to capture the firmwide impact of Treasury Services ("TS") and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary in order to understand the aggregate TSS business.

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
TSS FIRMWIDE DISCLOSURES										
Treasury Services revenue — reported	$ 897	$ 852	$ 813	$ 824	$ 780	5%	15%	$ 2,562	$ 2,189	17%
Treasury Services revenue reported in Commercial Banking	643	630	616	631	594	2	8	1,889	1,719	10
Treasury Services revenue reported in other lines of business	76	72	69	75	70	6	9	217	195	11
Treasury Services firmwide revenue (a)	**1,616**	**1,554**	**1,498**	**1,530**	**1,444**	4	12	**4,668**	**4,103**	14
Worldwide Securities Services revenue	1,056	1,167	1,100	1,106	968	(10)	9	3,323	2,826	18
Treasury & Securities Services firmwide revenue (a)	**$ 2,672**	**$ 2,721**	**$ 2,598**	**$ 2,636**	**$ 2,412**	(2)	11	**$ 7,991**	**$ 6,929**	15
Treasury Services firmwide liability balances (average) (b)	$ 227,760	$ 230,689	$ 221,716	$ 218,416	$ 201,671	(1)	13	$ 226,725	$ 192,560	18
Treasury & Securities Services firmwide liability balances (average) (b)	359,401	367,670	353,845	347,361	324,462	(2)	11	360,302	306,302	18
TSS FIRMWIDE FINANCIAL RATIOS										
Treasury Services firmwide overhead ratio (c)	52%	54%	55%	53%	54%			54%	57%	
Treasury & Securities Services firmwide overhead ratio (c)	60	58	58	57	59			59	60	
FIRMWIDE BUSINESS METRICS										
Assets under custody (in billions)	$ 14,417	$ 15,476	$ 15,690	$ 15,946	$ 15,614	(7)	(8)	$ 14,417	$ 15,614	(8)
Number of:										
US$ ACH transactions originated (in millions)	997	993	1,004	984	943	—	6	2,994	2,886	4
Total US$ clearing volume (in thousands)	29,277	29,063	28,056	28,386	28,031	1	4	86,396	82,650	5
International electronic funds transfer volume (in thousands) (d)	41,831	41,432	40,039	42,723	41,415	1	1	123,302	125,882	(2)
Wholesale check volume (in millions)	595	618	623	656	731	(4)	(19)	1,836	2,269	(19)
Wholesale cards issued (in thousands) (e)	21,858	19,917	19,122	18,722	18,108	10	21	21,858	18,108	21

(a) TSS firmwide FX revenue, which includes FX revenue recorded in TSS and FX revenue associated with TSS customers who are FX customers of the IB, was $196 million, $222 million, $191 million, $157 million, and $144 million for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $609 million and $395 million for year-to-date 2008 and 2007, respectively. This is not included in the TS and TSS firmwide revenue.

(b) Firmwide liability balances include TS' liability balances recorded in the Commercial Banking line of business.

(c) Overhead ratios have been calculated based upon firmwide revenue and TSS and TS expense, respectively, including those allocated to certain other lines of business. FX revenue and expense recorded in the IB for TSS-related FX activity are not included in this ratio.

(d) International electronic funds transfer includes non-US$ ACH and clearing volume.

(e) Wholesale cards issued include domestic commercial card, stored value card, prepaid card, and government electronic benefit card products.

JPMORGAN CHASE & CO.
ASSET MANAGEMENT
FINANCIAL HIGHLIGHTS
(in millions, except ratio, ranking and headcount data)

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Asset management, administration and commissions	$ 1,538	$ 1,573	$ 1,531	$ 1,901	$ 1,760	(2)%	(13)%	$ 4,642	$ 4,920	(6)%
All other income	43	130	59	159	152	(67)	(72)	232	495	(53)
Noninterest revenue	**1,581**	**1,703**	**1,590**	**2,060**	**1,912**	(7)	(17)	**4,874**	**5,415**	(10)
Net interest income	380	361	311	329	293	5	30	1,052	831	27
TOTAL NET REVENUE	**1,961**	**2,064**	**1,901**	**2,389**	**2,205**	(5)	(11)	**5,926**	**6,246**	(5)
Provision for credit losses	20	17	16	(1)	3	18	NM	53	(17)	NM
NONINTEREST EXPENSE										
Compensation expense	816	886	825	1,030	848	(8)	(4)	2,527	2,491	1
Noncompensation expense	525	494	477	510	498	6	5	1,496	1,405	6
Amortization of intangibles	21	20	21	19	20	5	5	62	60	3
TOTAL NONINTEREST EXPENSE	**1,362**	**1,400**	**1,323**	**1,559**	**1,366**	(3)	—	**4,085**	**3,956**	3
Income before income tax expense	**579**	**647**	**562**	**831**	**836**	(11)	(31)	**1,788**	**2,307**	(22)
Income tax expense	228	252	206	304	315	(10)	(28)	686	868	(21)
NET INCOME	**$ 351**	**$ 395**	**$ 356**	**$ 527**	**$ 521**	(11)	(33)	**$ 1,102**	**$ 1,439**	(23)
REVENUE BY CLIENT SEGMENT										
Private Bank (a)	$ 631	$ 708	$ 596	$ 650	$ 624	(11)	1	$ 1,935	$ 1,712	13
Institutional	486	472	490	754	603	3	(19)	1,448	1,771	(18)
Retail	399	490	466	640	639	(19)	(38)	1,355	1,768	(23)
Private Wealth Management (a)	352	356	349	345	339	(1)	4	1,057	995	6
Bear Stearns Brokerage	93	38	—	—	—	145	NM	131	—	NM
Total net revenue	**$ 1,961**	**$ 2,064**	**$ 1,901**	**$ 2,389**	**$ 2,205**	(5)	(11)	**$ 5,926**	**$ 6,246**	(5)
FINANCIAL RATIOS										
ROE	25%	31%	29%	52%	52%			28%	50%	
Overhead ratio	69	68	70	65	62			69	63	
Pretax margin ratio (b)	30	31	30	35	38			30	37	
BUSINESS METRICS										
Number of:										
Client advisors	1,684	1,717	1,744	1,729	1,680	(2)	—	1,684	1,680	—
Retirement planning services participants	1,492,000	1,505,000	1,519,000	1,501,000	1,495,000	(1)	—	1,492,000	1,495,000	—
Bear Stearns brokers	323	326	—	—	—	(1)	NM	323	—	NM
% of customer assets in 4 & 5 Star Funds (c)	39%	40%	49%	55%	55%	(3)	(29)	39%	55%	(29)
% of AUM in 1st and 2nd quartiles: (d)										
1 year	49%	51%	52%	57%	47%	(4)	4	49%	47%	4
3 years	67%	70%	73%	75%	73%	(4)	(8)	67%	73%	(8)
5 years	77%	76%	75%	76%	76%	1	1	77%	76%	1
SELECTED BALANCE SHEET DATA (Period-end)										
Equity	$ 7,000	$ 5,200	$ 5,000	$ 4,000	$ 4,000	35	75	$ 7,000	$ 4,000	75
SELECTED BALANCE SHEET DATA (Average)										
Total assets	$ 71,189	$ 65,015	$ 60,286	$ 55,989	$ 53,879	9	32	$ 65,518	$ 50,498	30
Loans (e)	39,750	39,264	36,628	32,627	30,928	1	29	38,552	28,440	36
Deposits	65,621	69,975	68,184	64,630	59,907	(6)	10	67,918	56,920	19
Equity	5,500	5,066	5,000	4,000	4,000	9	38	5,190	3,834	35
Headcount	15,493	15,840	14,955	14,799	14,510	(2)	7	15,493	14,510	7
CREDIT DATA AND QUALITY STATISTICS										
Net charge-offs (recoveries)	$ (1)	$ 2	$ (2)	$ 2	$ (5)	NM	80	$ (1)	$ (10)	90
Nonperforming loans	121	68	11	12	28	78	332	121	28	332
Allowance for loan losses	170	147	130	112	115	16	48	170	115	48
Allowance for lending-related commitments	5	5	6	7	6	—	(17)	5	6	(17)
Net charge-off (recovery) rate	(0.01)%	0.02%	(0.02)%	0.02%	(0.06)%			—%	(0.05)%	
Allowance for loan losses to average loans	0.43	0.37	0.35	0.34	0.37			0.44	0.40	
Allowance for loan losses to nonperforming loans	140	216	1,182	933	411			140	411	
Nonperforming loans to average loans	0.30	0.17	0.03	0.04	0.09			0.31	0.10	

(a) In the third quarter of 2008, certain clients were transferred from Private Bank to Private Wealth Management. Prior periods have been revised to conform with this change.

(b) Pretax margin represents income before income tax expense divided by total net revenue, which is a measure of pretax performance and another basis by which management evaluates its performance and that of its competitors.

(c) Derived from the following rating services: Morningstar for the United States; Micropal for the United Kingdom, Luxembourg, Hong Kong and Taiwan; and Nomura for Japan.

(d) Derived from the following rating services: Lipper for the United States and Taiwan; Micropal for the United Kingdom, Luxembourg and Hong Kong; and Nomura for Japan.

(e) Reflects the transfer in 2007 of held-for-investment prime mortgage loans from AM to Corporate within the Corporate/Private Equity segment.

ASSET MANAGEMENT
FINANCIAL HIGHLIGHTS, CONTINUED
(in billions)

						Sep 30, 2008 Change	
	Sep 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Jun 30 2008	Sep 30 2007
Assets by asset class							
Liquidity	$ 524	$ 478	$ 471	$ 400	$ 368	10%	42%
Fixed income	189	199	200	200	195	(5)	(3)
Equities & balanced	308	378	390	472	481	(19)	(36)
Alternatives	132	130	126	121	119	2	11
TOTAL ASSETS UNDER MANAGEMENT	**1,153**	**1,185**	**1,187**	**1,193**	**1,163**	(3)	(1)
Custody / brokerage / administration / deposits	409	426	382	379	376	(4)	9
TOTAL ASSETS UNDER SUPERVISION	**$ 1,562**	**$ 1,611**	**$ 1,569**	**$ 1,572**	**$ 1,539**	(3)	1
Assets by client segment							
Institutional	$ 653	$ 645	$ 652	$ 632	$ 603	1	8
Private Bank (a)	194	181	179	183	179	7	8
Retail	223	276	279	300	304	(19)	(27)
Private Wealth Management (a)	75	75	77	78	77	—	(3)
Bear Stearns Brokerage	8	8	—	—	—	—	NM
TOTAL ASSETS UNDER MANAGEMENT	**$ 1,153**	**$ 1,185**	**$ 1,187**	**$ 1,193**	**$ 1,163**	(3)	(1)
Institutional	$ 653	$ 646	$ 652	$ 633	$ 604	1	8
Private Bank (a)	417	415	412	403	395	—	6
Retail	303	357	366	394	399	(15)	(24)
Private Wealth Management (a)	134	133	139	142	141	1	(5)
Bear Stearns Brokerage	55	60	—	—	—	(8)	NM
TOTAL ASSETS UNDER SUPERVISION	**$ 1,562**	**$ 1,611**	**$ 1,569**	**$ 1,572**	**$ 1,539**	(3)	1
Assets by geographic region							
U.S. / Canada	$ 785	$ 771	$ 773	$ 760	$ 745	2	5
International	368	414	414	433	418	(11)	(12)
TOTAL ASSETS UNDER MANAGEMENT	**$ 1,153**	**$ 1,185**	**$ 1,187**	**$ 1,193**	**$ 1,163**	(3)	(1)
U.S. / Canada	$ 1,100	$ 1,093	$ 1,063	$ 1,032	$ 1,022	1	8
International	462	518	506	540	517	(11)	(11)
TOTAL ASSETS UNDER SUPERVISION	**$ 1,562**	**$ 1,611**	**$ 1,569**	**$ 1,572**	**$ 1,539**	(3)	1
Mutual fund assets by asset class							
Liquidity	$ 470	$ 416	$ 405	$ 339	$ 308	13	53
Fixed income	44	47	45	46	46	(6)	(4)
Equities	134	179	186	224	235	(25)	(43)
TOTAL MUTUAL FUND ASSETS	**$ 648**	**$ 642**	**$ 636**	**$ 609**	**$ 589**	1	10

(a) In the third quarter of 2008, certain clients were transferred from Private Bank to Private Wealth Management. Prior periods have been revised to conform with this change.

(in billions)

	QUARTERLY TRENDS					YEAR-TO-DATE	
	3Q08	2Q08	1Q08	4Q07	3Q07	2008	2007
ASSETS UNDER SUPERVISION (continued)							
Assets under management rollforward							
Beginning balance	$ 1,185	$ 1,187	$ 1,193	$ 1,163	$ 1,109	$ 1,193	$ 1,013
Net asset flows:							
Liquidity	55	1	68	26	33	124	52
Fixed income	(4)	(1)	—	3	(2)	(5)	6
Equities, balanced & alternative	(5)	(3)	(21)	4	2	(29)	24
Market / performance / other impacts (a)	(78)	1	(53)	(3)	21	(130)	68
TOTAL ASSETS UNDER MANAGEMENT	**$ 1,153**	**$ 1,185**	**$ 1,187**	**$ 1,193**	**$ 1,163**	**$ 1,153**	**$ 1,163**
Assets under supervision rollforward							
Beginning balance	$ 1,611	$ 1,569	$ 1,572	$ 1,539	$ 1,472	$ 1,572	$ 1,347
Net asset flows	61	(5)	52	37	41	108	106
Market / performance / other impacts (a)	(110)	47	(55)	(4)	26	(118)	86
TOTAL ASSETS UNDER SUPERVISION	**$ 1,562**	**$ 1,611**	**$ 1,569**	**$ 1,572**	**$ 1,539**	**$ 1,562**	**$ 1,539**

(a) Second quarter 2008 reflects $15 billion for assets under management and $68 billion for assets under supervision from the Bear Stearns acquisition on May 30, 2008.

CORPORATE/PRIVATE EQUITY
FINANCIAL HIGHLIGHTS
(in millions, except headcount data)

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
INCOME STATEMENT										
REVENUE										
Principal transactions (a)	$ (1,876)	$ (97)	$ 5	$ 773	$ 1,082	NM%	NM%	$ (1,968)	$ 3,779	NM%
Securities gains (losses) (b)	440	656	42	146	128	(33)	244	1,138	(107)	NM
All other income (c)	(274)	(378)	1,639	213	70	28	NM	987	228	333
Noninterest revenue	**(1,710)**	**181**	**1,686**	**1,132**	**1,280**	NM	NM	**157**	**3,900**	(96)
Net interest income (expense)	(38)	48	(286)	(218)	(279)	NM	86	(276)	(569)	51
TOTAL NET REVENUE	**(1,748)**	**229**	**1,400**	**914**	**1,001**	NM	NM	**(119)**	**3,331**	NM
Provision for credit losses (d)	2,355	290	196	14	(31)	NM	NM	2,841	(25)	NM
NONINTEREST EXPENSE										
Compensation expense	652	611	639	714	569	7	15	1,902	2,040	(7)
Noncompensation expense (e)	570	699	(82)	982	674	(18)	(15)	1,187	2,048	(42)
Merger costs	96	155	—	22	61	(38)	57	251	187	34
Subtotal	1,318	1,465	557	1,718	1,304	(10)	1	3,340	4,275	(22)
Net expense allocated to other businesses	(1,150)	(1,070)	(1,057)	(1,057)	(1,059)	(7)	(9)	(3,277)	(3,174)	(3)
TOTAL NONINTEREST EXPENSE	**168**	**395**	**(500)**	**661**	**245**	**(57)**	**(31)**	**63**	**1,101**	**(94)**
Income (loss) before income tax expense and extraordinary gain	**(4,271)**	**(456)**	**1,704**	**239**	**787**	NM	NM	**(3,023)**	**2,255**	NM
Income tax expense (benefit)	(1,727)	(34)	677	(10)	274	NM	NM	(1,084)	729	NM
Income (loss) before extraordinary gain	(2,544)	(422)	1,027	249	513	NM	NM	(1,939)	1,526	NM
Extraordinary gain (f)	581	—	—	—	—	NM	NM	581	—	NM
NET INCOME (LOSS)	**$ (1,963)**	**$ (422)**	**$ 1,027**	**$ 249**	**$ 513**	(365)	NM	**$ (1,358)**	**$ 1,526**	NM
MEMO:										
TOTAL NET REVENUE										
Private equity	$ (216)	$ 197	$ 163	$ 688	$ 733	NM	NM	$ 144	$ 3,279	(96)
Corporate	(1,532)	32	1,237	226	268	NM	NM	(263)	52	NM
TOTAL NET REVENUE	**$ (1,748)**	**$ 229**	**$ 1,400**	**$ 914**	**$ 1,001**	NM	NM	**$ (119)**	**$ 3,331**	NM
NET INCOME (LOSS)										
Private equity	$ (164)	$ 99	$ 57	$ 356	$ 409	NM	NM	$ (8)	$ 1,809	NM
Corporate	(1,064)	19	970	(93)	142	NM	NM	(75)	(167)	55
Merger related items (g)	(735)	(540)	—	(14)	(38)	(36)	NM	(1,275)	(116)	NM
TOTAL NET INCOME (LOSS)	**$ (1,963)**	**$ (422)**	**$ 1,027**	**$ 249**	**$ 513**	**(365)**	NM	**$ (1,358)**	**$ 1,526**	NM
Headcount	21,641	22,317	21,769	22,512	22,864	(3)	(5)	21,641	22,864	(5)

(a) Included losses on preferred equity interests in Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("Freddie Mac") in the third quarter of 2008.

(b) Included gain on sale of MasterCard shares in the second quarter of 2008.

(c) Included proceeds from the sale of Visa shares in its initial public offering in the first quarter of 2008.

(d) Included a $1.9 billion charge to conform Washington Mutual's loan loss reserves to JPMorgan Chase's accounting policy in the third quarter of 2008.

(e) Included a release of credit card litigation reserves in the first quarter of 2008.

(f) Effective September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual from the FDIC for $1.9 billion. The fair value of the Washington Mutual net assets acquired exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, nonfinancial assets that are not held for sale were written down against that negative goodwill. The negative goodwill that remained after writing down nonfinancial assets was recognized as an extraordinary gain.

(g) The third quarter of 2008 included an accounting conformity loan loss reserve provision and an extraordinary gain related to the Washington Mutual transaction. The second quarter of 2008 reflects items related to the Bear Stearns merger, which included Bear Stearn's equity earnings, merger costs, Bear Stearns asset management liquidation costs and Bear Stearns private client services broker retention expense. Periods prior to the second quarter of 2008 represent costs related to the Bank One and Bank of New York transactions.

JPMORGAN CHASE & CO.
CORPORATE/PRIVATE EQUITY
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data)

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SUPPLEMENTAL										
TREASURY										
Securities gains (losses) (a)	$ 442	$ 656	$ 42	$ 146	$ 126	(33)%	251%	$ 1,140	$ (109)	NM%
Investment securities portfolio (average)	105,984	97,223	80,443	82,445	85,470	9	24	94,592	86,552	9
Investment securities portfolio (ending)	115,703	103,751	91,323	76,200	86,495	12	34	115,703	86,495	34
Mortgage loans (average) (b)	42,432	42,143	39,096	34,436	29,854	1	42	41,228	27,326	51
Mortgage loans (ending) (b)	41,976	42,602	41,125	36,942	32,804	(1)	28	41,976	32,804	28
PRIVATE EQUITY										
Private equity gains (losses)										
Direct investments										
Realized gains	$ 40	$ 540	$ 1,113	$ 100	$ 504	(93)	(92)	$ 1,693	$ 2,212	(23)
Unrealized gains (losses) (c)	(273)	(326)	(881)	569	227	16	NM	(1,480)	1,038	NM
Total direct investments	**(233)**	**214**	**232**	**669**	**731**	NM	NM	**213**	**3,250**	(93)
Third-party fund investments	27	6	(43)	43	35	350	(23)	(10)	122	NM
Total private equity gains (losses) (d)	**$ (206)**	**$ 220**	**$ 189**	**$ 712**	**$ 766**	NM	NM	**$ 203**	**$ 3,372**	(94)
Private equity portfolio information										
Direct investments										
Publicly-held securities										
Carrying value	$ 600	$ 615	$ 603	$ 390	$ 409	(2)	47			
Cost	705	665	499	288	291	6	142			
Quoted public value	657	732	720	536	560	(10)	17			
Privately-held direct securities										
Carrying value	6,038	6,270	5,191	5,914	5,336	(4)	13			
Cost	6,058	6,113	4,973	4,867	5,003	(1)	21			
Third-party fund investments										
Carrying value	889	838	811	849	839	6	6			
Cost	1,121	1,094	1,064	1,076	1,078	2	4			
Total private equity portfolio — Carrying value	$ 7,527	$ 7,723	$ 6,605	$ 7,153	$ 6,584	(3)	14			
Total private equity portfolio — Cost	$ 7,884	$ 7,872	$ 6,536	$ 6,231	$ 6,372	—	24			

(a) The second quarter of 2008 included gain on the sale of MasterCard shares. All periods reflect repositioning of the Corporate investment securities portfolio and exclude gains/losses on securities used to manage risk associated with MSRs.

(b) Held-for-investment prime mortgage loans were transferred from RFS and AM to the Corporate/Private Equity segment for risk management and reporting purposes. The initial transfers had no material impact on the financial results of Corporate/Private Equity.

(c) Unrealized gains (losses) contains reversals of unrealized gains and losses that were recognized in prior periods and have now been realized.

(d) Included in principal transactions revenue in the Consolidated Statements of Income.

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

	Sep 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Sep 30, 2008 Change Jun 30 2008	Sep 30, 2008 Change Sep 30 2007
CREDIT EXPOSURE (a)							
WHOLESALE (b)							
Loans — U.S.	$ 202,169	$ 137,236	$ 141,921	$ 133,253	$ 126,343	47%	60%
Loans — Non-U.S.	86,276	92,123	89,376	79,823	71,385	(6)	21
TOTAL WHOLESALE LOANS — REPORTED (c)	**288,445**	**229,359**	**231,297**	**213,076**	**197,728**	26	46
CONSUMER (d)							
Home loan portfolio (includes RFS and Corporate/Private Equity):							
Home equity	143,311	95,129	94,968	94,832	93,026	51	54
Prime mortgage	95,047	47,185	45,080	40,558	35,610	101	167
Subprime mortgage	22,025	14,792	15,775	15,473	12,120	49	82
Option ARMs	41,642	—	—	—	—	NM	NM
Total home loan portfolio	**302,025**	**157,106**	**155,823**	**150,863**	**140,756**	92	115
Auto loans and leases	43,306	44,867	44,714	42,350	40,871	(3)	6
Credit card — reported	92,881	76,278	75,888	84,352	79,409	22	17
Other loans	34,724	30,419	29,334	28,733	27,556	14	26
TOTAL CONSUMER LOANS — REPORTED	**472,936**	**308,670**	**305,759**	**306,298**	**288,592**	53	64
TOTAL LOANS — REPORTED	**761,381**	**538,029**	**537,056**	**519,374**	**486,320**	42	57
Credit card — securitized	93,664	79,120	75,062	72,701	69,643	18	34
TOTAL LOANS — MANAGED	**855,045**	**617,149**	**612,118**	**592,075**	**555,963**	39	54
Derivative receivables	118,648	122,389	99,110	77,136	64,592	(3)	84
Receivables from customers (e)	25,422	26,572	—	—	—	(4)	NM
TOTAL CREDIT-RELATED ASSETS	**999,115**	**766,110**	**711,228**	**669,211**	**620,555**	30	61
Wholesale lending-related commitments	407,057	430,028	438,392	446,652	468,145	(5)	(13)
TOTAL	**$ 1,406,172**	**$ 1,196,138**	**$ 1,149,620**	**$ 1,115,863**	**$ 1,088,700**	18	29
Memo: Total by category							
Total wholesale exposure (f)	$ 839,572	$ 808,348	$ 768,799	$ 736,864	$ 730,465	4	15
Total consumer managed loans (g)	566,600	387,790	380,821	378,999	358,235	46	58
Total	**$ 1,406,172**	**$ 1,196,138**	**$ 1,149,620**	**$ 1,115,863**	**$ 1,088,700**	18	29
Risk profile of wholesale credit exposure:							
Investment-grade (h)	$ 603,061	$ 595,043	$ 590,439	$ 571,394	$ 548,663	1	10
Noninvestment-grade: (h)							
Noncriticized	178,001	154,218	147,771	134,983	155,172	15	15
Criticized performing	14,690	11,611	9,570	6,267	5,605	27	162
Criticized nonperforming	1,418	899	742	571	414	58	243
Total noninvestment-grade	**194,109**	**166,728**	**158,083**	**141,821**	**161,191**	16	20
Loans held-for-sale & loans at fair value	16,980	20,005	20,277	23,649	20,611	(15)	(18)
Receivables from customers (e)	25,422	26,572	—	—	—	(4)	NM
Total wholesale exposure	**$ 839,572**	**$ 808,348**	**$ 768,799**	**$ 736,864**	**$ 730,465**	4	15

(a) Includes credit exposure related to the acquisition of Washington Mutual.

(b) Includes Investment Bank, Commercial Banking, Treasury & Securities Services and Asset Management.

(c) Includes loans held-for-sale & loans at fair value.

(d) Includes Retail Financial Services, Card Services and residential mortgage loans reported in the Corporate/Private Equity segment to be risk managed by the Chief Investment Office.

(e) Represents margin loans to brokerage customers included in accrued interest and accounts receivable on the Consolidated Balance Sheet.

(f) Represents total wholesale loans, derivative receivables, wholesale lending-related commitments and receivables from customers.

(g) Represents total consumer loans plus credit card securitizations, and excludes consumer lending-related commitments.

(h) Excludes loans held-for-sale & loans at fair value.

Note: The risk profile is based on JPMorgan Chase & Co.'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

(in millions, except ratio data)

	Sep 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Sep 30, 2008 Change Jun 30 2008	Sep 30, 2008 Change Sep 30 2007
NONPERFORMING ASSETS AND RATIOS							
WHOLESALE LOANS — EXCLUDING WASHINGTON MUTUAL (a)							
Loans — U.S.	$ 913	$ 806	$ 761	$ 490	$ 401	13%	128%
Loans — Non-U.S.	220	64	20	24	26	244	NM
TOTAL WHOLESALE LOANS-EXCLUDING WASHINGTON MUTUAL	**1,133**	**870**	**781**	**514**	**427**	30	165
CONSUMER LOANS — EXCLUDING WASHINGTON MUTUAL (b)							
Home loan portfolio (includes RFS and Corporate/Private Equity):							
Home equity (c)	1,142	1,008	924	786	556	13	105
Prime mortgage	1,496	1,232	860	501	282	21	430
Subprime mortgage (c)	2,384	1,715	1,401	1,017	790	39	202
Total home loan portfolio	**5,022**	**3,955**	**3,185**	**2,304**	**1,628**	27	208
Auto loans and leases	119	102	94	116	92	17	29
Credit card — reported	5	6	6	7	7	(17)	(29)
Other loans	382	340	335	341	336	12	14
TOTAL CONSUMER LOANS-EXCLUDING WASHINGTON MUTUAL (d)	**5,528**	**4,403**	**3,620**	**2,768**	**2,063**	26	168
TOTAL LOANS EXCLUDING WASHINGTON MUTUAL (c)	**6,661**	**5,273**	**4,401**	**3,282**	**2,490**	26	168
Nonperforming loans acquired in Washington Mutual transaction	**6,662**	—	—	—	—	NM	NM
TOTAL NONPERFORMING LOANS REPORTED (c)	**13,323**	**5,273**	**4,401**	**3,282**	**2,490**	153	435
Derivative receivables	45	80	31	29	34	(44)	32
Assets acquired in loan satisfactions - excluding Washington Mutual	1,064	880	711	622	485	21	119
Assets acquired in loan satisfactions acquired in Washington Mutual transaction	1,478	—	—	—	—	NM	NM
TOTAL NONPERFORMING ASSETS	**$ 15,910**	**$ 6,233**	**$ 5,143**	**$ 3,933**	**$ 3,009**	155	429
TOTAL NONPERFORMING LOANS TO TOTAL LOANS EXCLUDING WASHINGTON MUTUAL	**1.21**%	**0.98**%	**0.82**%	**0.63**%	**0.51**%		
TOTAL NONPERFORMING LOANS TO TOTAL LOANS REPORTED	**1.75**%	**0.98**%	**0.82**%	**0.63**%	**0.51**%		
NONPERFORMING ASSETS BY LOB							
Investment Bank	$ 583	$ 490	$ 439	$ 453	$ 325	19	79
Retail Financial Services (c)	4,924	3,943	3,395	2,817	2,215	25	122
Card Services	5	6	6	7	7	(17)	(29)
Commercial Banking	624	510	453	148	136	22	359
Treasury & Securities Services	—	—	—	—	—	—	—
Asset Management	121	68	11	12	28	78	332
Corporate/Private Equity (e)	1,513	1,216	839	496	298	24	408
TOTAL EXCLUDING WASHINGTON MUTUAL	7,770	6,233	5,143	3,933	3,009	25	158
Acquired in Washington Mutual transaction	8,140	—	—	—	—	NM	NM
TOTAL	**$ 15,910**	**$ 6,233**	**$ 5,143**	**$ 3,933**	**$ 3,009**	155	429

(a) Included nonperforming loans held-for-sale and loans at fair value of $32 million, $51 million, $70 million, $50 million, and $75 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. Excluded purchased held-for-sale wholesale loans.

(b) There were no nonperforming loans held-for-sale at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007.

(c) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform with all other home lending products. Prior period nonperforming loans and assets have been revised to conform with this change.

(d) Nonperforming loans and assets excluded (1) loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by U.S. government agencies of $1.8 billion, $1.9 billion, $1.8 billion, $1.5 billion, and $1.3 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and (2) education loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of $405 million, $371 million, $252 million, $279 million, and $241 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts for GNMA and education loans are excluded, as reimbursement is proceeding normally.

(e) Predominantly relates to held-for-investment prime mortgage loans transferred from RFS and AM to the Corporate/Private Equity segment.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
GROSS CHARGE-OFFS										
Wholesale loans	$ 71	$ 82	$ 130	$ 54	$ 101	(13)%	(30)%	$ 283	$ 131	116%
Consumer (includes RFS and Corporate/Private Equity)	1,375	1,079	880	582	403	27	241	3,334	965	245
Credit card — reported	1,245	1,209	1,144	1,000	911	3	37	3,598	2,635	37
Total loans — reported	**2,691**	**2,370**	**2,154**	**1,636**	**1,415**	14	90	**7,215**	**3,731**	93
Credit card — securitized	985	949	791	716	679	4	45	2,725	2,085	31
Total loans — managed	**3,676**	**3,319**	**2,945**	**2,352**	**2,094**	11	76	**9,940**	**5,816**	71
RECOVERIES										
Wholesale loans	19	41	38	29	19	(54)	—	98	84	17
Consumer (includes RFS and Corporate/Private Equity)	49	54	55	47	49	(9)	—	158	150	5
Credit card — reported	139	145	155	131	126	(4)	10	439	388	13
Total loans — reported	**207**	**240**	**248**	**207**	**194**	(14)	7	**695**	**622**	12
Credit card — securitized	112	119	110	97	101	(6)	11	341	324	5
Total loans — managed	**319**	**359**	**358**	**304**	**295**	(11)	8	**1,036**	**946**	10
NET CHARGE-OFFS										
Wholesale loans	52	41	92	25	82	27	(37)	185	47	294
Consumer (includes RFS and Corporate/Private Equity)	1,326	1,025	825	535	354	29	275	3,176	815	290
Credit card — reported	1,106	1,064	989	869	785	4	41	3,159	2,247	41
Total loans — reported	**2,484**	**2,130**	**1,906**	**1,429**	**1,221**	17	103	**6,520**	**3,109**	110
Credit card — securitized	873	830	681	619	578	5	51	2,384	1,761	35
Total loans — managed	**$ 3,357**	**$ 2,960**	**$ 2,587**	**$ 2,048**	**$ 1,799**	13	87	**$ 8,904**	**$ 4,870**	83
NET CHARGE-OFF RATES — ANNUALIZED										
Wholesale loans (a)	0.10%	0.08%	0.18%	0.05%	0.19%			0.12%	0.04%	
Consumer (includes RFS and Corporate/Private Equity) (b)	2.29	1.81	1.50	1.01	0.70			1.87	0.56	
Credit card — reported	5.56	5.66	5.01	4.36	3.89			5.40	3.74	
Total loans — reported (a) (b)	**1.91**	**1.67**	**1.53**	**1.19**	**1.07**			**1.70**	**0.94**	
Credit card — securitized	4.43	4.32	3.70	3.38	3.34			4.16	3.45	
Total loans — managed (a) (b)	**2.24**	**2.02**	**1.81**	**1.48**	**1.37**			**2.02**	**1.28**	
Memo: Credit card — managed	**5.00**	**4.98**	**4.37**	**3.89**	**3.64**			**4.79**	**3.61**	

(a) Average wholesale loans held-for-sale and loans at fair value were $18.0 billion, $20.8 billion, $20.1 billion, $26.8 billion, and $17.8 billion for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $19.6 billion and $15.8 billion for year-to-date 2008 and 2007, respectively. These amounts were excluded when calculating the net charge-off rates.

(b) Average consumer (excluding card) loans held-for-sale and loans at fair value were $1.5 billion, $3.6 billion, $4.4 billion, $4.0 billion, and $5.4 billion for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, and $3.2 billion and $12.9 billion for year-to-date 2008 and 2007, respectively. These amounts were excluded when calculating the net charge-off rates.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
SUMMARY OF CHANGES IN THE ALLOWANCE FOR LOAN LOSSES										
Beginning balance	$ 13,246	$ 11,746	$ 9,234	$ 8,113	$ 7,633	13%	74%	$ 9,234	$ 7,279	27%
Additions resulting from acquisition, September 25, 2008 (a)	2,535	—	—	—	—	NM	NM	2,535	—	NM
Net charge-offs	(2,484)	(2,130)	(1,906)	(1,429)	(1,221)	(17)	(103)	(6,520)	(3,109)	(110)
Provision for loan losses	3,784	3,624	4,419	2,550	1,693	4	124	11,827	3,988	197
Provision for credit losses — accounting conformity (a)	1,976	—	—	—	—	NM	NM	1,976	—	NM
Other	(5)	6	(1)	—	8	NM	NM	—	(45)	NM
Ending balance	**$ 19,052**	**$ 13,246**	**$ 11,746**	**$ 9,234**	**$ 8,113**	44	135	**$ 19,052**	**$ 8,113**	135
SUMMARY OF CHANGES IN THE ALLOWANCE FOR LENDING-RELATED COMMITMENTS										
Beginning balance	$ 686	$ 855	$ 850	$ 858	$ 766	(20)	(10)	$ 850	$ 524	62
Provision for lending-related commitments	27	(169)	5	(8)	92	NM	(71)	(137)	334	NM
Ending balance	**$ 713**	**$ 686**	**$ 855**	**$ 850**	**$ 858**	4	(17)	**$ 713**	**$ 858**	(17)
ALLOWANCE COMPONENTS AND RATIOS										
ALLOWANCE FOR LOAN LOSSES										
Wholesale										
Asset specific	$ 253	$ 174	$ 146	$ 108	$ 53	45	377			
Formula — based	5,326	4,295	3,691	3,046	2,810	24	90			
Total wholesale	**5,579**	**4,469**	**3,837**	**3,154**	**2,863**	25	95			
Consumer										
Asset specific	70	61	75	80	70	15	—			
Formula — based	13,403	8,716	7,834	6,000	5,180	54	159			
Total consumer	**13,473**	**8,777**	**7,909**	**6,080**	**5,250**	54	157			
Total allowance for loan losses	**19,052**	**13,246**	**11,746**	**9,234**	**8,113**	44	135			
Allowance for lending-related commitments	713	686	855	850	858	4	(17)			
Total allowance for credit losses	**$ 19,765**	**$ 13,932**	**$ 12,601**	**$ 10,084**	**$ 8,971**	42	120			
Wholesale allowance for loan losses to total wholesale loans (b)	2.06%	2.13%	1.82%	1.67%	1.62%					
Consumer allowance for loan losses to total consumer loans (c) (d)	3.42	2.86	2.63	2.01	1.84					
Allowance for loan losses to total loans (b) (c) (d)	2.86	2.57	2.29	1.88	1.76					
Allowance for loan losses to total nonperforming loans (d) (e)	287	254	271	286	336					
ALLOWANCE FOR LOAN LOSSES BY LOB										
Investment Bank	$ 2,654	$ 2,429	$ 1,891	$ 1,329	$ 1,112	9	139			
Retail Financial Services	4,957	4,475	4,208	2,634	2,105	11	135			
Card Services	3,951	3,705	3,404	3,407	3,107	7	27			
Commercial Banking	1,905	1,843	1,790	1,695	1,623	3	17			
Treasury & Securities Services	47	40	26	18	13	18	262			
Asset Management	170	147	130	112	115	16	48			
Corporate/Private Equity	857	607	297	39	38	41	NM			
Washington Mutual Acquisition	4,511	—	—	—	—	NM	NM			
Total	**$ 19,052**	**$ 13,246**	**$ 11,746**	**$ 9,234**	**$ 8,113**	44	135			

(a) Related to the Washington Mutual transaction in the third quarter of 2008.

(b) Wholesale loans held-for-sale and loans at fair value were $17.0 billion, $20.0 billion, $20.3 billion, $23.6 billion, and $20.6 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively, these amounts were excluded when calculating the allowance coverage ratios.

(c) Consumer loans held-for-sale were $1.6 billion, $2.2 billion, $4.5 billion, $4.0 billion, and $3.9 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively. These amounts were excluded when calculating the allowance coverage ratios.

(d) Approximately $77.7 billion in credit impaired loans acquired in the Washington Mutual transaction and accounted for under SOP 03-3 were excluded when calculating the ratio of allowance for loan losses to total loans. These loans are recorded at fair value on the acquisition date, including an adjustment for credit impairment. Accordingly, no allowance for loan losses has been recorded as of September 30, 2008.

(e) Nonperforming loans held-for-sale and loans at fair value were $32 million, $51 million, $70 million, $50 million, and $75 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, and September 30, 2007, respectively.

(f) Approximately $6.7 billion in nonperforming loans acquired in the Washington Mutual transaction and accounted for under SOP 3-3 were excluded when calculating the ratio of allowance for loan losses to total nonperforming loans. These loans were recorded at fair value on the acquisition date, including an adjustment for credit impairment. Accordingly, no allowance for loan losses has been recorded for these assets as of September 30, 2008.

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

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
PROVISION FOR CREDIT LOSSES										
LOANS										
Investment Bank	$ 238	$ 538	$ 571	$ 208	$ 146	(56)%	63%	$ 1,347	$ 168	NM%
Commercial Banking	105	77	143	105	98	36	7	325	125	160
Treasury & Securities Services	7	7	11	5	3	—	133	25	6	317
Asset Management	21	17	17	(2)	4	24	425	55	(17)	NM
Corporate/Private Equity (a)(b)	564	36	—	—	—	NM	NM	600	—	NM
Total wholesale	**935**	**675**	**742**	**316**	**251**	39	273	**2,352**	**282**	NM
Retail Financial Services	1,678	1,331	2,492	1,051	688	26	144	5,501	1,569	251
Card Services — reported	1,356	1,364	989	1,169	785	(1)	73	3,709	2,162	72
Corporate/Private Equity (a)(c)	1,791	254	196	14	(31)	NM	NM	2,241	(25)	NM
Total consumer	**4,825**	**2,949**	**3,677**	**2,234**	**1,442**	64	235	**11,451**	**3,706**	209
Total provision for loan losses	**$ 5,760**	**$ 3,624**	**$ 4,419**	**$ 2,550**	**$ 1,693**	59	240	**$ 13,803**	**$ 3,988**	246
LENDING-RELATED COMMITMENTS										
Investment Bank	$ (4)	$ (140)	$ 47	$ (8)	$ 81	97	NM	$ (97)	$ 286	NM
Commercial Banking	21	(30)	(42)	—	14	NM	50	(51)	49	NM
Treasury & Securities Services	11	—	1	(1)	6	NM	83	12	9	33
Asset Management	(1)	—	(1)	1	(1)	NM	—	(2)	—	NM
Total wholesale	**27**	**(170)**	**5**	**(8)**	**100**	NM	(73)	**(138)**	**344**	NM
Retail Financial Services	—	1	—	—	(8)	NM	NM	1	(10)	NM
Card Services — reported	—	—	—	—	—	—	—	—	—	—
Total consumer	**—**	**1**	**—**	**—**	**(8)**	NM	NM	**1**	**(10)**	NM
Total provision for lending-related commitments	**$ 27**	**$ (169)**	**$ 5**	**$ (8)**	**$ 92**	NM	(71)	**$ (137)**	**$ 334**	NM
TOTAL PROVISION FOR CREDIT LOSSES										
Investment Bank	$ 234	$ 398	$ 618	$ 200	$ 227	(41)	3	$ 1,250	$ 454	175
Commercial Banking	126	47	101	105	112	168	13	274	174	57
Treasury & Securities Services	18	7	12	4	9	157	100	37	15	147
Asset Management	20	17	16	(1)	3	18	NM	53	(17)	NM
Corporate/Private Equity (a)(b)	564	36	—	—	—	NM	NM	600	—	NM
Total wholesale	**962**	**505**	**747**	**308**	**351**	90	174	**2,214**	**626**	254
Retail Financial Services	1,678	1,332	2,492	1,051	680	26	147	5,502	1,559	253
Card Services — reported	1,356	1,364	989	1,169	785	(1)	73	3,709	2,162	72
Corporate/Private Equity (a)(c)	1,791	254	196	14	(31)	NM	NM	2,241	(25)	NM
Total consumer	**4,825**	**2,950**	**3,677**	**2,234**	**1,434**	64	236	**11,452**	**3,696**	210
Total provision for credit losses	**5,787**	**3,455**	**4,424**	**2,542**	**1,785**	67	224	**13,666**	**4,322**	216
Card Services — securitized	873	830	681	619	578	5	51	2,384	1,761	35
Managed provision for credit losses	**$ 6,660**	**$ 4,285**	**$ 5,105**	**$ 3,161**	**$ 2,363**	55	182	**$ 16,050**	**$ 6,083**	164

(a) Represents provision expense related to loans acquired in the Washington Mutual transaction in the third quarter of 2008.

(b) Represents provision expense related to loans acquired in the Bear Stearns transaction in the second quarter of 2008.

(c) Includes amounts related to held-for-investment prime mortgages transferred from RFS and AM to the Corporate/Private Equity segment during 2007.

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

JPMORGAN CHASE & CO.

	QUARTERLY TRENDS							YEAR-TO-DATE		
						3Q08 Change				2008 Change
	3Q08	2Q08	1Q08	4Q07	3Q07	2Q08	3Q07	2008	2007	2007
COMMON SHARES OUTSTANDING										
Weighted-average basic shares outstanding	3,444.6	3,426.2	3,396.0	3,367.1	3,375.9	1%	2%	3,422.3	3,415.8	—%
Weighted-average diluted shares outstanding	3,444.6(d)	3,531.0	3,494.7	3,471.8	3,477.7	(2)	(1)	3,525.3	3,519.6	—
Common shares outstanding — at period end	3,726.9	3,435.7	3,400.8	3,367.4	3,358.8	8	11	3,726.9	3,358.8	11
Cash dividends declared per share	$ 0.38	$ 0.38	$ 0.38	$ 0.38	$ 0.38	—	—	$ 1.14	$ 1.10	4
Book value per share	36.95	37.02	36.94	36.59	35.72	—	4	36.95	35.72	3
Dividend payout (a)	399%	71%	56%	44%	39%			89%	31%	
NET INCOME	**$ 527**	**$ 2,003**	**$ 2,373**	**$ 2,971**	**$ 3,373**	(74)	(84)	**$ 4,903**	**$ 12,394**	(60)
Preferred dividends	161	90	—	—	—	79	NM	251	—	NM
Net income applicable to common stock	$ 366	$ 1,913	$ 2,373	$ 2,971	$ 3,373	(81)	(89)	$ 4,652	$ 12,394	(62)
NET INCOME PER SHARE										
Basic earnings per share										
Income (loss) before extraordinary gain	(0.06)	0.56	0.70	0.88	1.00	NM	NM	1.19	3.63	(67)
Net income	0.11	0.56	0.70	0.88	1.00	(80)	(89)	1.36	3.63	(63)
Diluted earnings per share										
Income (loss) before extraordinary gain	(0.06)	0.54	0.68	0.86	0.97	NM	NM	1.15	3.52	(67)
Net income	0.11	0.54	0.68	0.86	0.97	(80)	(89)	1.32	3.52	(63)
SHARE PRICE										
High	$ 49.00	$ 49.95	$ 49.29	$ 48.02	$ 50.48	(2)	(3)	$ 49.95	$ 53.25	(6)
Low	29.24	33.96	36.01	40.15	42.16	(14)	(31)	29.24	42.16	(31)
Close	46.70	34.31	42.95	43.65	45.82	36	2	46.70	45.82	2
Market capitalization	174,048	117,881	146,066	146,986	153,901	48	13	174,048	153,901	13
STOCK REPURCHASE PROGRAM (b)										
Aggregate repurchases	$ —	$ —	$ —	$ 163.3	$ 2,135.4	—	NM	$ —	$ 8,011.6	NM
Common shares repurchased	—	—	—	3.6	47.0	—	NM	—	164.6	NM
Average purchase price	$ —	$ —	$ —	$ 45.29	$ 45.42	—	NM	$ —	$ 48.67	NM
CAPITAL RATIOS (c)										
Tier 1 capital	$ 111,824(e)	$ 98,775	$ 89,646	$ 88,746	$ 86,096	13	30			
Total capital	159,265(e)	145,012	134,948	132,242	128,543	10	24			
Risk-weighted assets	1,255,419(e)	1,079,199	1,075,697	1,051,879	1,028,551	16	22			
Adjusted average assets	1,555,250(e)	1,536,439	1,507,724	1,473,541	1,423,171	1	9			
Tier 1 capital ratio	8.9%(e)	9.2%	8.3%	8.4%	8.4%					
Total capital ratio	12.7(e)	13.4	12.5	12.6	12.5					
Tier 1 leverage ratio	7.2(e)	6.4	5.9	6.0	6.0					
INTANGIBLE ASSETS (PERIOD-END)										
Goodwill	$ 46,121	$ 45,993	$ 45,695	$ 45,270	$ 45,335	—	2			
Mortgage servicing rights	17,048	11,617	8,419	8,632	9,114	47	87			
Purchased credit card relationships	1,827	1,984	2,140	2,303	2,427	(8)	(25)			
All other intangibles	3,653	3,675	3,815	3,796	3,959	(1)	(8)			
Total intangibles	**$ 68,649**	**$ 63,269**	**$ 60,069**	**$ 60,001**	**$ 60,835**	9	13			
DEPOSITS										
U.S. offices:										
Noninterest-bearing	$ 193,253	$ 125,606	$ 132,072	$ 129,406	$ 115,036	54	68			
Interest-bearing	506,974	362,150	394,613	376,194	354,459	40	43			
Non-U.S. offices:										
Noninterest-bearing	9,747	7,827	7,232	6,342	6,559	25	49			
Interest-bearing	259,809	227,322	227,709	228,786	202,037	14	29			
Total deposits	**$ 969,783**	**$ 722,905**	**$ 761,626**	**$ 740,728**	**$ 678,091**	34	43			

(a) Based on net income amounts.

(b) Excludes commission costs.

(c) The Federal Reserve has granted the Firm, for a period of 18 months following the merger with Bear Stearns, relief up to a certain specified amount and subject to certain conditions from the Federal Reserve's risk-based and leverage capital guidelines in respect to the Bear Stearns risk-weighted assets and other exposures acquired. The amount of such relief is subject to reduction by one-sixth each quarter subsequent to the acquisition and expires on October 1, 2009.

(d) Common equivalent shares have been excluded from the computation of diluted earnings per share for the third quarter of 2008, as the effect would be antidilutive

(e) Estimated.

ACH: Automated Clearing House.

Average managed assets: Refers to total assets on the Firm's Consolidated Balance Sheets plus credit card receivables that have been securitized.

Beneficial interest issued by consolidated VIEs: Represents the interest of third-party holders of debt/equity securities, or other obligations, issued by VIEs that JPMorgan Chase & Co. consolidates under FIN 46R. The underlying obligations of the VIEs consist of short-term borrowings, commercial paper and long-term debt. The related assets consist of trading assets, available- for-sale securities, loans and other assets.

Contractual credit card charge-off: In accordance with the Federal Financial Institutions Examination Council policy, credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification of the filing of bankruptcy, whichever is earlier.

Corporate/Private Equity: Includes Private Equity, Treasury and Corporate Other, which includes other centrally managed expense and discontinued operations.

Credit card securitizations: Card Services' managed results excludes the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. Through securitization, the Firm transforms a portion of its credit card receivables into securities, which are sold to investors. The credit card receivables are removed from the Consolidated Balance Sheets through the transfer of the receivables to a trust and the sale of undivided interests to investors that entitle the investors to specific cash flows generated from the credit card receivables. The Firm retains the remaining undivided interests as seller's interests, which are recorded in loans on the Consolidated Balance Sheets. A gain or loss on the sale of credit card receivables to investors is recorded in other income. Securitization also affects the Firm's Consolidated Statements of Income as the aggregate amount of interest income, certain fee revenue and recoveries that is in excess of the aggregate amount of interest paid to the investors, gross credit losses and other trust expense related to the securitized receivables are reclassified into credit card income in the Consolidated Statements of Income.

FIN 46(R): FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51."

Investment-grade: An indication of credit quality based upon JPMorgan Chase & Co.'s internal risk assessment system. "Investment-grade" generally represents a risk profile similar to a rating of a "BBB-"/"Baa3" or better, as defined by independent rating agencies.

Managed basis: A non-GAAP presentation of financial results that includes reclassifications related to credit card securitizations and to present revenue on a fully taxable-equivalent basis. Management uses this non-GAAP financial measure at the segment level because it believes this provides information to enable investors to understand the underlying operational performance and trends of the particular business segment and facilitates a comparison of the business segment with the performance of competitors.

Managed credit card receivables: Refers to credit card receivables on the Firm's Consolidated Balance Sheets plus credit card receivables that have been securitized.

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

Merger costs: Reflects costs associated with the Washington Mutual and Bear Stearns mergers in 2008, costs associated with The Bank of New York, Inc. transaction ("The Bank of New York") in 2007, and costs associated with the 2004 merger with Bank One Corporation.

MSR risk management revenue: Includes changes in MSR asset fair value due to inputs or assumptions in model and derivative valuation adjustments and other.

Net yield on interest-earning assets: The average rate for interest-earning assets less the average rate paid for all sources of funds.

NM: Not meaningful.

Overhead ratio: Noninterest expense as a percentage of total net revenue.

Principal transactions (revenue): Realized and unrealized gains and losses from trading activities (including physical commodities inventories that are accounted for at the lower of cost or fair value) and changes in fair value associated with financial instruments held by the Investment Bank for which the SFAS 159 fair value option was elected. Principal transactions revenue also include private equity gains and losses.

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 credit card securitizations, but excludes the impact of taxable equivalent adjustments.

SFAS: Statement of Financial Accounting Standards.

SFAS 140: "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a replacement of FASB Statement No. 125."

SFAS 141: "Business Combinations."

SFAS 157: "Fair Value Measurements."

SFAS 159: "The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115."

SOP 03-3: "Accounting for Certain Loans of Debt Securities Acquired in a Transfer."

Taxable-equivalent basis: Total net revenue for each of the business segments and the Firm is presented on a tax-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits is presented in the managed results on a basis comparable to fully taxable securities and investments. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense.

Unaudited: Financial statements and information that have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

U.S. GAAP: Accounting principles generally accepted in the United States of America.

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

Investment Banking

IB'S REVENUE COMPRISES THE FOLLOWING:

1. Investment banking fees include advisory, equity underwriting, bond underwriting and loan syndication fees.

2. Fixed income markets include client and portfolio management revenue related to both market-making and proprietary risk-taking across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets.

3. Equities markets include client and portfolio management revenue related to market-making and proprietary risk-taking across global equity products, including cash instruments, derivatives and convertibles.

4. Credit portfolio revenue includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for the IB's credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm's lending and derivative activities, and changes in the credit valuation adjustment, which is the component of the fair value of a derivative that reflects the credit quality of the counterparty.

Retail Financial Services

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN REGIONAL BANKING:

1. Personal bankers — Retail branch office personnel who acquire, retain and expand new and existing customer relationships by assessing customer needs and recommending and selling appropriate banking products and services.

2. Sales specialists — Retail branch office personnel who specialize in the marketing of a single product, including mortgages, investments, and business banking, by partnering with the personal bankers.

MORTGAGE BANKING REVENUE COMPRISES THE FOLLOWING:

1. Production revenue includes net gains or losses on originations and sales of prime and subprime mortgage loans and other production-related fees.

2. Net mortgage servicing revenue

- **a) Servicing revenue** represents all gross income earned from servicing third-party mortgage loans including stated service fees, excess service fees, late fees and other ancillary fees.
- **b) Changes in MSR asset fair value due to:**
  - — **market-based inputs** such as interest rates and volatility, as well as updates to assumptions used in the MSR valuation model.
  - — **modeled servicing portfolio runoff (or time decay)**
- **c) Derivative valuation adjustments and other**, which represents changes in the fair value of derivative instruments used to offset the impact of changes in the market-based inputs to the MSR valuation model.

3. MSR risk management results include changes in the MSR asset fair value due to inputs or assumptions and derivative valuation adjustments and other.

Retail Financial Services (continued)

MORTGAGE BANKING'S ORIGINATION CHANNELS COMPRISE THE FOLLOWING:

1. Retail — Borrowers who are buying or refinancing a home through direct contact with a mortgage banker employed by the Firm using a branch office, the Internet or by phone. Borrowers are frequently referred to a mortgage banker by real estate brokers, home builders or other third parties.

2. Wholesale — A third-party mortgage broker refers loan applications to a mortgage banker at the Firm. Brokers are independent loan originators that specialize in finding and counseling borrowers but do not provide funding for and do not underwrite the loans.

3. Correspondent — Correspondents are banks, thrifts, other mortgage banks and other financial institutions that sell closed loans to the Firm.

4. Correspondent negotiated transactions ("CNT") — These transactions occur when mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis, and exclude purchased bulk servicing transactions. These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in stable and rising-rate periods.

Card Services

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN CARD SERVICES:

1. Charge volume — Represents the dollar amount of cardmember purchases, balance transfers and cash advance activity.

2. Net accounts opened — Includes originations, purchases and sales.

3. Merchant acquiring business — Represents an entity that processes bank card transactions for merchants. JPMorgan Chase & Co. is a partner in Chase Paymentech Solutions, LLC, a merchant acquiring business.

4. Bank card volume — Represents the dollar amount of transactions processed for merchants.

5. Total transactions — Represents the number of transactions and authorizations processed for merchants.

Commercial Banking

COMMERCIAL BANKING REVENUE COMPRISES THE FOLLOWING:

1. Lending includes a variety of financing alternatives, which are primarily provided on a basis secured by receivables, inventory, equipment, real estate or other assets. Products include term loans, revolving lines of credit, bridge financing, asset-based structures and leases.

2. Treasury services includes a broad range of products and services enabling clients to transfer, invest and manage the receipt and disbursement of funds, while providing the related information reporting. These products and services include U.S. dollar and multi-currency clearing, ACH, lockbox, disbursement and reconciliation services, check deposits, other check and currency-related services, trade finance and logistics solutions, commercial card, and deposit products, sweeps and money market mutual funds.

3. Investment banking products provide clients with sophisticated capital-raising alternatives, as well as balance sheet and risk management tools through loan syndications, investment-grade debt, asset-backed securities, private placements, high-yield bonds, equity underwriting, advisory, interest rate derivatives, foreign exchange hedges and securities sales.

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN COMMERCIAL BANKING:

1. Liability balances include deposits and deposits that are swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities sold under repurchase agreements.

2. IB revenue, gross — Represents total revenue related to investment banking products sold to CB clients.

Treasury & Securities Services

Treasury & Securities Services **firmwide metrics** include certain TSS product revenue and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of TS and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary, in management’s view, in order to understand the aggregate TSS business.

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN TREASURY & SECURITIES SERVICES:

Liability balances include deposits and deposits that are swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities sold under repurchase agreements.

Asset Management

Assets under management: Represent assets actively managed by Asset Management on behalf of institutional, private banking, retail, private client services and Bear Stearns brokerage clients. Excludes assets managed by American Century Companies, Inc., in which the Firm has a 43% ownership interest as of September 30, 2008.

Assets under supervision: Represents assets under management as well as custody, brokerage, administration and deposit accounts.

Alternative assets: The following types of assets constitute alternative investments — hedge funds, currency, real estate and private equity.

AM’s CLIENT SEGMENTS COMPRISE THE FOLLOWING:

1. Institutional brings comprehensive global investment services — including asset management, pension analytics, asset/liability management and active risk budgeting strategies — to corporate and public institutions, endowments, foundations, not-for-profit organizations and governments worldwide.

2. The **Private Bank** addresses every facet of wealth management for ultra-high-net-worth individuals and families worldwide, including investment management, capital markets and risk management, tax and estate planning, banking, capital raising and specialty-wealth advisory services.

3. Retail provides worldwide investment management services and retirement planning and administration through third-party and direct distribution of a full range of investment vehicles.

4. Private Wealth Management offers high-net-worth individuals, families and business owners in the United States comprehensive wealth management solutions, including investment management, capital markets and risk management, tax and estate planning, banking, and specialty-wealth advisory services.

5. Bear Stearns Brokerage provides investment advice and wealth management services to high-net-worth individuals, money managers, and small corporations.