

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$1.2 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its JPMorgan and Chase brands.

## JPMorgan

JPMorgan has one of the largest client franchises in the world. Our clients include corporations, institutional investors, hedge funds, governments and affluent individuals in more than 100 countries.

The following businesses use the JPMorgan brand:

Investment Bank	Asset Management
Treasury Services	Private Bank
Worldwide Securities Services	Private Client Services

Information about JPMorgan capabilities can be found on [jpmorgan.com](http://jpmorgan.com).

## CHASE

Chase is a leading U.S. financial services brand serving consumers, small businesses, corporations and governments with a full range of banking and asset management products in local markets and through national distribution.

The consumer businesses include:

Consumer Banking	Home Finance
Credit Card	Auto Finance
Small Business	Education Finance

The commercial banking businesses include:

Middle Market	Business Credit
Mid-Corporate	Equipment Leasing
Real Estate	

Information about Chase capabilities can be found on [chase.com](http://chase.com).

## JPMorganChase

JPMorgan Chase is the brand used to express JPMorgan Chase & Co., the holding company, and is also used by our Treasury Services business and our Community Development Group.

Information about the firm is available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

# Investment Bank



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$14,578	\$13,506
Operating earnings	3,658	3,654
Return on common equity	18%	18%

JPMorgan is one of the world's leading investment banks with deep client relationships and product capabilities. Our clients are corporations, financial institutions, governments and institutional investors.

We offer our clients a full platform that enables us to develop the most complete and innovative financial solutions in the industry. We have global leadership positions in all our key products – mergers and acquisitions advice, capital raising, restructuring, risk management and research. JPMorgan also participates in proprietary trading and investing and market-making in cash securities and derivative instruments around the world. We continue to add to the breadth of our platform through organic growth and selective acquisitions, and by developing new products to meet the evolving needs of our clients.

## Major 2005 accomplishments

- Achieved a #1 ranking in both loans and high-yield bonds, globally and in the U.S. – the first investment bank to do so.<sup>(a)</sup>
- Achieved #1 bookrunner ranking in U.S. Commercial Mortgage-Backed Securities and #2 globally for the first time.<sup>(a)</sup>
- Expanded our energy business, adding power, coal and emissions to oil and gas capabilities to diversify risk and meet client needs.
- Integrated JPMorgan Cazenove, winning key mandates and helping to achieve #2 rankings for Equities and M&A in the Europe, Middle East & Africa region.<sup>(b)</sup>
- Acquired Neovest Holdings, Inc., a provider of high-performance trading technology and direct market access services to institutional investors, asset managers and hedge funds.
- Strengthened our offerings in fixed income and foreign exchange prime brokerage.

## 2006 and beyond

- Increase the consistency of our trading results and improve return on capital.
- Continue to build out our securitized products, fixed income and foreign exchange prime brokerage, principal investments and energy businesses, particularly in Europe.
- Expand distribution of structured products to retail clients through third parties.
- Invest in strategic opportunities in select emerging markets.
- Leverage global footprint – work across regions to deliver global solutions for clients.
- Leverage significant cross-selling opportunities with Commercial Banking, Asset & Wealth Management, Treasury & Securities Services and Chase Home Finance.
- Attract, develop and retain the best talent in the industry.

## 2005 highlights

- #2 investment banking fee revenue globally<sup>(b)</sup>
- #3 ranking in Global Announced M&A – advised on seven of the 10 largest M&A transactions<sup>(a)</sup>
- Participant in five of the top 10 largest equity transactions globally
- Energy Derivatives House of the Year award (*Risk* magazine, January 2006)
- Loan House, U.S. High Yield Bond House, European Structured Equity House (*IFR*, January 2006)
- #1 Interest Rate Swaps, Forward Rate Agreements, Cross-Currency Swaps, Credit Derivatives, Interest Rate Options, Exotic Interest Rate Products, Exotic Currency Products (*Risk* End User Rankings, April 2005)

(a) Thomson Financial

(b) Dealogic

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Retail Financial Services



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$14,830	\$15,076
Operating earnings	3,427	3,279
Return on common equity	26%	25%
Overhead ratio (ex. CDI)	55%	57%

**Retail Financial Services helps meet the financial needs of consumers and small businesses. We provide convenient consumer banking through the nation's second-largest ATM network and fourth-largest branch network. We are the second-largest home equity originator, the fourth-largest mortgage originator and servicer, the largest non-captive originator of automobile loans and a top provider of loans for college students.**

**We serve customers through more than 2,600 bank branches and 280 mortgage offices, and through relationships with 15,600 auto dealerships and 2,500 schools and universities. More than 11,000 branch salespeople assist customers with checking and savings accounts, mortgage and home equity loans, small business loans, investments and insurance across our 17-state footprint from New York to Arizona. An additional 1,500 mortgage officers provide home loans throughout the country.**

## Major 2005 accomplishments

- Increased branch sales force by 23%, boosting sales of credit cards by 62% and mortgages and home equity loan balances by 18%.
- Grew checking accounts by 8%, bringing the total to 8.8 million accounts.
- Expanded mortgage product offerings to appeal to broader market, including first-time and minority home buyers, and increased focus on construction markets.
- Invested in high-visibility, effective marketing to protect and enhance the Chase brand in the Northeast and the rebranded Bank One markets.
- Enhanced ATM network, putting the Chase brand on 270 ATMs in Duane Reade stores (New York) and installing 200 ATMs in Walgreens (Arizona). Replaced 900 ATMs and rebranded 3,400 others.

## 2006 and beyond

- Expand branch network and sales staff while maintaining expense discipline to achieve consistent and profitable growth.
- Increase mortgage origination market share by focusing on home buyers and by leveraging bank branches. Continue to add and integrate mortgage officers into the branch network.
- Expand our student loan business to meet the needs of this growing market. Integrate the recently acquired Collegiate Funding Services.
- Continue investing in state-of-the-art technology to improve the customer experience and sales process. Convert Retail platform in the Northeast in 2006.
- Rebrand the 560 remaining Bank One branches and retrofit 440 Chase branches in 2006.

## 2005 highlights

- Rebranded 1,400 Bank One branches and 3,400 ATMs to Chase in 10 states, leveraging increased visibility to expand existing relationships and generate new customers
- Opened 150 bank branches and added 990 ATMs to make banking more convenient for our customers
- Completed technology conversion in Texas, uniting 400 bank branches, 850 ATMs and 2 million customers on the same platform

2005 results reflect a special provision taken for Hurricane Katrina.

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Card Services



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$15,366	\$15,001
Operating earnings	1,907	1,681
Return on common equity	16%	14%
Return on outstandings (pre-tax)	2.21%	2.08%

With more than 110 million cards in circulation and \$142 billion in managed loans, Chase Card Services is one of the nation's largest credit card issuers. Customers used Chase cards for more than \$300 billion worth of transactions in 2005.

Chase offers a wide variety of cards to satisfy the needs of individual consumers, small businesses and partner organizations, including cards issued with AARP, Amazon, America Online, Continental Airlines, Marriott, Southwest Airlines, Starbucks, Sony, United Airlines, Universal Studios, Walt Disney Company, and many other well-known brands and organizations. Chase also issues private-label and co-branded credit cards with Circuit City and Sears Canada.

Through Chase Paymentech Solutions, LLC, we are the largest processor of MasterCard and Visa payments in the world.

## Major 2005 accomplishments

- Acquired 21 million net new Visa, MasterCard and private-label accounts.
- Increased our private-label business and gained ability to issue cards in Canada by acquiring the Sears Canada portfolio.
- Issued more than 5 million Chase cards with "blink" in several major metropolitan markets, giving cardmembers and merchants a faster, more convenient way to pay using contactless payment technology.
- Increased merchant processing volume to \$563 billion.
- Moved heritage Chase accounts to a new, more flexible and cost-effective processing system.
- Completed rebranding efforts, changing more than 51 million cards to the new Chase brand. Launched high-profile "Your Choice. Your Chase." advertising initiative.

## 2006 and beyond

- Develop innovative products and services to create differentiated value for consumers and partners and drive growth in number of cardmembers, outstandings and sales.
- Expand the markets we serve to reach a broader base of customers.
- Invest in marketing and technology initiatives designed to position Chase for superior long-term growth.
- Cross-sell card products to the firm's customers.
- Continue to increase productivity by driving down operating cost per active account.
- Establish Chase as an iconic brand by continually delivering on our brand promise through our employees, products and innovative new products.

## 2005 highlights

- One of the largest credit card issuers
- More than \$300 billion in charge volume
- \$142 billion in managed loans
- More than 110 million cards issued
- Largest merchant acquirer in the world through Chase Paymentech Solutions, LLC
- More than 850 credit card partnerships with some of the world's best-known brands

2005 results reflect the impact of newly enacted bankruptcy legislation, as well as a special provision taken for Hurricane Katrina.

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Commercial Banking



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$3,596	\$3,417
Operating earnings	1,007	992
Return on common equity	30%	29%
Overhead ratio	52%	54%

**Commercial Banking serves more than 25,000 clients, including corporations, municipalities, financial institutions and not-for-profit entities, with annual revenues generally ranging from \$10 million to \$2 billion. While most of our Middle Market clients are within the Retail Financial Services footprint, Commercial Banking also covers larger corporations, as well as local governments and financial institutions on a national basis.**

**We are a market leader with superior client penetration across the businesses we serve. Local market presence, coupled with industry expertise and excellent client service and risk management, enables us to offer superior financial advice. Partnership with other JPMorgan Chase businesses positions us to deliver broad product capabilities – including lending, treasury services, investment banking, and asset and wealth management – and meet all our clients' financial needs.**

## Major 2005 accomplishments

- Achieved double-digit growth in treasury services by cross-selling liability balances, products and services.
- Increased significantly the penetration of investment banking capabilities to the entire client base.
- Enhanced the local coverage model by strengthening leadership through strategic hiring and talent management, and by promoting diversity and developing employees.
- Established a dedicated team to provide advice and financial solutions to clients with multinational needs.
- Converted more than 9,000 customer relationships to a single deposit system, providing access to Chase's extensive branch network.
- Created operating efficiencies by integrating the heritage firms' business credit and leasing business systems.

## 2006 and beyond

- Cross-sell the company's extensive product set to our existing client base while maintaining strong credit fundamentals.
- Expand market share through increased prospect conversion, while focusing on prudent client selection.
- Optimize our use of client and competitor information to drive best practices regarding the coverage model, product delivery and customer service. Direct investment resources and product capability to the highest-potential market sectors.
- Outperform our peers in managing credit and operational risk.
- Continue to leverage industry expertise, global capabilities and geographic presence as a competitive advantage.
- Strengthen workforce through targeted training on combined product and service capabilities. Continue to focus on diversity efforts and initiatives.

## 2005 highlights

- #1 large middle-market lender in the United States (Loan Pricing Corporation, 2005)
- #1 asset-based lender in the United States (Loan Pricing Corporation, 2005)
- 42% market penetration and 14% lead share in our 15-state footprint, nearly twice the lead share and penetration of our nearest competitor (2005 SRBI Footprint Study)
- Average liability balances increased by more than \$5.2 billion (up 8%), and average loan volumes grew by more than \$1.9 billion (up 4%)
- Aircraft and Municipal leasing specialties expanded by leveraging existing expertise

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Treasury & Securities Services



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$6,241	\$ 5,400
Operating earnings	1,037	437
Return on common equity	55%	23%
Pre-tax operating margin	26%	12%

**Treasury & Securities Services (TSS) is a global leader in transaction, investment and information services that support the needs of chief financial officers, treasurers, issuers and investors worldwide. TSS operates through two divisions:**

**Treasury Services (TS) moves, concentrates and invests client money, and provides trade finance and logistics solutions. The business ranks first in U.S. dollar clearing, processing an average of \$3.2 trillion in wire transfers daily.**

**Worldwide Securities Services (WSS) safekeeps, values, clears and services securities and portfolios for investors and broker-dealers; provides trustee and agent services; and is a leading manager of American Depositary Receipt programs. WSS is the world's largest global custodian, with \$11.2 trillion in total assets under custody and \$6.8 trillion of trust securities under administration.**

## Major 2005 accomplishments

- Delivered double-digit revenue growth and increased net earnings by 137%.
- Acquired Vastera to become the first financial institution to offer a complete, integrated global trade solution supporting both the movement of goods and financial settlements.
- Built out alternative investment services by launching JPMorgan Private Equity Fund Services, which provides administration services to global private equity firms and institutional limited partners.
- Accomplished 54 major merger milestones, contributing to the firm's largest systems upgrade and the integration of Texas operations, and creating a single processing platform for U.S. dollar funds transfers.
- Consolidated two securities processing organizations into one, Worldwide Securities Services, to leverage the client base and product offerings and to achieve efficiencies.

## 2006 and beyond

- Focus on product delivery by customer segment.
- Continue to expand alternative investment services.
- Leverage the full capabilities of the firm to develop innovative solutions and cross-sell products with the Investment Bank, Commercial Banking, Small Business and Asset & Wealth Management.
- Achieve market differentiation by delivering competitively superior client service.
- Continue to focus on productivity and expense control to maximize earnings and fund investments in the business.
- Invest in technology and people to improve productivity and ensure the reliability needed to support quality client service and future business growth.

## 2005 highlights

- Double-digit year-over-year growth in assets under custody (up 21%), Automated Clearing House Originations (up 18%), International Electronic Funds Transfer volume (up 92%) and wholesale cards issued (up 12%)
- #1 in U.S. Dollar Treasury Clearing<sup>(a)</sup>, Commercial Payments<sup>(a)</sup>, Automated Clearing House Originations<sup>(b)</sup>, CHIPS<sup>(c)</sup> and Fedwire<sup>(d)</sup>
- #1 Trustee for new U.S. Corporate Debt, excluding asset- and mortgage-backed securities (by number of issues), and Global Trustee of U.S. Collateralized Debt Obligations<sup>(e)</sup>
- #1 U.S. Commercial Paper Issuing & Paying Agent<sup>(e)</sup>
- Liability balances increased by \$29.3 billion, to \$164.3 billion

(a) FImetrix

(b) NACHA

(c) The Clearing House

(d) Federal Reserve

(e) Thomson Financial

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Asset & Wealth Management



(In millions, except ratios)	Pro forma	
	2005	2004
Total net revenue	\$5,664	\$4,901
Operating earnings	1,216	879
Return on common equity	51%	37%
Pre-tax operating margin	33%	28%

**Asset & Wealth Management provides investment advice and management for institutions and individuals. With assets under supervision of \$1.1 trillion, we are one of the largest asset and wealth managers in the world. We serve four distinct client groups through three businesses: institutions through JPMorgan Asset Management; ultra-high-net-worth clients through the Private Bank; high-net-worth clients through Private Client Services; and retail clients through JPMorgan Asset Management. The majority of our client assets are in actively managed portfolios. We have global investment expertise in equities, fixed income, real estate, hedge funds, private equity and liquidity, including both money-market instruments and bank deposits. We also provide trust and estate services to ultra-high-net-worth and high-net-worth clients, and retirement services for corporations and individuals.**

## Major 2005 accomplishments

- Achieved record earnings, 16% revenue growth, 38% earnings growth and a 5% improvement in pre-tax margin to 33%.
- Completed the largest U.S. mutual fund merger in history.
- Surpassed \$100 billion in Private Client Services assets under supervision.
- Reached the milestone of 1 million participants in our Retirement Plan Services business.
- Became the largest seller of mutual funds in Europe. Generated more than \$25 billion of net flows, with \$19 billion flowing into long-term funds and over \$6 billion into liquidity funds.
- Delivered strong investment performance. Globally, 74% of our long-term mutual fund assets were ranked in first- or second-quartile funds for the five years ended December 31, 2005.

## 2006 and beyond

- Continue to deliver strong investment performance through rigorous review of investment strategies and diversification of investment processes.
- Expand third-party distribution of our investment management products and services, capitalizing on industry shifts toward open architecture and outsourcing of asset management.
- Respond to increasing demand for absolute-return investing by expanding our offering of alternative products globally and staying at the forefront of that move.
- Grow our 401(k) and IRA rollover retail channels through targeted marketing at both the corporate and participant levels and leveraging our connectivity with the rest of the firm.
- Extend our Private Bank and Private Client Services footprint, gain efficiencies and expand Private Client Services investment offerings.

## 2005 highlights

- \$1.1 trillion in total assets under supervision at year-end
- Grew assets under management by \$56 billion to a total of \$847 billion, including \$32 billion of net flows
- Created shared-services organization to leverage economies of scale between Private Client Services and the Private Bank
- Sold BrownCo, a discount brokerage firm, for \$1.6 billion
- Successfully completed first year of integration with Highbridge, with its assets under management increasing by 8%

All 2004 information is on a pro forma combined-operating basis. See page 1 for details.

# Community Partnership



JPMorgan Chase invests in organizations and programs that strengthen the neighborhoods, schools and the economic vitality of the communities we serve around the world. We also respond when disaster strikes. JPMorgan Chase provided programs and services to communities devastated by Hurricane Katrina. We donated millions of dollars to help relieve suffering caused by the Gulf Coast storms, and by the London bombings and the Pakistan earthquake, as well.

We expanded access to capital in low- and moderate-income communities, providing home mortgages, small business loans, investments, and innovative development programs and services. We took concrete action to protect the environment, adopting policies and practices to preserve our planet for future generations.

Within JPMorgan Chase, we are building an inclusive culture in which everyone has the opportunity to contribute, develop and succeed based on their talent and skills. In an increasingly global economy, the diverse experiences and perspectives of our people are a critical asset.

## Major 2005 accomplishments

- Supported thousands of nonprofit organizations around the world.
- Invested \$70 billion in the second year of our 10-year pledge to invest \$800 billion in U.S. communities – the largest commitment by any financial services firm. Total investment to date is \$140 billion.
- Expanded our Community Advisory Board to include 86 members representing communities throughout our footprint.
- Increased management accountability for creating a diverse senior leadership team.
- Implemented a comprehensive environmental policy by adopting the Equator Principles, guidelines that promote environmental and social risk management in project financing. The policy also addresses climate change, sustainable forestry, habitat protection, illegal logging and the concerns of indigenous peoples.

## 2005 highlights

- Contributed nearly \$112 million to nonprofit organizations worldwide, including funds directed by employees through our matching-gift and volunteer programs
- Won \$75 million New Markets Tax Credit; part of the Community Renewal Tax Relief Act, this program facilitates investment in low-income areas. Used funds to provide capital at favorable terms to low-income communities; will also support the work of community-development financial institutions
- Recognized as a “Low Carbon Leader” by *BusinessWeek* and the United Kingdom-based Climate Group for our leadership on climate change in financial services

## 2006 and beyond

- Continue to work with not-for-profits around the world to effect positive change in the communities where we operate.
- Focus efforts on the credit and community-development needs of New Orleans and the Gulf Coast region.
- Support our communities in the third year of our \$800 billion commitment.
- Continue to develop a diverse pool of talented employees at all levels to help us meet the unique financial needs of diverse individuals, families, businesses and communities.
- Increase the energy efficiency of our facilities and work toward reducing our U.S. greenhouse gas emissions over time.
- Continue to raise employees’ awareness of environmental issues and their relevance to individuals’ day-to-day work.