

(In millions, except ratios)

| | 2006 | 2005 |
|-------------------|----------|----------|
| Total net revenue | \$18,277 | \$14,613 |
| Net income | 3,674 | 3,673 |
| Return on equity | 18% | 18% |



INVESTMENT BANK

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

We offer our clients a full range of investment banking products and services in all major capital markets, including advising on corporate strategy and structure, capital raising in equity and debt markets, sophisticated risk management, market-making in cash securities and derivative instruments, and research. We have global leadership positions in all our key products, and our full platform enables us to develop some of the most complete and innovative financial solutions in the industry. We also commit the firm's own capital to proprietary investing and trading activities. We continue to strengthen our platform through organic growth and selective acquisitions, and by developing new products to meet the evolving needs of our clients.

(a) Dealogic

(b) Thomson Financial

2006 HIGHLIGHTS

- #1 in Investment Banking fees^(a).
- #2 in Global Debt, Equity and Equity-related^(b).
- #1 in both global loan syndications and global high yield bonds for the second year in a row^(b).
- #1 provider of financial products to sponsor clients^(a).
- IFR's "Global Interest Rate and Commodities Derivatives House of the Year."
- Risk's "Energy Derivatives House of the Year."
- Named in BusinessWeek's Top 10 "Best Places to Launch Your Career."

MAJOR 2006 ACCOMPLISHMENTS

- Record annual revenue, with record performance in IB fees, Fixed Income and Equity Markets.
- Reduced trading volatility through disciplined management and increased diversification, while achieving a record level of markets-related revenue.
- Strong progress on growth initiatives:
 - Energy and Securitized Products platforms largely built out in the U.S;
 - Added over 100 distributors, including Fidelity in the United States, for our Retail Structured Products business; and,
 - Strong Emerging Markets performance locally in the Europe, Middle East & Africa region; and in Latin America.
- Continued leverage of the firmwide platform through cross-selling products with Home Lending, Commercial Banking, Asset Management and Treasury & Securities Services.
- Strong expense discipline, with noncompensation expense up 4%, while revenue grew 25%.

2007 AND BEYOND

- Continue build-out of Energy and Securitized Products platforms, particularly in Europe and Asia.
- Capitalize on market opportunity in Pension Advisory and Risk Management.
- Expand manufacturing and distribution of Structured Products to retail clients.
- Build emerging markets presence through organic growth and through the pursuit of joint ventures and partnerships in select countries, particularly in Asia.
- Selectively expand principal investing capabilities.
- Continue to enhance discipline around risk, capital allocation and expenses.
- Fund investments in revenue growth through continued productivity savings.
- Attract, develop and retain the best talent in the industry.

(In millions, except ratios)

| | 2006 | 2005 |
|-------------------|----------|----------|
| Total net revenue | \$14,825 | \$14,830 |
| Net income | 3,213 | 3,427 |
| Return on equity | 22% | 26% |



RETAIL FINANCIAL SERVICES

Retail Financial Services helps meet the financial needs of consumers and businesses. We provide convenient consumer banking through the nation's fourth-largest branch network and third-largest ATM network. We are a top-five mortgage originator and servicer, the second-largest home equity originator, the largest noncaptive originator of automobile loans and one of the largest student loan originators.

We serve customers through more than 3,000 bank branches, 8,500 ATMs and 270 mortgage offices; and through relationships with more than 15,000 auto dealerships and 4,300 schools and universities. More than 11,000 branch salespeople assist customers with checking and savings accounts; mortgage, home equity and business loans; investments; and insurance across our 17-state footprint from New York to Arizona. More than 1,200 additional mortgage officers provide home loans throughout the country.

2006 HIGHLIGHTS

- Increased branch sales force 9%; and increased branch sales production, including credit cards 74% and investments 34%.
- Increased checking accounts 14%, to 10 million, and deposits 12%, to \$204 billion.
- Increased Business Banking loan originations 22%, to \$5.7 billion.
- Increased active online customer base 35%; generated 187 million online transactions, including bill payment and electronic payment, up 35%.
- Added 438 net new branches, including 339 acquired from The Bank of New York; and 1,194 ATMs, including 400 acquired from The Bank of New York and 500 placed in Walgreens stores throughout Florida, Colorado and Louisiana.

MAJOR 2006 ACCOMPLISHMENTS

- Expanded our leadership position in the highly attractive New York metropolitan area through the acquisition of The Bank of New York's consumer banking business, which added \$12 billion in deposits.
- Purchased and integrated Collegiate Funding Services to expand the education lending business.
- Completed technology conversion in the New York Tri-state area; now serving all Chase-branded branches on the same state-of-the-art platform.
- Completed the Chase rebranding of remaining Bank One branches and ATMs.
- Expanded originations of alternative mortgage products – leveraging distribution capabilities in the Investment Bank – to serve changing consumer needs, while maintaining disciplined underwriting practices.

2007 AND BEYOND

- Improve customer cross-selling through continued expansion of the sales force and achieve double-digit growth in branch sales of mortgages, investments and credit cards.
- Invest in 125 to 150 additional branch locations annually, using disciplined and analytical approach to select markets and sites within markets.
- Convert The Bank of New York branches to the Chase technology platform in first half of 2007, refurbish those branches, and upgrade the sales process and customer experience.
- Continue to respond to changing residential lending environment; upgrade and consolidate mortgage origination and servicing technology by year-end 2008 to improve customer experience and increase operating efficiencies.

| (In millions, except ratios) | 2006 | 2005 |
|------------------------------|----------|----------|
| Total net revenue | \$14,745 | \$15,366 |
| Net income | 3,206 | 1,907 |
| Return on equity | 23% | 16% |



CARD SERVICES

With more than 154 million cards in circulation and \$153 billion in managed loans, Chase Card Services is one of the nation's largest credit card issuers. Customers used Chase cards for more than \$339 billion worth of transactions in 2006.

We offer a wide variety of general-purpose cards to satisfy the needs of individual consumers, small businesses and partner organizations, including cards issued with AARP, Amazon, Continental Airlines, Marriott, Southwest Airlines, Sony, United Airlines, Walt Disney Company and many other well-known brands and organizations. We also issue private-label cards with Circuit City, Kohl's, Sears Canada and BP.

Chase Paymentech Solutions, LLC, a joint venture with JPMorgan Chase and First Data Corporation, is the largest processor of MasterCard and Visa payments in the world, handling over 18 billion transactions in 2006.

2006 HIGHLIGHTS

- Second-largest MasterCard/Visa credit card issuer in the United States^(a).
- Largest merchant acquirer in the world through Chase Paymentech Solutions, LLC^(a).
- Fourth-largest private-label credit card issuer in the United States^(a).
- Increased overall profitability and grew managed loans while investing in activities to attract new customers and further engage current cardmembers.
- The Chase Home Improvement, Borders and BP Visa rewards card programs were included on list of 10 best cards of 2006 by IndexCreditCards.com.

MAJOR 2006 ACCOMPLISHMENTS

- Added 15.9 million new Visa, MasterCard and private-label accounts.
- Launched innovative Chase FreedomSM program, the first card to give cardmembers the choice of earning either cash or points and changing back without leaving any rewards behind.
- Continued to build our private-label business through new partnerships with BP, Kohl's and Pier 1 Imports, Inc.
- Increased merchant processing volume to \$661 billion, up 17% from 2005.
- Expanded judgmental lending and instant-credit decision-making capabilities.
- Continued to be market leader in contactless technology, with more than 7 million "blink" enabled Chase cards issued.
- Increased sales on the Sears Canada portfolio and launched our first new Canadian Visa product, the Chase Marriott Rewards Visa Card.

2007 AND BEYOND

- Establish Chase as an iconic brand by continually delivering on our brand promise through our employees, advertising and innovative products and services.
- Drive superior long-term growth in profits, customers, managed loans and sales by building customer value and reducing operating cost per account through investments in marketing and technology initiatives.
- Expand the markets we serve to reach a broader base of consumers, including the small-business, student, Hispanic and private-label segments.
- More effectively cross-sell credit card and bank products to the firm's customers, offering superior product sets and customer service.

(a) SEC filings and company reports

(In millions, except ratios)

| | 2006 | 2005 |
|-------------------|---------|---------|
| Total net revenue | \$3,800 | \$3,488 |
| Net income | 1,010 | 951 |
| Return on equity | 18% | 28% |



COMMERCIAL BANKING

Commercial Banking serves more than 30,000 clients, including corporations, municipalities, financial institutions and not-for-profit entities. These clients generally have annual revenues ranging from \$10 million to \$2 billion. Commercial bankers serve clients nationally throughout the retail branch footprint and in offices located in other major markets. We are the #1 commercial bank in our retail branch footprint.

Commercial Banking offers its clients industry knowledge, experience, a dedicated service model, comprehensive solutions and local expertise. The firm's broad platform positions us to deliver extensive product capabilities – including lending, treasury services, investment banking and asset management – to meet our clients' U.S. and international financial needs.

2006 HIGHLIGHTS

- #1 commercial bank in market penetration in Chase's retail branch footprint, almost double that of the next leading competitor^(a).
- #1 in overall customer satisfaction among large bank providers – 93% of clients surveyed are highly satisfied with our bankers^(b).
- #2 asset-based lender in the United States^(c).
- Generated record gross investment banking revenues of \$716 million.

MAJOR 2006 ACCOMPLISHMENTS

- Significantly increased cross-selling efforts with 30% growth in gross investment banking revenues and 9% growth in Treasury Services revenues.
- Completed both a major loan conversion, which impacted more than 14,000 clients with approximately \$25 billion in loan balances, and several treasury services migrations to target platforms.
- Enhanced discipline in and accountability for the sales process through improved monthly metrics reports, business reviews and coaching.
- Added approximately 2,000 banking relationships, \$2.3 billion in loans and \$1.2 billion in liability balances from the acquisition of The Bank of New York's middle-market business.
- Created Chase Capital Corporation, which provides our clients with additional financing alternatives including mezzanine and second-lien loans as well as preferred equity.
- Opened five new offices to expand coverage in Des Moines (IA), Charlotte (NC), Orlando (FL), Denver (CO) and Princeton (NJ).

2007 AND BEYOND

- Increase prospect conversion through accelerated calling efforts and targeted marketing initiatives.
- Grow U.S. and international revenue by providing clients with more comprehensive solutions leveraging our Treasury & Securities Services, Asset Management and Investment Bank platforms.
- Continue to improve product and service offerings to clients through additional cash management tools, technology enhancements and alternative capital solutions.
- Outperform peers in credit through active portfolio management and superior underwriting standards, while effectively using capital and resources.
- Strengthen our workforce through key talent development, training and diversity initiatives.
- Convert our wholesale New York Tri-state customer base to the target deposit system; complete the migration of customers acquired in The Bank of New York transaction to the firm's platforms.

(a) SRBI Footprint Study 2005

(b) Barlow Research Middle Market Banking 2006, Chase Relationship Audit™

(c) Loan Pricing Corporation, 2006



(In millions, except ratios)

| | 2006 | 2005 |
|-------------------|---------|---------|
| Total net revenue | \$6,109 | \$5,539 |
| Net income | 1,090 | 863 |
| Return on equity | 48% | 57% |

TREASURY & SECURITIES SERVICES

Treasury & Securities Services is a global leader in transaction, investment and information services that support the needs of institutional clients worldwide. We are one of the world's largest cash management providers and a leading global custodian, operating through two divisions:

Treasury Services provides cash management products, trade finance and logistics solutions, wholesale card products, and short-term liquidity management capabilities to small and mid-sized companies, multinational corporations, financial institutions and government entities.

Worldwide Securities Services stores, values, clears and services securities and alternative investments for investors and broker-dealers; and manages depositary receipts programs globally.

2006 HIGHLIGHTS

- Increased assets under custody 30%, to \$13.9 trillion; and liability balances 22%, to \$190 billion.
- Double-digit growth in Automated Clearing House Originations (up 18%), International Electronic Funds Transfer volume (up 62%) and U.S. Dollar Clearing volume (up 10%).
- #1 in Same Day U.S. Dollar Funds Transfers^(a), Automated Clearing House Originations^(b), CHIPS^(c) and Fedwire^(d).
- Industry awards included Best Overall Bank for Cash Management in North America (Global Finance), Securities Services Provider of the Year (The Banker) and #1 Global Liquidity Capabilities (Euromoney).

MAJOR 2006 ACCOMPLISHMENTS

- Completed the purchase of the middle- and back-office operations of Paloma Partners Management Company, an investment funds management group, and closed the sale of select corporate trust businesses to The Bank of New York.
- Achieved all 2006 merger goals, including completion of the largest U.S. dollar clearing conversion in banking history.
- Introduced innovative products for automating healthcare claims reimbursement, for simplifying electronic payments for large corporations and government agencies, and for international check imaging.
- Built out the global investment operations outsourcing platform, securing two key deals and completing two major client conversions.
- Enhanced partnerships with businesses across JPMorgan Chase, increasing the number of Investment Bank referrals 13% and Business Banking transactions 10%.

2007 AND BEYOND

- Complete merger- and efficiency-related platform retirements and client migrations, including conversions to target billing, liquidity, sweep and deposit platforms.
- Expand alternative investment services, the global investment operations outsourcing platform, depositary receipts, liquidity management, foreign exchange and securities lending.
- Focus on international growth, particularly in Europe, the Middle East, Latin America, China and India.
- Leverage the Investment Bank, Commercial Banking and Asset Management to deliver a broad range of offerings in meeting client needs.
- Achieve market differentiation by delivering client service that is superior to that of our competition.
- Focus on productivity and expense control to maximize net income and fund investments in the business, including investments in technology and people.

(a) Ernst & Young

(b) NACHA

(c) The Clearing House

(d) Federal Reserve



(In millions, except ratios)

| | 2006 | 2005 |
|-------------------|---------|---------|
| Total net revenue | \$6,787 | \$5,664 |
| Net income | 1,409 | 1,216 |
| Return on equity | 40% | 51% |

ASSET MANAGEMENT

With assets under supervision of \$1.3 trillion, Asset Management is a global leader in investment and wealth management. Our clients include institutions, retail investors and high-net-worth individuals in every major market throughout the world.

We offer global investment management 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 and banking services to high-net-worth clients, and retirement services for corporations and individuals. The majority of our client assets are in actively managed portfolios.

2006 HIGHLIGHTS

- Assets under management reached \$1.0 trillion, with a total of \$1.3 trillion assets under supervision.
- Largest global hedge fund manager with assets under management of \$34 billion^(a).
- JPMorgan Prime Money Market Fund became the first money market fund to reach \$100 billion.
- Reached \$100 billion in retirement assets.
- Became one of the largest Sino-foreign fund houses in China within two years of launching a joint venture with Shanghai International Trust & Investment Corporation (SITICO).

MAJOR 2006 ACCOMPLISHMENTS

- Continued to deliver strong investment performance. Globally, 79% of our long-term mutual fund assets were ranked in first- or second-quartile funds for the five years ended December 31, 2006.
- Continued significant growth in our European business. Ranked second for net sales of all retail long-term mutual funds, with 2006 net sales of \$19.7 billion^(b).
- Achieved record performance with 20% revenue growth and 16% earnings growth.
- Net assets under management inflows were at a record level of \$89 billion.
- Experienced record growth of net new clients in the Private Bank.
- Grew alternative assets under management including hedge funds, real estate, private equity and currency, by 35%, to \$100 billion. Continued to experience strong investor interest in Highbridge funds with 97% growth in assets under management during 2006.
- Acquired CCA Strategies, an employee benefits and compensation consulting firm that will extend our retirement services capabilities to better respond to the needs of our clients.

2007 AND BEYOND

- Deliver strong investment performance through rigorous review of investment strategies and diversification of investment processes, and by attracting and retaining the best investment talent in the world.
- 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) business and IRA rollover retail channels, at both the corporate and participant levels, as we leverage 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.

(a) *Absolute Return* magazine, March 2007 issue, data as of year-end 2006

(b) Source FERL



CORPORATE CITIZENSHIP

JPMorgan Chase is committed to building vibrant communities, preserving our environment and promoting an inclusive culture that benefits our shareholders, customers, employees, neighbors and future generations. Corporate citizenship is fundamental to our success as a firm.

Our investment in programs that enable people to live, learn and thrive helps enhance the quality of the communities we serve. We contribute our leadership guidance, expertise and financial resources to help strengthen neighborhoods across the globe.

Inside our firm, we are building an inclusive culture in which everyone has the opportunity to contribute, develop and succeed based upon their talents and skills. In an increasingly global economy, we view the diverse experiences and perspectives of our people as a critical asset.

MAJOR 2006 ACCOMPLISHMENTS

- Invested more than \$110 million in the communities we serve by supporting in excess of 2,800 not-for-profit organizations globally. We carefully select partners that promote economic stability, improve access to quality education and inspire communities through the celebration of arts and culture. Our investments span the globe, positively impacting communities in nearly 500 cities across 33 countries.
- Achieved significant progress toward our 10-year pledge to invest \$800 billion in low- and moderate-income communities in the U.S. – the largest commitment by any bank focused on mortgages, small-business lending and community development. In 2006, we committed \$87 billion, with total investment to date of \$241 billion in the third year of the program.
- Played a leadership role in the creation of The New York Acquisition Fund, along with 15 lenders and in conjunction with six foundations and the City of New York. The Fund is a \$230 million initiative to finance the acquisition of land and buildings to be developed and/or preserved for affordable housing.
- Led the effort to raise \$1.5 billion of equity for the wind power market in 2006, with approximately \$650 million allocated to our own portfolio. The firm's renewable energy portfolio now comprises approximately \$1 billion of equity investments in 26 wind farms since its inception in 2003.
- Trained more than 100 bankers globally to better implement our environmental and social risk policy as part of our environmental risk management efforts.
- Completed our U.S. greenhouse gas emissions baseline, increased our investments in energy efficiency projects and purchased renewable energy credits (green energy).
- Built upon our commitment to supplier diversity, having spent in 2006 in excess of \$500 million with minority- and women-owned business enterprises – expenditures that increased even in light of an overall decrease in provider spending.

2007 AND BEYOND

- Focus on increasing the social return, reach and impact of each dollar we invest in the community.
- Build and leverage employee volunteerism to improve our overall effectiveness and impact across the many neighborhoods we serve.
- Continue seeking out partners that are best positioned to help us deliver our mission of building vibrant communities that enable its members to live, learn and thrive.
- Maintain momentum toward our 10-year, \$800 billion commitment to invest in communities across the U.S.
- Deepen our commitment to environmental awareness and continue developing financial products that will help our clients reduce their greenhouse gas emissions.
- Continue our leadership in the area of supplier diversity while expanding our efforts to do business with other disadvantaged groups.
- Continue developing at all levels a global pool of diverse talent to help us serve the unique and diverse needs of our customer base.