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VAULT EMPLOYER PROFILE:

JPMORGAN CHASE & CO

BY THE STAFF OF VAULT

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Introduction

Overview

JPMorgan Chase (known informally as JPMorgan Chase) is the product of a massive merger between two diversified financial institutions, J.P. Morgan and Chase Manhattan. The merger, valued at approximately $38.6 billion, was completed on the first day of 2001 and instantly created the third largest financial institution in terms of assets in the U.S., behind Citigroup and Bank of America. Since, JPMorgan Chase has leaped over Bank of America to become the second largest financial services firm in the U.S., and now, it's a lot closer to No. 1.

In January 2004, JPMorgan Chase announced that it was acquiring Bank One in a deal worth more than $58 billion. The deal closed in July 2004, creating a combined company with more than $1.1 trillion in assets, rivaling Citigroup's $1.2 trillion. The acquisition of Bank One will boost JPMorgan Chase's ability to compete with Citigroup, not only in investment banking and commercial lending, but also in consumer banking, which is Bank One's main strength.

JPMorgan Chase conducts most of its investment banking, asset and wealth management, private equity, and treasury and securities services operations under the JPMorgan name. These business lines all are headquartered in New York. For the time being, the firm operates its commercial banking operations under the Chase and Bank One names. When the Bank One assimilation is complete, the firm will drop the Bank One moniker and conduct all commercial banking activities under the Chase name. The firm's retail and commercial banking businesses are headquartered in Chicago, and its credit card business is headquartered in Delaware.

JPMorgan Chase Co. at a Glance

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New York, NY 10017
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DEPARTMENTS

Asset and Wealth Management
Card Services
Commercial Banking
Investment Banking
Retail Financial Services
Treasury and Securities Services

THE STATS

President and CEO: William B. Harrison Jr.
Employer Type: Public company
Stock Symbol: JPM (NYSE)
Revenue: $31.72 billion (FYE 12/03)
Net Income: $6.72 billion
No. of Employees: 130,000*
No. of Offices: 2,300

KEY COMPETITORS

Bank of America
Citigroup
Credit Suisse First Boston
Deutsche Bank

EMPLOYMENT CONTACT

Human Resources
JPMorgan Chase & Co.
270 Park Avenue
New York, NY 10017
careers.jpmorganchase.com

UPPERS

Rapidly expanding franchise through acquisition
Strengthening global presence
Bank One part has relaxed, "Midwestern" culture

DOWNERS

Still a victim of merger induced culture clashes
Second tier I bank
Job uncertainty because of merger

THE BUZZ

WHAT EMPLOYEES AT OTHER FIRMS ARE SAYING

"Great reputation"
"Major player and growing"
"Second class Citigroup"
"Still more of a commercial bank than an investment bank"
"Getting way too big"
"Growing scale, declining prestige"
"Losing its culture due to mergers"
"Bank One is a solid institution"
"Dimon is the man"
"Great name; investment banking division still developing"
"Tough competitor"

The Scoop

History

Pistols at dawn

Chase Manhattan's history can be traced back to 1799, when Chase's first predecessor company, The Manhattan Company, was chartered to supply water to New York City. Included in the company charter was a provision that capital not needed for the water supply business could be used to purchase stock or in other money transactions. Thus, The Bank of The Manhattan Company was formed. Historians are unclear whether Aaron Burr, one of the backers of The Manhattan Company's water business, intentionally inserted the clause so a bank rivaling Alexander Hamilton's could be formed. The two Founding Fathers had a long running dispute, which came to an abrupt end in 1804 when Burr killed Hamilton in a duel. (The pistols, by the way, have been preserved as part of JPMorgan Chase's historical collection.)

The bank continued to grow, surviving the Great Depression (with a little assistance from the Rockefeller family) and two World Wars. In 1955 The Bank of The Manhattan Company merged with Chase National, a bank founded in 1877 by banker and currency expert John Thompson and named after former Secretary of the Treasury Salmon Chase. The Chase Manhattan Bank, as it became known, went looking for another commercial merger partner in the mid 1990s, settling on Chemical Bank, then the third largest bank in the U.S. following a 1992 merger with Manufacturers Hanover. The 1996 coupling made Chase Manhattan one of the largest banks in the United States.

Chase continued its acquisition strategy in late 1999 and early 2000, starting with its purchase of Hambrecht & Quist, a San Francisco based boutique specializing in the tech sector. The December 1999 purchase cost Chase $1.35 billion. The bank's next target was Robert Flemings Holdings, a London based bank Chase purchased in April 2000 for $7.9 billion, a price many considered too high. However, the purchase added some needed underwriting muscle, especially in Asia. In August 2000, the firm finalized its purchase of The Beacon Group, a New York boutique founded by former Goldman Sachs partner Geoffrey Boisi, who joined Chase as its lead investment banker. In December 2001, Brown and Company, the online brokerage unit of JPMorgan Chase, signed an agreement to purchase Dreyfus

Brokerage Services, the online trading unit of Mellon Financial. The takeover, which included about $6 billion in assets, padded Brown and Company's customer base and augmented its position in the online brokerage division.

In January 2002, JPMorgan Chase went for platinum when it acquired credit card portfolio Providian Master Trust from Providian National Bank for an estimated $2.9 billion. The deal included over $8 billion in credit card loans, covering 3.3 million credit card accounts, most of them platinum card accounts.

The venerable house of Morgan

JPMorgan traces its roots back to 1838, when American George Peabody opened a London merchant bank. Junius S. Morgan became Peabody's partner in 1854, and eventually the firm became known as J.S. Morgan & Company. Seven years later, Junius' son, J. Pierpont, established J.P. Morgan & Company, a New York sales office for securities underwritten by his father. Working on both sides of the Atlantic, the Morgans brought capital from Europe that was crucial to U.S. growth. In 1895, five years after Junius' death, J. Pierpont consolidated the family businesses under the J.P. Morgan name.

The firm's growth continued unimpeded until the enactment of the Glass Steagall Act in 1933. Because of the newly formed barriers between commercial and investment banking, the firm experienced many changes. Several partners, including Harry Morgan (grandson of J. Pierpont) left to form an investment banking firm, Morgan Stanley. Following a merger with Guaranty Trust Company, J.P. Morgan moved into the commercial and personal loan business.

In the 1960s, J.P. Morgan began underwriting securities in Europe, where there were fewer banking regulations. The company craved such business in the United States, especially once corporations began looking to bonds as a cheaper alternative to bank loans. In 1989 J.P. Morgan received permission from the Federal Reserve to enter debt underwriting; one year later, the door to equity underwriting was opened.

The honeymoon's over

Hopes for the JPMorgan/Chase Manhattan union were high, with analysts using Citigroup as the model of a multipurpose financial services behemoth. But the new company's first year was a rough one. JPMorgan Chase had to weather a recession, an economic collapse in Argentina, the bankruptcy of a major client and the effects of the terrorist attacks on the World Trade Center in New York. "One year after the JPMorgan/Chase merger, the jury is still out," Mike Mayo, a banking analyst at Prudential Securities, told Reuters in January 2002. He cited concerns that the firm may have laid off too many workers in critical areas and that potential inefficiencies in areas like risk management may have led to large financial losses. For example, JPMorgan Chase was a major lender to Enron, the Houston,-based energy giant that declared bankruptcy in December 2001. Analysts estimate JPMorgan Chase might have lost $800 million in bad loans to Enron in the fourth quarter of 2001 alone. Additionally, the firm was an adviser on Enron's proposed merger with Dynegy. That engagement fell through after Enron's financial woes became apparent, costing JPMorgan Chase millions in fees.

The firm had less trouble, relatively speaking, in Argentina; that country's economy virtually collapsed in late 2001, causing it to default on its debt. JPMorgan Chase was believed to have less exposure than its rivals in that country, especially in the consumer debt area.

Like most Wall Street firms, JPMorgan Chase was affected by the terrorist attacks of September 11. The firm had a major branch in the mall underneath the complex. All the employees from that location made it out of the building safely, but one JPMorgan Chase employee who had a meeting elsewhere in the World Trade Center was killed in the attacks, and another employee died on his way home afterwards. The firm may be on the hook for some property stored in its vault at the WTC branch. JPMorgan Chase initially believed that everything stored in the vault was irretrievable. However, customers who said the firm was negligent in not building more sturdy boxes filed a class action suit. Many clients lost cash, jewelry and other valuables, including negatives of photographs of former President John F. Kennedy stored at the branch by his official photographer. The suit is still pending. (Some materials were recovered in December 2001.)

Shortly after the terrorist attacks, the firm announced Chairman Sandy Warner would retire at year's end. CEO William Harrison assumed his duties. The two sides stressed that the decision was mutual, but some were skeptical, believing Warner was the victim of a cost cutting initiative. "It sends a signal that the bank is being aggressive about cost cutting, and that extends to the highest levels," Reilly Tierney, an analyst at Fox Pitt Kelton, told Investment News. Still, there's optimism the firm can turn things around. "Once the economy recovers, things won't look so dire," Steven Wharton, an analyst at Loomis, Sayles & Co., told *The New York Times* in February 2002.

"The question is whether JPMorgan can weather the near term, because obviously that will be difficult."

Report card

JPMorgan Chase ranked No.9 among competitors in its share of global equity and equity related underwriting in 2001 and 2000. The firm fell from No. 5 in 2000 to No. 6 in 2001 in worldwide merger advisory, though it did manage to have a hand in 14 out of the 35 top U.S. M&A deals of 2001. The firm was the lead acquirer adviser in Comcast's buyout of AT&T Broadband, valued at $71 billion in July 2001; Phillips Petroleum Co.'s purchase of Conoco for $23.6 billion in November 2001; and Procter & Gamble Co.'s takeover of Connectiv, for $5 billion in May 2001.

JPMorgan was the lead manager of eight IPOs in 2001. Among the largest deals was *The Princeton Review's* $59.4 million offering in June 2001. The firm also lead managed Wright Medical Group's July 2001 IPO, worth $93.8 million, and co led Aramark Worldwide's $690 million offering in December 2001. JPMorgan was also busy in the secondary market. The biggest deals to note: Sprint PCS's $1.7 billion offering in August 2001; Northrop Grumman's in November 2001 for $708 million offering, and a $779 million deal for King Pharmaceuticals in November 2001.

Seriously, dude, where's the cash?

That's what JPMorgan Chase shareholders and directors want to know. Indeed, the big bank had another rough year in 2002. Even CEO Bill Harrison had to acknowledge this sad fact. In a memo reviewing the year, Harrison said, "We could all agree [2002] has been a tough year" with "disappointing financial results, a combination of the uncertain markets, the issues facing corporate America and our own mistakes." Capping off a year of dismal M&A, underwriting and advisory activity, JPMorgan Chase took a $1.3 billion 2002 fourth quarter charge, which covered costs associated with the shady dealings of Enron and WorldCom, as well as the settlement with regulators over advisory and research conflicts of interest. JPMorgan Chase's board expressed concern over yet another large charge (though they did approve it), and shareholders weren't happy to see the firm's stock still struggling since the JPMorgan/Chase merger in 2001; the firm's stock has underperformed competitors Citigroup and Bank of America in the Dow Jones bank stock index since late 2001. As an indication of what 2003 might mean for CEO Harrison, in January 2003, *The Wall Street Journal* ran an article entitled, "For JPMorgan CEO, 2003 Is Make or Break," which asked the question, "Just how many more corporate lives does William Harrison have left at JPMorgan Chase & Co.?"

Not many, if there are many more years like 2002. By the numbers, JPMorgan Chase saw investment banking revenue decline 25 percent in 2002. Comprising that slump, advisory revenue slid 40 percent, underwriting revenue took a 17 percent hit, trading revenue fell 28 percent and investment management and private banking plummeted 11 percent. The year, did, however, have its bright spots. According to Thomson Financial, JPMorgan Chase held its ranking as the No.2 underwriter of U.S. investment grade bonds. The firm jumped a notch to the third spot in global high yield bonds and came in first in asset backed securities.

Cutting costs

The firm reported $587 million in severance and related costs due to layoffs in 2002. A majority of these costs, $338 million to be exact, was taken in the fourth quarter of 2002 as part of a staff reduction initiative. According to the firm, "The initiatives, once completed, will reduce staff levels by over 2,000 and are expected to generate annual savings of approximately $700 million." This, of course, sounds great for the firm, but not so great for the 2,000 employees.

Report card, part 2

During the tough year that was 2002, JPMorgan Chase managed to advise on several large M&A deals. In April, the firm acted as co adviser to New York based cable operator NTL on its $10.6 billion sale to bondholders, the largest announced transaction for the first six months of 2002. Also in April, JPMorgan Chase advised IBM on its $2.05 billion sale of its hard disk drive business to Hitachi, and was one of the advisors to Lattice Group PLC on its $9.4 billion merger with National Grid Group PLC. In January 2002, the firm co advised Rodamco Real Estate Assets on its $5.3 billion sale to an investor group. JPMorgan Chase slipped from fourth to fifth in global debt, equity and equity related offerings in 2002, according to Thomson Financial. During the year, JPMorgan Chase was the sole lead manager on the $84 million IPO for Hub International in June and the $95.25 million IPO for Taskos Energy Navigation Limited in March. Other notable equity deals in 2002 included co lead managing the $90 million IPO for U.S.I. Holdings in October, co lead managing the $442.25 million secondary offering for PPL Corp., and co lead managing the $199 million secondary for Westport Resources in December. Because of this hive of M&A activity, the firm regained the No. 5 spot in 2002 in global announced M&A, after falling to No. 6 in 2001, according to Thomson Financial. (However, the firm dropped from fifth to sixth in U.S. M&A.)

IPO no no

In April 2002, the National Association of Securities Dealers (NASD) notified JPMorgan Chase that the firm could face civil charges for commissions violations made during the tech boom of 1999 and 2000. The charges were a part of a two year NASD investigation of several Wall Street firms that supposedly gave investors big blocks of coveted IPO stocks in return for investors' profits from the offerings. Investor kickbacks to banks were allegedly disguised as commissions. Before implicating JPMorgan Chase, the NASD hit CSFB, the leading tech stock underwriter during 1999 and 2000, with a hefty fine for its commission violations. JPMorgan Chase did, indeed, face charges and, in February 2003, agreed to pay $6 million in penalties to settle charges that Hambrecht & Quist LLC, a JPMorgan Chase subsidiary, shared in customers' profits on IPOs. JPMorgan Chase neither admitted to nor denied any charges. The $6 million payout, though, was a small one, especially considering CSFB's $100 million settlement and FleetBoston Financial's $28 million penalty in similar NASD investigations.

Bye bye Boisi

In May 2002, JPMorgan Chase announced the resignation of Geoffrey Boisi, the firm's co head of investment banking. According to a JPMorgan Chase spokesman, it was no secret that Boise and JPMorgan Chase CEO Bill Harrison had conflicting opinions on the future of the bank. "Bill Harrison was looking at the future and looking for ways to improve JPMorgan," the spokesman said. "After he made those changes, Geoff decided to step down." David Coulter, the firm's vice chairman, was tapped as the new head of investment banking.

Manhattan transfer

Just a few hours before 2002 drew to a close, JPMorgan Chase agreed to a groundbreaking deal with IBM that will send 4,000 employees to Big Blue. On December 30, 2002, JPMorgan Chase agreed to outsource an expected $5 billion in computer work to IBM over the next seven years. IBM will run a majority of JPMorgan Chase's data processing infrastructure, which includes resources, systems and about 4,000 employees. The deal was the largest allowing a company to buy technology services on demand, rather than a fixed amount up front. JPMorgan Chase expects significant cost savings and improved service levels as a result of the agreement. According to *The Wall Street Journal*, Goldman Sachs analyst Laura Conigliaro said the "very high profile" deal will be the "reference account" for evaluating the pay-as-you-go approach.

Starting out strong

JPMorgan Chase kicked off 2003 in high fashion. For the first quarter of 2003, the firm recorded net income of $1.4 billion, which significantly topped net income reported during the same period in the previous year ($982 million). JPMorgan Chase's investment banking unit had a particularly strong quarter, placing in the top three in worldwide M&A, worldwide long term debt offerings and worldwide equity and equity related offerings, according to Thomson Financial. In addition, Chase Financial Services netted earnings 39 percent higher than it did the first quarter of 2002. And, according to the firm, "commercial credit costs, nonperforming assets and criticized exposures declined meaningfully from the fourth quarter of 2002."

Coming to terms over Enron

In July 2003, JPMorgan Chase agreed to pay $165 million to settle federal and state charges that the firm helped Enron swindle investors out of billions of dollars. Under the agreement, JPMorgan agreed to pay $135 million to the federal government, $12.5 million to New York City and $12.5 million to New York state. Citigroup also agreed to a similar settlement, paying $145 million to the feds and New York. Neither JPMorgan nor Citigroup had to admit to deny the charges as part of the agreement with the Securities and Exchange Commission and Manhattan District Attorney Robert Morgenthau.

The settlement ended a year and a half investigation that discovered JPMorgan Chase and Citigroup had structured deals allowing Enron to hide debt and inflate cash flow before filing for bankruptcy in 2001. In a letter to District Attorney Morgenthau upon announcement of the settlement, JPMorgan vice chairman Marc Shapiro wrote, "We cannot undo what has been done, but we can express genuine regret and learn from the past." Morgenthau said he didn't pursue criminal charges against any employees at JPMorgan or Citigroup, because it would have been difficult to prove any individual acted with intent to commit fraud. And he said he took into account that the banks are Enron's two biggest creditors. Enron is indebted to JPMorgan Chase for $1.8 billion and to Citigroup for $2.4 billion.

Banking on Bank One

In July 2003, JPMorgan Chase won the bidding for Bank One's corporate trust unit, agreeing to pay $720 million for the business. The deal, the firm's largest since the merger of JPMorgan and Chase Manhattan, was finalized in the fourth quarter of 2003, at which time JPMorgan Chase became the third largest trustee in the municipal corporate trust industry. Concentrated in the Midwest, the Bank One corporate trust business included 525 employees, mostly in Chicago (where Bank One is based) and in Columbus, Ohio. It also included $1 trillion of assets under administration for corporate and municipal issues, increasing JPMorgan Chase's assets under administration to $4.5 trillion. Upon the announcement of the deal, Michael Clark, head of institutional trust services at JPMorgan Chase, said the Bank One trust business is located in "area of the country that we want to get more engaged in."

He wasn't lying. Five months later, JPMorgan Chase announced that it would be acquiring more of Bank One's operations, namely, all of it. In January 2004, JPMorgan Chase revealed that it would be acquiring the Chicago based Bank One in a deal worth more than $58 billion. The acquisition, which created a bank with $1.1 trillion in assets, second to only Citigroup's $1.2 trillion, closed in July 2004.

Jumping back in the game

With horrendous numbers in 2002, it wasn't hard for JPMorgan Chase to make a bounce off the canvas. Investment banking revenue made quite a comeback in 2003, rising 16 percent to $14.4 billion (after declining 25 percent to $12.5 billion in 2002). Earnings were a record $3.7 billion, up 183 percent from 2002.

According to Thomson Financial, the firm was No. 4 in global debt and equity underwriting in 2003, and rose to No. 3 from No. 6 in global disclosed fees. JPMorgan Chase held its ranking as the No. 2 underwriter of U.S. investment grade bonds during the year, according to Thomson Financial, and jumped a notch to No. 3 in global high yield bonds. However, the firm was No. 2 in asset backed securities, down from its No. 1 finish in 2002.

JPMorgan Chase did manage to advise on several large M&A deals in 2003 and, as a result, held tightly to the No. 5 spot in global announced M&A, after falling to No. 6 in 2001, according to Thomson Financial. The firm did, though, drop a spot to No. 8 in U.S. announced M&A.

The $58 billion merger of corporate focused JPMorgan Chase and retail centric Bank One was almost universally applauded by industry analysts. The new entity is expected to take advantage of Bank One's stability and make it better able to compete, as well as put it within striking distance of its rival, Citigroup. Bank One's capital base and a balance sheet not as exposed to derivatives as JPMorgan Chase's will reduce the new firm's risk profile. The new institution will also likely become the largest U.S. underwriter of asset backed securities. In 2003, Citigroup posted $64.9 billion in asset backed securities deals, while Bank One and JPMorgan Chase underwrote a combined $78 billion. In high grade corporate bonds, the combined banks would have underwrote more than $116 billion in 2003, not so far off from Citigroup's $135.1 billion. JPMorgan's and Bank One's credit card businesses created a $130 billion portfolio, second behind Citibank N.A.

Unlike the bad dynamics that embroiled the merger between JPMorgan and Chase, there should be less turf battles this time around. That's because the businesses are much more divided. JPMorgan Chase honchos will maintain their roost in the investment banking business, while Bank One executives are expected to lead operations in the consumer banking world. The combined firm will have 2,300 branches in 17 states with very little overlap. Most of Bank One's 1,800 branches are in the South and the Midwest, while JPMorgan Chase is a leader in New York and Texas. The firm will also have leadership positions in retail banking, investment banking, asset management, private banking, treasury and securities services, middle market, private equity and credit cards. (JPMorgan Chase is the world's No. 3 issuer of MasterCard plastic, and Bank One is the largest issuer of Visa cards).

In addition to becoming the second largest credit card issuer (behind Citigroup), JPMorgan will also be the fourth largest mutual fund company with approximately $700 billion in assets under management. Overall, the new and bigger bank anticipates its major sources of earnings will be investment banking (about 40 percent), retail banking (33 percent) and credit cards (16 percent). The remainder of the firm's profits will derive from other businesses such as asset management. The merged company will keep the JPMorgan Chase name and have headquarters in New York, although the firm's retail business (excluding credit card operations) will be based in Chicago.

Critics of the deal note the propensity for large financial services mergers to fail to realize the desired efficiencies and benefits from scale that drove the deals in the first place. In fact, the $30 billion JPMorgan/Chase Manhattan combination is often cited as evidence of what can go wrong as top managers departed and investment banking business suffered. But executives at Bank One and JPMorgan Chase believe this big merger is different. For one thing, there's the price. JPMorgan Chase's 14 percent premium over Bank One's share price stands in stark contrast to many high priced financial services mergers, including the recently announced Bank of America/FleetBoston combination that involved a 41 percent premium. In addition, executives at the banks will not be getting merger related bonuses, something JPMorgan Chase CEO William Harrison was criticized for after the JPMorgan/Chase merger.

All eyes on the stage

William Harrison, formerly chairman at Chase Manhattan, and now JPMorgan Chase's president and CEO, tapped Jamie Dimon, the former Bank One chief, to succeed him in 2006. Industry insiders are curious to see how the two leaders will work together. Harrison is known as a Southern gentleman who works congenially with a team of trusted managers, while Dimon has the reputation as a brash, hyper frugal and micro managing executive who reportedly still asks associates to split cab fares with him on business trips.

Analysts believe that the appointment of Dimon sends a signal that the bank is being aggressive about cost cutting and, because of Dimon's detailed nature, that extends to the highest levels. Dimon has spent much of his time at Bank One trimming it into a leaner business by cutting 10 percent of the bank's total workforce and cleaning Bank One's balance sheet of unprofitable loans. Expect the same sweep at the new JPMorgan Chase. Layoffs are projected at 10,000 out of a combined total of 140,000 workers, with many coming out of the New York area as the bulk of the responsibility for the consumer business is transferred to Bank One's Chicago operations.

Dimon's history may also give him extra encouragement to take the war to Citigroup. Dimon was Citigroup Chairman Sanford Weill's second in command for years and helped to build Travelers into a gargantuan financial powerhouse. In 1998, he was forced out as president of Citigroup after clashes between Travelers and Citicorp executives.

Although both Citigroup and Bank One maintain that the rivalry between Dimon and Weill is exaggerated, many outsiders view the JPMorgan Chase/Bank One merger as Dimon's chance to prove his ex employer wrong. Dimon will also bring with him to JPMorgan a legion of ex Citigroup managers who are ready to take on their old company. Dimon's comment on the impending clash with his former firm was polite: "We do hope to give Citi a little bit of a run for its money." As it battles its rival, JPMorgan Chase hopes to leverage Dimon's rainmaking charisma to attract the bigger investment banking deals the firm has too often lost to the likes of Citigroup, Morgan Stanley and Goldman Sachs. Analysts are optimistic, too. Fox Pitt, Kelton financial analyst Reilly Tierney opined that Jamie Dimon's presence will bring "instant credibility" to JPMorgan Chase, as the firm focuses on positioning itself as an elite global investment bank.

Earnings, yes. Revenues? Well

At the same time that Dimon has been lauded for his cost cutting and profit making ways, he has been criticized for Bank One's inconsistent top line results and inability to grow organically. Bank One's 2003 revenue was down 3 percent on a year over year basis, with banking fees and commissions stagnant at $1.76 billion and credit card revenue down 2 percent to $3.7 billion (in contrast to the 7 percent gain that rival Citigroup's credit card business recorded). Dimon was also panned for betting that interest rates would rise in early 2003 only to see them fall along with Bank One's revenue in the first quarter of 2003.

Still, the same analysts that doubted Dimon are now lauding the potential of the new JPMorgan for its Citigroup like ability to cross sell every financial product imaginable. And ardent supporters of Dimon hold that Bank One's fortunes were on the rise even before the promise of rapid growth from the merger; fourth quarter credit card revenues, for example, were actually up 4 percent on an annual basis, and the business made $347 million in the period, an 8 percent jump over 2002's fourth quarter. Overall, the bank saw record new income of $3.54 billion in 2003. For what it's worth, Jamie Dimon seems to agree with Bank One's rosy prospects: "We are ending 2003 in excellent condition, with common and upgraded systems, a fortress balance sheet, and noticeable growth across most lines of business. We have the tools we need to be effective. Most importantly, our recently announced merger with JPMorgan Chase will create a company that will be a leader in every business in which it competes."

The latest, according to the numbers

For the second quarter 2004, JPMorgan Chase reported a net loss of $548 million, compared to the $1.83 million it booked for the same period in 2003. According to the firm, the loss was a result of a $2.3 billion after tax increase in litigation reserves and a $60 million after tax merger cost. Without these costs, the firm says it would have booked $1.81 billion in earnings. The firm's Bank One side did better. If that portion of the firm reported a rise in earnings for the quarter to $1.1 billion from $856 million during the second quarter 2003.

The firm's investment banking unit fared well during the quarter, putting up a revenue increase of 15 percent to $833 million. The unit also stayed near the top of several league tables. For the six month period ended June 30, 2004, JPMorgan Chase kept its ranking as the No. 1 global syndicated lender and the No. 2 underwriter of global investment grade bonds, according to Thomson Financial. JPMorgan Chase also maintains the No. 5 spot in global M&A, and significantly boosts its ranking in U.S. IPOs, moving from No. 14 at year end 2003 to No. 4 at the halfway mark of 2004.

Investment management and private banking also did well for the quarter, booking $93 million in earnings, up from $58 million during the 2003 second quarter. The private equity unit, JPMorgan Partners, saw earnings leap to $187 million from a loss of $96 million in the second quarter of 2003. Treasury and securities services increased revenues by 9 percent to $121 million. Commercial banking, however, saw a decrease, as the Chase side of the firm reported an earnings decrease of 28 percent to $620 million. The unit did increase earnings from the first quarter 2004, showing a 45 percent rise over that period, thanks to a strong showing by Chase Home Finance.

Compensation

Pay

First year analyst, investment banking: $55,000 base salary + $10,000 signing bonus + variable year end bonus, the amount of which is dependent on the department and performance

First year associate, investment banking: $85,000 base + $35,000 signing + $35,000 performance bonus

Vice president, business development: $110,000 to $135,000 base + $15,000 signing + $40,000 to $70,000 year end bonus

Vice president, unspecified department: $104,000 base + $10,000 bonus

Vice president, unspecified department: $100,000 base + $23,000 bonus

Vice president, unspecified department: *$150,000 base + unspecified bonus*

Vice president, unspecified department: *$155,000 base + unspecified bonus*

Branch manager, commercial banking: *$40,000 base + $10,000 bonus*

Project manager, commercial banking: *$90,000 base + $4,500 to $9,000 bonus*

Perks

Profit sharing

Three to four weeks paid vacation for analysts

Tuition reimbursement for full time employees attending school part time

Subsidized lunches

Subsidized health plan

On site medical department in New York

Same sex domestic partner benefits

Company athletic leagues

Travel and entertainment discounts

12 week paid child care for primary care giver

One week paid child care for partner of primary caregiver

Dinner allowance and car service if working late or on weekends

Organization

CEO's Bio

William Harrison: the man behind the mergers

When it comes to big time mergers, JPMorgan Chase CEO William B. Harrison doesn't have the best timing in the business. In 1999, as chief executive of Chase Manhattan, Harrison orchestrated the acquisition of tech investment banking boutique Hambrecht & Quist just six months before the tech industry crashed. And when Harrison merged Chase with JPMorgan in 2000 in order to solidify Chase's positions in the securities business, he did so in the midst of an ailing investment banking industry. But the third time could be the charm, as the recent Bank One acquisition has received mostly praise from industry analysts, who are betting that Harrison will do as he promised, and create a top tier investment bank.

A third generation banker, Harrison grew up in Rocky Mount, N.C., where his grandfather started Peoples' Bank and Trust in 1931. After graduating in 1967 from the University of North Carolina (where he played on the school's basketball team his freshman year under legendary basketball coach Dean Smith), Harrison landed a job at Chemical Bank. He rose the ranks at Chemical and, as the bank's vice chairman, played a major role in its $10 billion merger with Chase in 1996. Harrison remained as vice chairman post merger and oversaw Chase's wholesale banking business, which included the investment banking and capital markets units. In 1999, Harrison was named Chase's CEO. The choice of Harrison as the bank's chief came as such a surprise because of his low profile nature that the New York Post, upon Harrison's appointment, joked, "Bill Who?"

Nevertheless, Harrison's unique to the Street, laid back, Southern boy attitude has catapulted him into the top position at the country's second largest bank. BusinessWeek has described Harrison as a guy who "quietly worked his way up the executive ranks by showing a flair for diplomacy rather than knock your socks off charisma." Facing internal and external opposition as Chase's CEO, Harrison was able to use his diplomatic skills in convincing Chase insiders and investors that the bank needed to get into the securities business. After eyeing JPMorgan for five years, Harrison finally got his wish. For his efforts in putting together the untimely JPMorgan/Chase merger, Harrison earned a special $10 million bonus and stands to pocket $16 million more if, by 2007, JPMorgan Chase's stock hits $52 a share, the price of Chase's stock the day the merger closed. As of August 23, 2004, he still has a way go, as the price was $38.55. But with the promise of the recent Bank One merger, chances are good his number will come up.

Business Units

The firm conducts most of its investment banking, asset and wealth management, private equity, and treasury and securities services operations under the JPMorgan name. Currently, JPMorgan Chase operates its commercial banking operations under the Chase and Bank One names. But when the Bank One assimilation is complete, the firm will drop the Bank One name and conduct all such activities under the Chase name.

Asset and Wealth Management

This division is broken down into two units: investment management and private banking. Investment management, which primarily operates under the brand name JPMorgan Fleming Asset Management, has numerous offices worldwide and serves a host of clients, including corporations, endowments, financial intermediaries, private clients, public clients, insurance and mutual fund companies, and investment consultants. It offers a full spectrum of investment management products such as traditional cash management, equity, fixed income, asset allocation, and alternative asset classes like private equity and real estate. In the U.S., JPMorgan Fleming operates out of offices in 12 cities, including New York, Los Angeles, Boston, Houston, San Francisco and Chicago. According to the firm, JPMorgan Chase is the 11th largest asset manager in the world, and the second largest in the U.S.

The JPMorgan Private Bank, which provides wealth management for individuals with "substantial assets," brags of relationships with 40 percent of the individuals listed on the Forbes 400 richest people in the world. As of June 30, 2003, the investment management and private banking unit combined had approximately $511 billion in assets under management.

JPMorgan Partners is the name of the firm's private equity unit. The unit, which has a portfolio worth $23 billion (as of March 31, 2003), invests in the telecommunications, manufacturing, media and technology, financial services and life sciences industries. JPMorgan Partners has participated in over 1,000 transactions since its inception and holds board seats on over 300 companies. The unit's 140 professionals operate out of eight global offices.

Card Services

The firm's credit card division operates under the Chase name (Chase Financial Services). With more than 27 million accounts and over $48.9 billion in receivables, Chase's credit card unit is the fifth largest issuer of plastic in the U.S. Through a joint venture with First Data Corp., the firm is also the nation's top merchant processor, with more than 2.8 billion transactions processed annually. Some of Chase's most prominent credit card co branding partners are Wal Mart, Continental Airlines and Toys R Us. The firm's credit card unit counts about 9,000 employees and is based in Arizona, Delaware, Florida, New York, Texas and Utah. The unit specializes in new business development, finance, risk and knowledge management, marketing and e business.

Commercial Banking

Headquartered in Chicago, this unit offers the full gamut of lending services to corporate and institutional entities. Services include working capital lines of credit, merger and acquisition financing, revolving lines of credit, leasing, structured finance and trade finance. After the merger of the Chase and Bank One businesses is complete, the firm will serve more than 31,000 commercial businesses.

Investment Banking

JPMorgan Chase's investment banking unit, which operates under the JPMorgan name, combines the I banking operations of JPMorgan, Chase Manhattan and Chase's late 1990s acquisitions, Hambrecht & Quist, Robert Fleming and the Beacon Group. According to Thomson Financial, in 2003 JPMorgan was a leader in several sectors, including U.S. investment grade debt (No. 2), U.S. equity and equity related issues (No. 5), global announced M&A (No. 5), and global equity and equity related issues (No. 4). The unit also picked up some recent awards. *Risk Magazine* named the firm the No. 1 corporate and asset manager dealer. IFR magazine gave the firm three honors: the U.S. loan house award, the Latin America bond house award and the Equity Linked House Award. Additionally, Global Investor named JPMorgan Chase the top firm in derivatives research.

Speaking of research, the firm's research unit is divided into three main groups: Equity, Economics and Global Markets. JPMorgan Chase's equity research unit, which has 600 equity analysts, operates primarily out of North America and Europe, but also has significant operations in Asia. *Economics* offers views on markets around the Globe. And global markets covers fixed income, credit, derivatives, emerging markets, FX, structured finance, technical and bond index research.

Retail Financial Services

The retail and middle market financial services unit, operating under the Chase name, offers banking services to individuals and small businesses. It has over 30 million customers and offers banking, credit investment and financing products. JPMorgan Chase is one of the top mortgage, auto loan and credit card issuers in the U.S.

Treasury and Securities Services

JPMorgan Chase's treasury and securities services unit provides custodial, liquidity and issuer trustee services to corporations and governments. JPMorgan Investor Services handles custodial accounts (accounts that store assets for institutions, including mutual funds and corporations). JPMorgan Treasury Services provides cash management, payment and liquidity services to its corporate clients. JPMorgan Institutional Trust Services offers conventional and structured debt payment, securities clearance, collateral management and American depository receipt services.

Major Locations

U.S.

New York, NY (co HQ)
Atlanta, GA
Boston, MA
Chicago, IL (co HQ)
Los Angeles, CA
San Francisco, CA
Washington, DC

International

Brussels, Belgium
Hong Kong
London, UK
Rome, Italy

Singapore

Tokyo, Japan

Key Officers

Chairman and CEO: William B. Harrison, Jr.

President and Chief Operating Officer: Jamie Dimon

Vice Chairman, Investment Banking, Asset Management and Private Banking: David A. Coulter

Head, JPMorgan Partners: Jeffrey C. Walker

Chief Financial Officer: Dina Dublon

Chief Risk Officer: Don M. Wilson

Ownership

JMorgan Chase is publicly traded on the New York Stock Exchange under the symbol JPM.

Vault Newswire

July 2004: Maintaining its rankings

For the six month period ended June 30, 2004, JPMorgan Chase keeps its ranking as the No. 1 global syndicated lender and the No. 2 underwriter of global investment grade bonds, according to Thomson Financial. JPMorgan Chase also maintains the No. 5 spot in global M&A, and significantly boosts its ranking in U.S. IPOs, moving from No. 14 at year end 2003 to No. 4 at the halfway mark of 2004.

July 2004: Earnings get mixed reviews

JPMorgan Chase announces second quarter 2004 earnings, reporting a net loss of $548 million, compared to the $1.83 million it booked for the same period in 2003. According to the firm, the loss is a result of a $2.3 billion after tax increase in litigation reserves and a $60 million after tax merger cost. Without these costs, the firm says it would have ve booked $1.81 billion in earnings. The firm's Bank One side did better. That portion of the firm reported a rise in earnings for the quarter to $1.1 billion from $856 million during the second quarter 2003.

July 2004: Branching out in a big way

JPMorgan Chase says it will open a total of 16 new full service branches in the New York Metropolitan area by year end 2004. During the first six months of the year, the firm has already opened seven branches in New York and New Jersey. In its first major branch expansion since 1997, the firm says it will also continue to renovate more than 30 branches and replace 500 existing ATMs with Internet ready eATMs. JPMorgan Chase estimates the total investment of the expansion will equal more than $60 million.

July 2004: Done deal

JPMorgan Chase finalizes its acquisition of consumer banking giant Bank One, officially creating a firm with assets in excess of $1.1 trillion.

June 2004: Mutual fund settlement

Banc One Investment Advisors agrees to settle with the SEC and the New York Attorney General's office over issues related to illegal trading practices in One Group mutual funds. Banc One Investment Advisors will pay $10 million in restitution and $40 million in fines, all of which will be put into an escrow account to be distributed to eligible shareholders. Additionally, Banc One Investment Advisors will decrease advisory fees by $8 million per year for five years, and not raise advisory fees for five years.

May 2004: JPMorgan taps Bill

JPMorgan Chase announces that William M. Daley will become Chairman of the Midwest of JPMorgan Chase. Daley, who's been president of SBC Communications since 2001 and served as U.S. Secretary of Commerce under President Clinton from 1997 to 2000, will report to firm CEO William B. Harrison and serve on the JPMorgan Chase executive committee. "I am honored to welcome Bill Daley to our management team," said Harrison upon the announcement. "The Midwest is a very important market for JPMorgan Chase, and Bill will be an important leader with our clients and communities."

April 2004: First quarter results are in and looking good

JPMorgan Chase reports 2004 first quarter net income of $1.93 billion, a 38 percent increase over first quarter 2003 results of $1.40 billion. Bank One also reports having a strong quarter, announcing record net income of $1.2 billion, a 22 percent increase over the $818 million it booked a year earlier.

January 2004: Putting up some big numbers

JPMorgan Chase announces that investment banking revenue made quite a comeback in 2003. The unit saw a revenue increase of 16 percent to $14.4 billion, after declining 25 percent to $12.5 billion in 2002. Earnings in 2003 were a record $3.7 billion, up 183 percent from 2002.

January 2004: Landing high on the tables

Thomson Financial releases its year end league tables and JPMorgan Chase gets high marks on several. The firm was No. 4 in global debt and equity underwriting for 2003, No. 3 in global high yield bonds and the No. 2 underwriter of U.S. investment grade bonds. JPMorgan Chase also kept the No. 5 spot in global announced M&A, but fell a spot to No. 8 in U.S. announced M&A. Perhaps most important, the firm was No. 3 in global disclosed fees.

January 2004: Getting closer to No. 1

JPMorgan Chase announces it is acquiring Bank One in a deal worth more than $58 billion. The deal will create a combined company with more than $1.1 trillion in assets, rivaling Citigroup's $1.2 trillion. It will also increase JPMorgan Chase's ability to compete with Citigroup in investment banking, commercial lending and consumer banking, which is Bank One's main strength.

November 2003: Buying a small part of big Citi

JPMorgan Chase announces plans to acquire Citicorp Electronic Financial Services Inc. (CEFS) for $380 million in cash. A subsidiary of Citigroup, CEFS provides government issued benefits payments and prepaid stored value cards used by state and federal government agencies, as well as stored value services for private institutions.

August 2003: Rolling back the fund, again

JPMorgan Chase said it would reduce its commitment to the JPMorgan Partners private equity fund by $1.4 billion, marking a return to its private equity investment pace of approximately $1.2 billion per year. In 2000, the fund's original target was $13 billion, but a depressed market forced the firm to reduce the fund to $7.9 million. The firm will now contribute $4.85 billion to the fund, which still leaves the fund as one of the largest in the U.S.

July 2003: In Bank One we trust

J.P. Morgan Institutional Trust Services agreed to purchase Bank One's corporate trust unit for $722 million. The purchase would push JPMorgan Chase into the top three trustees in the municipal corporate trust industry, behind The Bank of New York and U.S. Bank.

July 2003: JPMorgan settles Enron case

JPMorgan Chase agreed to pay $165 million to settle federal and state charges that the firm structured deals allowing Enron to hide debt and inflate cash flow before filing for bankruptcy in 2001. JPMorgan agreed to pay $135 million to the federal government, $12.5 million to New York City and $12.5 million to New York state. As part of the agreement, the firm did not have to admit or deny charges.

July 2003: New office, more execs

JPMorgan Chase CEO William Harrison announced the creation of a new Office of the Chairman and the expansion of the firm's executive committee from 14 to 20 people. The office of the chairman will include Don Layton, head of Chase Financial Services, the retail banking business, and the treasury and security services business, and David Coulter, who oversees the investment bank, asset management and private banking businesses.

April 2003: JPMorgan shows in major tables

In the first quarter of 2003, JPMorgan Chase ranked in the top three in worldwide M&A, worldwide long term debt offerings and worldwide equity and equity related offerings, according to Thomson Financial.

April 2003: First quarter rise

For the first quarter of 2003, JPMorgan Chase recorded net income of $1.4 billion, which significantly topped the $982 million in net income reported during the same period in the previous year.

March 2003: International M&A accolade

For its work on the Emerson Electric/Huawel Technology merger, JPMorgan Chase was awarded the best cross border M&A deal award for 2002 by The Asset.

January 2003: JPMorgan and insurance companies agree

JPMorgan Chase reached an agreement with its insurance companies to settle a $1 billion dispute over failed trading pacts with Enron Corp. The 11 companies will pay JPMorgan approximately 60 percent of the amount of the surety bonds they wrote, or about $655 million. JPMorgan Chase sued the insurance companies because they refused to pay more than $1 billion for guarantees on failed oil and gas trades arranged between Enron and a Chase offshore affiliate.

January 2003: Up and down in the big tables

In the year end investment banking league tables, according to Thomson Financial, JPMorgan Chase moved up to No. 5 from No. 6 in global announced M&A, but slipped from No. 4 to No. 5 in global debt, equity and equity related offerings. In other tables, the firm held on as No. 2 in U.S. investment grade bond underwriting, moved up one spot to No. 3 in global high yield bonds, and was No. 1 in asset backed securities.

December 2002: Big Blue Deal

JPMorgan Chase agreed to a deal that would outsource an expected $5 billion in computer work to IBM over the next seven years. The deal will send 4,000 JPMorgan employees to IBM, which will run a majority of JPMorgan Chase's data processing infrastructure.

October 2002: Deep cuts in equity

JPMorgan Chase announced it would be sacking 2,200 bankers, or 14 percent of ITS staff. The reductions hit the firm's equity sales and research unit hard, causing some observers to speculate that JPMorgan Chase would no longer be pursuing IPO deals or other equity underwriting deals. Upon the announcement, CEO William Harrison told investors in a conference call, "Our mistakes have been mistakes of execution. The actions we are taking do not detract in any way from our commitment to our long term strategy." Since the JPMorgan/Chase merger, the firm's strategy has been to create a full service commercial and investment bank.

July 2002: JPMorgan's slick dealings exposed?

A U.S. Senate investigation revealed that JPMorgan Chase, along with Citigroup, pocketed more than $200 million in fees for work on transactions that helped Enron and other energy firms raise cash flow and bury debt. Evidence presented in the hearings suggested that JPMorgan and Citigroup were aware of Enron's plan to keep debt off its books through the transactions. Both banks denied any wrongdoing, testifying that it is not their responsibility to police how clients account for deals. A further investigation into the matter is pending.

May 2002: Bye Bye Boisi

JPMorgan announced the resignation of Geoffrey Boisi, the firm's co head of investment banking. According to a JPMorgan Chase spokesman, it was no secret that Boise and Morgan Chase CEO Bill Harrison had conflicting opinions on the future of the bank. "Bill Harrison was looking at the future and looking for ways to improve JPMorgan," the spokesman said. " After he made those changes, Geoff decided to step down." David Coulter, JPMorgan's vice chairman, was tapped as the new head of investment banking.

April 2002: NASD to probe JPMorgan

The National Association of Securities Dealers (NASD) notified JPMorgan that the firm could face civil charges for commissions violations made during the tech boom of 1999 and 2000.

January 2002: Enron and Argentina force less than rosy report

JPMorgan Chase announced that bad loans to Enron and Argentina amounted to an $807 million reduction in revenue for the fourth quarter 2000. Morgan Chase wrote off $456 million in bad credits to the bankrupt energy firm, and booked $351 million in losses on loans to the ailing South American country. Morgan Chase reported a $332 million net loss for the quarter.

January 2002: Forget gold, Morgan Chase goes for platinum

JPMorgan Chase acquired credit card portfolio Providian Master Trust from Providian National Bank for an estimated $2.9 billion. The deal included over $8 billion in credit card loans, covering 3.3 million credit card accounts, most of which were platinum card accounts.

September 2001: Warner retires

JPMorgan Chase Chairman Douglas Warner announced his retirement in late September 2001, effective by the end of the year. Saying, "[T]he challenging job of integrating JPMorgan and Chase has been successfully concluded," Warner handed the reins to William Harrison, Jr., who already served as president and CEO.

September 2001: Rohatyn jumps ship

Nicolas Rohatyn, whom the *Financial Times* called a "rising star," left JPMorgan Chase to pursue those ever compelling "personal interests," according to the firm. Rohatyn had been in charge of LabMorgan, JPMorgan's incubator unit, before JPMorgan/Chase Manhattan union. After the merger, Rohatyn, who was once considered by some observers to be a possible successor to Sandy Warner, shared the position as head of LabMorgan with Denis O'Leary, a Chase Manhattan tech executive.

August 2001: JPMorgan Chase cuts costs and jobs

The firm announced an initiative to cut costs by 15 to 20 percent. As part of its cost cutting measures, JPMorgan Chase cut an unspecified number of jobs, starting with positions in London. The company also banned guaranteed bonuses, tying compensation more to profits.

April 2001: JPMorgan hit with bias suit

A former public finance associate at JPMorgan filed a lawsuit claiming the firm discriminated against women and fired her unjustly in November 1998. The associate, Amy Segal, first complained to the Equal Opportunity Employment Commission in August 2000 that the firm had a "practice and policy of precluding women from positions of power." The EEOC upheld her complaint and Segal filed suit seeking $25 million in damages. Among her complaints was the charge that an exotic dancer at a 1997 holiday party left her feeling "humiliated and disgusted."

February 2001: Harrison named "Banker of the Year"

JPMorgan Chase President and CEO William Harrison Jr. was named "Banker of the Year" by American Banker. The publication cited his role in arranging the acquisitions that made Chase Manhattan a major player in the financial services industry and his role in the JPMorgan/Chase Manhattan merger.

January 2001: Done deal

The merger of JPMorgan and Chase Manhattan officially closed on the first of January, and JPMorgan Chase was born. The final price of the deal was $33 billion. Approximately 8,000 jobs were cut as a result of the deal.

Select Recent Transactions

2004

In July, JPMorgan Chase, along with Goldman Sachs and Citigroup, co lead managed Motorola's Freescale Semiconductor on its $2.7 billion IPO.

JPMorgan Chase lead managed Blackbaud's $72.8 million IPO in July.

In July, JPMorgan Chase lead managed HomeBanc Corp.'s $281.25 million IPO.

In June, JPMorgan Chase lead managed Motive's $50 million IPO.

In June, JPMorgan Chase, with Deutsche Bank, Morgan Stanley, Banc of America Securites and Citigroup, served as co advisors to MGM Mirage on its $7.5 billion pending acquisition of Mandalay Resort Group.

JPMorgan Chase advised CCE Holdings LLC on its $2.35 billion purchase of CrossCountry Energy Corp.

JPMorgan Chase, with Morgan Stanley and Citigroup, co advised May Department Stores on its $3.2 billion acquisition of Marshall Field.

JPMorgan Chase lead managed Domino's Pizza's $337 million IPO in May.

In May, JPMorgan Chase and UBS co advised National Commerce Financial Corp. on its $6.9 billion sale to SunTrust Banks.

JPMorgan Chase advised Pioneer Natural Resources on its $1.99 billion purchase of Evergreen Resources.

In April, JPMorgan Chase lead managed Colegiate Funding Services' $150 million IPO.

JPMorgan Chase and Petrie Parkman & Co. co advised Tom Brown Inc. on its $2.7 billion sale to EnCana Corp.

JPMorgan Chase, with Morgan Stanley, Banc of America Securites and Citigroup, served as co advisors to UnitedHealth Group on its $4.9 billion acquisition of Oxford Health Plans.

JPMorgan Chase lead managed TNS Inc.'s $79.56 million IPO in March.

JPMorgan Chase advised Olivetti on its $28 billion merger with Telecom Italia.

In February, JPMorgan Chase, along with Goldman and CSFB, co lead managed TRW Automotive Holdings' $674.8 million IPO.

2003

In December, JPMorgan Chase lead managed Nelnet's $168 million IPO.

In October, JPMorgan Chase and Goldman Sachs co lead managed First Marblehead Corp.'s $200 million IPO.

In July, JPMorgan Chase, along with Deutsche Bank and Societe Generale, advised the French government on its $1.37 billion sale of an 8.5 percent stake in automaker Renault SA.

In July, JPMorgan Chase, with Goldman and Merrill Lynch, lead managed Rockwood Specialties Group's $375 million senior subordinated debt offering.

In July, Merrill Lynch, along with Citigroup and JPMorgan Chase, co lead managed First Data Corp.'s $1 billion note offering.

Merrill Lynch, with Morgan Stanley and JPMorgan Chase, co lead managed SLM Corp.'s $2 billion convertible note offering in May.

In May, JPMorgan Chase and Goldman Sachs co lead managed U.S. Steel's $350 million senior note offering.

In May, JPMorgan Chase and Deutsche Bank provided $1.6 billion of senior bank financing to Riverwood Holding for its $3 billion acquisition of Graphic Packaging International.

In April, JPMorgan Partners sold its 69 percent stake in Advanced Accessory Systems to the company's management and Castle Harlan for $260 million. (According to The Deal, JPMorgan "appeared to have pocketed at least an $80 million profit on an investment of about $20 million.")

Merrill Lynch and JPMorgan Chase co lead managed ING Bank's $1 billion subordinated debt offering in April.

Morgan Stanley and JPMorgan Chase lead managed Emerson Electric's $250 million debt offering in April.

In April, Morgan Stanley and JPMorgan Chase lead managed FPL Group Capital's $500 million bond offering.

In March, Merrill Lynch, with JPMorgan Chase and Morgan Stanley, co lead managed Comcast's $1.5 billion debt offering.

In February, Morgan Stanley, with JPMorgan Chase and HSBC Securities, co lead managed Fannie Mae's $4 billion benchmark note offering.

Morgan Stanley and JPMorgan Chase s co lead managed Pfizer's $600 million debt offering in February.

In February, JPMorgan Chase co lead managed a $1.6 billion high yield bond deal and a $1.8 billion loan to finance the sale of TRW's automotive division.

Merrill Lynch, with JPMorgan Chase and Morgan Stanley, co lead managed Comcast's January $1.5 billion debt offering.

2002

JPMorgan Chase co lead managed the $199 million secondary for Westport Resources in December.

In December, JPMorgan Chase and Morgan Stanley co lead managed Weyerhauser's $600 million debt offering.

JPMorgan Chase co lead managed the $90 million IPO for U.S.I. Holdings in October.

JPMorgan Chase, with Morgan Stanley and Lehman Brothers, co lead managed Washington Mutual's $750 million debt offering in November.

In September, JPMorgan Chase and Bear Stearns advised Wyndham International on its $447 million sale of 13 hotel properties to Westbrook Hotel Partners.

In June, JPMorgan lead managed an $84 million IPO for Hub International, a provider of insurance brokerage services.

In June, JPMorgan co lead managed (along with Goldman Sachs) the $1.1 billion IPO for Medco Health Solutions, an operator of prescription drug and healthcare benefits programs.

JPMorgan acted as co adviser to New York based cable operator NTL, Inc. on its $10.6 billion sale to bondholders in April. Morgan Stanley, CSFB, Salomon Smith Barney and Rothschild served as NTL's other advisers on the deal, which was the largest announced transaction for the first six months of 2002.

JPMorgan was one of the advisors to Lattice Group PLC on its $9.4 billion merger with National Grid Group PLC announced in April.

JPMorgan advised IBM on its $2.05 billion sale of its hard disk drive business to Hitachi. The deal was announced in April.

In a transaction announced in April, JPMorgan advised South African Breweries PLC on it s $5.6 billion acquisition of Miller Brewing Company.

In March, JPMorgan lead managed $95 million IPO for Tsakos Energy Navigation Limited.

JPMorgan co advised Rodamco Real Estate Assets on its $5.3 billion sale to an investor group. ING Barings acted as Rodamco's other advisor on the deal, which was announced in January.

Our Survey Says

Two sides

Insiders nearly unanimously agree that JPMorgan Chase has two distinct cultures, as a result of the monster merger between JPMorgan and Chase. "The Chase Manhattan Bank culture, which exists on the retail side, is low key and fairly reasonable for a big company. The JPMorgan culture, which is primarily the culture of the acquired investment banking side, is 'Greed is good.'" The source adds, "The retail bank is profitable and the Chase culture is big on diversity and work life balance."

Speaking about the JPMorgan side, one contact says it has changed since the merger. "We're now more results oriented and aggressive," says one investment banker, adding, "Although we've retained the collegial style consistent with the old JPMorgan there's less of an emphasis placed on the 'blank tombstone' concept. That is, now sometimes it's better to advise clients against a deal if it's not in their best interest."

"I work on the Chase side of the bank," says an insider, "and from what I can tell, [the two cultures] are dramatically different." The contact adds, "Upon entering the bank I was told of the 'Mother Chase' attitude, where the company will help you along, provide a comfortable life and good benefits and be very nurturing. That can be true, but at times the politics can boggle the mind." At least one banker says that while dealing with "the bureaucracy isn't fun, things are improving."

Mind on the money, and money on the mind

JPMorgan Chase employees generally find the bank to be a congenial place to work. "They're serious about business [at JPMorgan Chase], but it's a pretty human and laid back place," says one banker. "It's an organized, well managed place, where it's important to have a personality. People talk to each other about their holidays and interests, sports and the news." Another associate agrees, calling the firm "relaxed, not too uptight, but professional." An analyst says, "I would say that the job isn't perfect, but management is committed to making the analyst experience worthwhile. People are always willing to help their co workers." One banker who says "departments work very well with each other" warns, "The idea is to solve problems and think through issues before asking superiors."

While one VP in corporate finance admits that because "the firm is very large, it's difficult to generalize," he says that "after the layoffs between 2000 and

2002, the overall management ability of senior bankers has improved." He explains that "weaker managers were fired," adding, "at this point, the overall quality of the people is very high."

According to one contact, "Senior bankers typically show concern for the development of junior resources." Another says he enjoys working at JPMorgan Chase because "analysts are praised for doing good work." Proclaims one confident insider: "I take my job seriously, and as a result, the senior guys pay attention and don't give me trouble when I argue with them."

A second year investment management associate reports that hours are good, and compensation is about average, as compared with the industry. He says he works "7 a.m. to 6 p.m., with rare weekend visits," and currently receives a salary of "$85,000," a bonus between "$60,000 and $120,000" and benefits that include "healthcare insurance, 401(k) with matching contributions, and stock options (available after one year of service)." A sales associate who works out of St. Louis is extremely pleased with her hours. The contact says she works "flex hours" and only heads into the office on the weekends "about once a month." Of the St. Louis digs' aesthetics, she says simply, "It's a great office." Another sales associate says he enjoys the firm's "hands off" attitude. He explains, "Managers let you run your own business." An experienced commercial banker has a similar, but slightly different spin. That banker says, "Most managers are reactive, but like their subordinates to be proactive."

Is it worth it to work it?

Outside of investment banking, JPMorgan Chase employees work vastly different schedules, which is to be expected in a large company with diverse product lines. A commercial banker notes that hours "seem to become more intense as you become more senior, but in my role, I typically work from 9:30 to 6:00, with longer hours for busy periods." The contact adds, "I am also able to [go out to] lunch daily, with the occasional exception." A trading associate who notes "no face time" is required, reports the firm's traders work the standard "seven to seven", give or take an hour, "depending on their desk." However, some bankers say the pay to time in the office ratio doesn't fall in their favor. "Pay is small if compared to your input," says one analyst. An investment banking VP who complains "hours are too long for the amount of compensation provided" reports working between 50 and 60 hours a week, which includes frequent visits to the office on weekends. "If the job market were better," he adds. "I would leave." However, another

I banking VP notes that the pay is line with the industry average, if not slightly above. And as far as hours go, he says, "At my level, the emphasis is more on travel than it is on spending a lot of time at the office." He reports rarely, if ever, working weekends.

Cultured club

Unlike its overall culture, the attitude on workforce diversity seems to be similar on both the Chase (the retail bank) and JPMorgan (the I bank) sides. A banker on the retail side says, "The diversity is good. The cultures represented [here] are vast. Senior management in my department consists of women and minorities, including Indians, Russians and African Americans the group seems to get along with each other well, and there's limited division or cliques along racial or gender lines." An investment banker who's been with the firm for more than nine years says, "Talented women are given ample opportunities to gain promotion and are given access to senior mentors." He adds that the same goes for minorities. Other insiders agree, saying all of JPMorgan Chase is committed to diversity, and the firm actually "seeks out women and minorities" and "goes out of its way" in this area.

With respect to attire, JPMorgan Chase has a business casual dress code, but employees cannot wear jeans or sneakers. One source admits, "Top management regularly wear suits, and others wear jackets to some meetings but those are the exceptions, not the rules." The firm's offices and training program receive average ratings from insiders. Says one banker, "My sense is that the training program is fairly standard when compared to that of other investment banks."

Bank One: a third side?

Insiders say Bank One is "not an intense firm" and has a "laid back" atmosphere because it's "primarily a commercial bank by culture, not an investment bank." An associate in New York who calls the firm's culture "friendly and team oriented" says, "I think the company still has a 'Midwestern' approach to its way of doing business despite the fact that Wall Streeters have migrated over in droves over the past few years which is less cutthroat than other I banks." But the contact notes, "Everything needs senior banker approval, so one can waste an immense amount of time signing off on ridiculous matters that operations can handle themselves." Making matters a bit more stressful is the merger with JPMorgan, which has hurt morale "because people's futures are uncertain." One contact warns incoming employees to expect many of their co workers to be laid off in the coming years as the two companies integrate.

The firm has a "formal feedback system twice a year" that facilitates discussion between junior employees and their superiors. Some junior staffers feel, though, their managers don't do the best job of providing guidance or developing careers. One source, a former portfolio manager, says that while CEO Jamie Dimon has provided strong leadership at the top of the organization, "management from the second level down was lacking in direction and had an inability to resolve issues or carry out orders of the CEO." In addition, given the organizational changes caused by Dimon's "re engineering" of the company over the last few years, "at no time did anyone feel their job was secure."

Insiders find the compensation to be adequate for the commercial banking industry. "The firm pays below Wall Street firms for new employees," though it does "pay senior people market levels." Employees generally feel the hours are reasonable, but "it truly depends on which group you're in and how heavy the [workflow] is." Bank One gets high marks for its diversity efforts. "This is a wonderful place that embraces diversity," says a New York source, who adds that the office has an annual "Diversity Day" party "where employees get together to taste international delights (employees volunteer to bring home cooked food of their nationality), learn about other cultures (there are presentations by employees), and experience the arts and music from around the world." Another contact calls Bank One a "fairly diverse" organization but notes that there are "very few minorities in the upper management." Bank One provides a schedule of diversity recruiting events on its web site.

Getting Hired

Hiring Process

Personality and vision

"In terms of criteria and process," explains a current employee, "JPMorgan Chase is no different than other Wall Street investment banks." When looking for new recruits, the contact says the firm "emphasizes quantitative, analytical and interviewing skills." Like its competitors, JPMorgan Chase tends to pluck entry level candidates primarily from the top undergraduate and business schools in the country; thus, the firm is quite selective. One corporate finance banker cites "all the Ivy League schools plus Stanford and MIT" as some of the places at which the firm interviews young prospects.

Students are recruited for programs in consumer and middle market financial services, wholesale financial services and corporate groups. BA and MBA entry level programs include: Applications Delivery, Corporate Finance, Derivatives Research, Equity Sales & Trading, Equity Research, Finance, Fixed Income Research, Internal Consulting Services, Asset and Wealth Management, Middle Market Banking, Private Banking, and Retail Financial Services. Typically, JPMorgan Chase makes on campus presentations, giving a company wide overview of its business, and later makes division specific presentations in association with school clubs. "The people at the early events keep track of who they met," says one insider. "And if they have something to say about you, it's funneled to the decision makers at the firm."

As it is with most firms, the summer internship seems like the best way in. "Summer analysts who perform well are offered a position at the end of the summer," says a current investment banking VP. "For people without the most outstanding resumes, it's an opportunity to show that you can do the work."

Making the rounds

After the initial introductory process, JPMorgan Chase holds "first rounds on campus with one to two senior interviewers," then "brings back people from different schools for final rounds," says one associate in investment banking. "[Candidates for investment banking positions] go through two sets of final rounds with six to seven interviewees in each. [Everyone] will be interviewed by 6 to 7 people, ranging from associate to MD." Expect questions to stress "fit, people skills and technical skills," adds the contact. "They want people without attitudes and who are willing to learn. A possible trading game with live simulations may be included one of its kind on Wall Street." In general, JPMorgan Chase bankers note that interviewers are trying to "get a feel for who you are." Says one source, "It is really about your personality and vision, which should be clear."

According to another associate, candidates can expect questions such as, "What do you think of the market?" and "What do you like to do?" The contact adds, "I was never asked to lever and unlever a beta, and there were no math questions. The interviews were more or less to see if you can interact without being a total goof." Another source says, "Personal fit is first priority. They want to know your background and thought process." He admits there were "some technical questions, which mostly came during the second round interviews with two MDs, who played a blatant good cop, bad cop routine."

A research analyst, who did not attend one of the firm's target schools, says he interviewed with managers from three different industry groups. This source says the questions he was asked ranged from the standard accounting and finance questions to other common questions such as, "Why JPMorgan [Chase]?" and "Why research?"

At Bank One: one bank, many programs

The Bank One part of JPMorgan Chase offers a host of formal undergraduate programs, including the Card Services Business Associate Program, the In Store Sales Management Program, the Finance & Accounting Program, the Middle Market Development Program, the National Retail Management Program, two technology related programs, and the Bank One Scholar Program (a program where participating employees earn MBA degrees from either the University of Chicago or Kellogg while they work at Bank One). The firm also hires summer employees to fill slots in formal internship programs in card services, finance and accounting, middle market, IT and operations. According to insiders, Bank One recruits "like most Wall Street firms" and puts candidates through multiple interviews before making hiring decisions. "My initial interview was at a recruiting center," remembers one source. Later, "I was interviewed by the current manager of the department and by my now current supervisor and a former supervisor. Questions involved my work ethic, compatibility with others, and educational goals." Sources also tell applicants to expect a personality/intelligence test and a drug test.

Questions to Expect

1. What interests you about banking?

JPMorgan Chase hires people from all backgrounds, but if you don't have finance related experience, you had better be ready to say why you find the business so interesting.

2. Why have you chosen this particular group?

The firm likes to emphasize its "group" structure based on development programs. Showing that you know what makes each group unique will demonstrate that you have done your homework.

3. Describe a situation in which you have worked with a team.

Teamwork is the buzzword in banking today. Be ready with an example about how working together enabled you to accomplish something that would not have been possible without cooperation. Show how you were a leader as a member of the team you are describing.

4. Company A is considering acquiring Company B. Company A's P/E ratio is 55 times earnings, whereas Company B's P/E ratio is 30 times earnings. After Company A acquires Company B, will Company A's earnings per share rise, fall, or stay the same?

Company A's earnings per share will rise because of the following rule: when a higher P/E company buys a lower P/E company, the acquirer's earnings per share increase. The deal is said to be "accretive" as opposed to "dilutive" to the acquirer's earnings.

5. Walk me through the major line items on a Cash Flow Statement.

First, the beginning cash balance, then cash from operations, cash from investing activities, cash from financing activities, and, finally ending cash balance.

6. How would you go about valuing a company whose stock you were considering buying?

One answer is to discount the projected cash flows by the company's risk adjusted discount rate. After projecting the first five or ten years, you add in a "terminal value," which represents the present value of all the future cash flows that are too far into the future to project. You can calculate the terminal value in one of two ways: (1) you take the earnings of the last year you projected, say, year 10, and multiply it by some market multiple like 20 times earnings, and that's the terminal value; or (2) you take the last year, say year 10, and assume some constant growth rate after that like 10 percent the present value of this constant growth rate is the terminal value. You should also mention other methods of valuing a company, including looking at "comparables," or how other similar companies were valued recently.

7. What directions do you think the banking industry will take in the future?

You do not have to be right about this, but this is your chance to show that you read more than the sports page. Discuss issues like the breaking down of barriers between commercial and investment banking and whether retail distribution will be increasingly necessary to compete in the underwriting business as well as recent mergers and acquisitions in the finance community.

8. Characterize JPMorgan Chase distinguished it from other banks.

This will gauge how much interest you have specifically in the firm. Interviewers will try to find out if you've at least looked at the company's web site and know the recruiting buzzwords.

9. How do you deal with adversity?

Show that you can learn from your mistakes. A question like this can also be an opportunity once again to show off your team oriented approach to problem solving.

10. What do you see yourself doing in 10 years?

You do not have to answer that you want to be working for JPMorgan Chase, but you should be prepared to talk about the skills that you expect to learn from working for the firm.

11. Discuss a difficult ethical decision that you recently faced.

Tell a story where you ended up doing the right thing.

12. Are you worried about working long hours?

Yes, you are aware that you will be working long hours at JPMorgan Chase (especially if you're going into investment banking), but worried? Not at all. Discuss how you have worked very hard in other situations.

13. What item on your resume tells us the most about you?

Pick something that your interviewer might have otherwise overlooked.

14. What have you read in the paper that interests you?

Reading the paper, or at least looking at the headlines, before you interview is highly recommended.

15. What's your opinion on the market? The economy?

Not having an opinion is a red flag to interviewers.

16. What other banks are you talking to?

Interviewers would rather hear that you're interviewing with similar types of banks to JPMorgan, as opposed to small banks or companies in another field. Again, this question gauges your seriousness in finding a position in the I banking industry.

17. What do you like to do in your free time?

A good time to highlight things that might not be on your resume, or get little air time on your resume.

18. What is the Black Scholes model?

It's the option pricing model developed by Fisher Black and Myron Scholes in 1973. One of the most important concepts in modern financial theory, the Black Scholes model utilizes stock price, strike price, expiration date, risk free return, and the standard deviation (volatility) of the stock's return.

Questions to Ask

"No matter what you do when you're in an interview, don't ask nothing."

a JPMorgan Chase insider

1. Where is JPMorgan Chase headed in the next five years?

Be prepared to talk about how the firm plans to continue to integrate the Bank One merger and grow.

2. Can you tell me more about the training program in this group?

JPMorgan Chase is proud of its specialized training programs; show that you know something about them but want to learn more.

3. What deals have you worked on? What are deal structures and deal teams like?

More solid questions that directly relate to the group you're applying to, underlying your specific interest.

4. Is it possible to interact with other departments?

You do not want to mention switching to other departments, but you do want to demonstrate that you are interested in the firm as a whole.

5. How has the firm changed since you first arrived?

Besides the big mergers, of course.

6. How is JPMorgan's one stop shopping model a strategic advantage? How is the balance sheet used to get deals?

These questions show that you've done your homework and know about JPMorgan's most obvious difference from most of its competitors its backing of a huge commercial bank in Chase, and now Bank One. According to a former JPMorgan banker, "It's important to ask questions that show you have a high level of knowledge of and interest in the firm."

7. I heard you just hired Jane Doe from Acme Investment Banking Group. How are you finding her transition into the firm?

If you can, find out something specific about a new major hire (such as a head of sales and trading, or a head of investment banking) and ask how that has affected or will affect the bank or a specific unit. This shows you've done your research and are interested in JPMorgan Chase.

8. How long have you been here and how did you get here? What's your background?

Of course, this shows you're interested in the interviewer and his or her background, and how you might proceed along your career. Plus, most people like to talk about themselves.

9. What does a typical day look like for an analyst (associate)?

This could give you an idea of how much financial modeling you'll be doing in a certain group, versus how much copying, pitch book work and other administrative assignments.

To Apply

For detailed descriptions of positions for undergrads, advanced degree candidates and experienced professionals, as well as listings of available opportunities go to the firm's career section of its web site, www.jpmorganchase.com. There, candidates can apply online. Note that if JPMorgan Chase recruits at your school, you must apply on campus. Typically, the deadline for full time analyst and associate programs are October 1 of each year. For summer analyst internships, the deadline is January 31, and for summer associate positions, the deadline is November 30.

For General Inquiries:

Human Resources
JPMorgan Chase & Co.
270 Park Avenue
New York, NY 10017

On the Job

Job Descriptions

Analyst, Investment Banking

I banking analysts hold the position for two or three years, joining the advisory, debt capital markets, or equity capital markets. Most analysts begin in New York; others join Morgan offices in Chicago, Houston, Los Angeles, and San Francisco. General responsibilities include: performing financial and valuation analyses, maintaining databases, building computer models and preparing presentation materials.

Associate, Investment Banking

An investment banking associate advises corporations on their overall financial strategies. The banking associate executes evaluations for client companies and writes reports for them, making financial recommendations such as the most effective means of raising capital. Associates spend a significant portion of their time interacting with clients, giving presentations, and listening to their feedback. One M&A associate warns that hours for the position "oscillate tremendously." Daily activities include:

Preparing exhibits for presentations to clients, including industry overviews.

Preparing financing case studies.

Attending presentations of financing recommendations at client's offices.

Writing sales memoranda for distribution to JPMorgan institutional sales force in connection with stock or bond offerings.

Assigning exhibits and analysis to analyst on deal team.

Preparing common stock comparisons, merger runs, and LBO analyses.

Assembling and editing pitchbooks.

Summer Analyst and Summer Associate, Investment Banking

Typically, summer analysts at JPMorgan Chase have completed their junior year of college, while summer associates have completed their first year of business school. The interns work with a specific group, though they have a chance to learn about the business practices of the entire firm. Interns are charged with intensive quantitative analysis such as reviewing figures for a particular proposal or presentation. Interns also have the chance to attend meetings with clients and meet with senior personnel. The undergraduate internship lasts at least 10 weeks. The firm asks for 12 weeks from MBA interns, but requires a 10 week minimum.

Each intern gets two mentors: a "buddy," who is an associate or analyst, and a senior mentor (a vice president or managing director). These mentors don't have an "interventionist" role their job is not to see that the intern gets an offer. A number of events for mentors and interns are held. JPMorgan encourages summer mentors to get together and hold roundtables. Mentors are expected to stay in touch once the summer's over, by sending reprints of interesting articles, etc.

Each intern is given a midsummer review. These are generally oral, although they sometimes involve a written summary. Each of the firm's business group has its own system for giving full time offers, but in general these offers are based on written forms filled out by senior people who work with the intern. The groups have business specific evaluation forms (sometimes specifically created for the internship program) that measure things like tech skills and attitude. Getting a full time offer as a summer hire is no sure thing, though the firm reports that over 50 percent do receive one.

Analyst, Commercial Banking

Although JPMorgan Chase recruits commercial banking analysts for many locations in the U.S., most opportunities are within the Northeast, Midwest and Southwest regions. The firm hires full time analysts into one of three groups: commercial banking, mid corporate banking and mid corporate investment banking. In commercial banking, clients will have annual sales of $10 million to $500 million, and an analyst's duties will focus on credit and financial analysis as well as industry and market research. In mid corporate banking, clients have annual sales of $500 million to $2 billion, and analysts help bankers structure loan facilities and sell commercial banking products. In mid corporate investment banking, analysts will be involved in financial modeling and valuation, pitchbook development and researching industries and markets. Clients of this unit will also have revenues between $500 million and $2 billion.

According to the firm, qualifications include "a minimum of a 3.2 GPA" and "solid mix of analytical, quantitative, leadership, teamwork, interpersonal and relationship management skills." Analysts in commercial banking and mid corporate banking will go through a 12 week training program. Those who join the mid coporate investment banking program will go through the same training program as investment banking analysts the investment banking corporate finance training program. Summer analyst positions are offered in all three segments of commercial banking; duties are similar to those of full timers.

Associate, Commercial Banking

Associates join commercial banking in the mid corporate banking group or the mid corporate investment banking group. Associates will gain exposure to origination, execution and advisory activities. Qualifications include an MBA and "excellent marketing, quantitative and communication skills." Preferably, says the firm, candidates will have prior work experience and a concentration in finance in grad school. Once hired, associates will go through an intense and thorough training program, at the end of which they'll receive Series 7 and 63 training. Summer associates positions are also offered. According to the firm, in addition to performing much of the same duties as full timers, "summer associates also participate in the mentoring program and have frequent opportunities to interact with senior executives and business managers from across the organization."

A Day in the Life

Associate, Investment Banking

8:00 a.m.: Check voicemail while getting dressed. Read Journal on subway to work.

8:30 a.m.: Arrive at work. Check and return e mails.

8:45 a.m.: Meet with an analyst (undergrad). Review what he or she put together from the night before for a 9:00 a.m. meeting. Make last minute changes.

9:00 a.m.: Internal meeting with deal team deal teams typically consists of an analyst, an associate, a VP and an MD followed by conference call with client.

10:30 a.m.: "Crank" on a financial model using Excel.

11:30 a.m.: Meet with an analyst (a different one than you met with at 8:45) to discuss a different deal ("I could be working on four deals at a time"). Agree to check in with the analyst at 3:00p.m. ("It's important to stay ahead of schedule. Make sure you have time for the analysts. If you have too many things on your list, you're going to screw someone on the bottom.")

12:30 p.m.: Lunch at your desk ("usually just run out to grab a sandwich"). Check with production department on timing of delivery of pitchbooks for a marketing meeting tomorrow.

1:00 p.m.: Pick up pitchbooks for tomorrow's meeting. Go through books with yet another analyst.

1:15 p.m.: Hop into a cab with an MD to go meet with a client or co advisor out of the office.

1:30 p.m.: Meeting with client or co advisor out of the office. ("This is the highlight of your day. You get to leave the office and talk to a client and an MD. The upside is you answer two questions fairly articulately and the MD thinks you're a superstar. The downside is the MD walks away from the meeting with 14 ideas that he wants analyzed. Though, you'll probably only get back to him with two of them.")

3:00 p.m.: Call your analyst on the way home from the meeting ("tell him what a good job he did on the books for the meeting") and go over a gameplan for the rest of the day.

3:15 p.m.: Back at the office. Check in with the analyst who you met with at 11:30 a.m. ("See what they need, what kind of gathering they've done.")

4:45 p.m.: Check with secretary to see if your travel plans for tomorrow's meeting were made. ("They often mess up your tickets, but fortunately, it's only a two minute fix.")

5:00 p.m.: Make phone calls. ("Client calls that a VP gave you to make. Usually some crappy task that screws up your afternoon.")

6:00 p.m.: Before leaving the office for the day, MDs assign you work, which includes writing a credit memorandum and an outline on who's doing what on a particular deal. ("As MDs walk out the door, they shell you with ideas that you and an analyst have to try to figure out what to do with. If you're a first year associate, you usually spend about 45 minutes extra trying to figure out how to do something.")

8:00 p.m.: Order dinner and eat at desk. ("Dinner's always a little later than you want it to be. You eat at eight if you're lucky. Sometimes, you'll be stuck on a call until nine." "In the London office, the cafeteria closes at nine and there's nothing to walk to close by. So, if the cafeteria is closed when you want to eat, you hike five blocks to the nearest McDonald's and eat crap again for the ninth night in a row.")

9:00 p.m.: Work on projects given to you during the day. Help analysts with Excel modeling.

12:00 a.m.: Call car service and go home. ("It's not unusual that you're there until two, though.")

Associate, Investment Management

6:30 a.m.: Read The Wall Street Journal on the subway ride to work.

7:00 a.m.: Check and return e mail and voice mail ("From the morning and night before, you'll probably have 20 e mails mostly analysts recapping what they think is important in the news, and clients telling you what they think is interesting in the news.")

7:25 a.m.: Morning meeting. ("This is to get a daily agenda. Everyone fires questions at the marketing people, who answer the questions and give you a framework of what to talk about with your clients.")

8:00 a.m.: Call portfolio managers and research analysts to discuss news, earnings releases and change of opinions.

8:30 a.m.: Call your list of clients. ("I have about a dozen clients; I put in anywhere from 15 to 35 calls a day into clients on average." On client calls, "you pick out highlights of the morning meeting and add your own color. The more you get comfortable with your job, the less you rely on the morning call, and the more you pitch your own ideas." "Half the time you're on the phone with your clients you're just bullshitting with them though it all depends on how well you get to know them." "It's important to get to know your clients and to get them to like you.")

11:00 a.m.: Read research reports. Set up meetings between research analysts and clients. ("Every other week or so, I travel out of state with an analyst to go meet with a client." "I act as a sort of buffer between [research] analysts and clients.")

12:00 p.m.: Eat lunch at your desk ("Unlike traders, I can pretty much run out whenever I want. Mostly I just run out and get a sandwich and eat it at my desk.")

12:30 p.m.: Review new issues coming to market this week. Check e mails again. ("During the day, you'll get a total of about 100 e mails, mostly from analysts, about stuff like earnings releases and breaking news. At any time you could get a call from a client, so you always want to be up on what's going on in the markets.")

2:30 p.m.: Keep track of existing portfolio holdings.

3:30 p.m.: Meet with a company and a client out of the office, or drop in on investment conference, where you'll listen to two 45 minute presentations including a 30 minute presentation by company management and 15 minutes of Q&A, ("Industry conferences are the most efficient way to quickly learn about several different companies and decide whether they're worth your attention.")

5:30 p.m.: Return to office. Check e mail and voicemail. Write up a summary of the meeting for clients that didn't attend. ("You'll include the overall tone and other highlights." "Writing memos to clients is always a good idea anything you can do to generate business.")

6:30 p.m.: Take subway home.

Final Analysis

The 2001 merger of JPMorgan and Chase Manhattan Bank created a company offering every conceivable financial product, from checking accounts and credit cards to venture capital and derivatives. In early 2004, JPMorgan Chase significantly added to these offerings, acquiring the consumer banking giant Bank One. Today, JPMorgan Chase has access to virtually every major market, with offices in many of them, and is knocking on the door of Citigroup, the largest one stop banking firm in the world. For its size and reach alone, JPMorgan Chase is considered one of the top financial players in the world. Add to that the respect the former investment bank JPMorgan commanded, by way of its rich history, and the remarkable growth of Chase Manhattan during the late 1990s, not to mention the strong foothold Bank One has in the Midwest, and JPMorgan Chase's lure for a potential employee is undeniable. Of course, big mergers have their share of culture clashes, so with the Bank One merger still fresh off the deal block, it remains to be seen how the integration will affect the firm as a whole. But with superstar banker Jamie Dimon in line to take over the reigns in 2006, many insiders and analysts predict a smooth transition for the firm, which has lately become an even more formidable rival to the big Citi.

Recommended Reading

JPMorgan Chase's web site details the firm's operations and distinguishes between the firms that merged to make up the behemoth. If you want some historical perspective, read Jean Strouse's Morgan: *American Financier* and Ron Chernow's *The House of Morgan: An American Banking Dynasty and the Rise of Modern Finance.* We also recommend the following recent articles on JPMorgan Chase and its predecessors:

"The Yin, the Yang and the Deal," *The New York Times*, June 27, 2004.

"Will Chase, Bank One Echo MBNA?" *The American Banker*, February 2, 2004.

"J.P. Morgan/Bank One: The Dimon Effect; Expect more aggressive investment banking down the line," *Investment Dealers Digest*, January 19, 2004.

"On J.P. Morgan's Trading Floor, Merger Called Winner," The *New York Sun*, January 28, 2004.

"Deal rescues Morgan chief, may give him staying power," *Crain's New York* Business, January 19, 2004.

Banking Giant: The Overview; $58 Billion Deal To Unite 2 Giants OF U.S. Banking," *The New York Times*, January 15, 2004.

"Megabank management: Douglas Braunstein juggles M&A, client relationships and more at JPMorgan Chase Co.," *The Deal*, July14, 2003.

"The Capital Crunch: Banks are paying a steep price for their foray into investment banking," *Investment Dealers' Digest*, April 21, 2003.

"J.P. Morgan's Thorny Dilemma on Troubled Loans," The *New York Times,* November 17, 2002.

"Chase's equity a lost cause; Bank abandons stock underwriting," *Crain's New York* Business, October 21, 2002.

"Coulter rises as top choice; Investment banking head emerges as likely replacement for CEO Harrison," *Crain's New York Business,* September 23, 2002.

"Luck or Pluck? Coulter Moves Up At J.P. Morgan," *The Wall Street Journal*, May 29, 2002.

"Why J.P. Morgan Keeps Showing Up in the Wrong Place," *The Wall Street Journal*, March 14, 2002.

"Weathering the Storm: Battered Shares of J.P. Morgan Chase start to attract bargain hunters," *Barron's*, March 11, 2002.

"Trading Charges: Lawsuit Spotlights J.P. Morgan's Ties To the Enron Debacle," *The Wall Street Journal*, January 25, 2002.

"Dispute Shows the Strains of Tougher Times," *Financial Times,* April 16, 2001.

"Banker of the Year: Harrison Has the Helm," *American Banker*, February 1, 2001.

"Chasing J.P. Morgan's Assets and Prestige," *Fortune*, October 2, 2000.

"J.P. Morgan, Chase to Form Behemoth," *The Wall Street Journal*, September 14, 2000.

"The End of 'High' Finance," *The Wall Street Journal*, September 14, 2000.

"Bank On Chase," *Fortune*, June 26, 2000.

VAULT EMPLOYER PROFILE:

JPMORGAN CHASE & CO

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Final Analysis: The final word on the pros and cons of working for the company

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