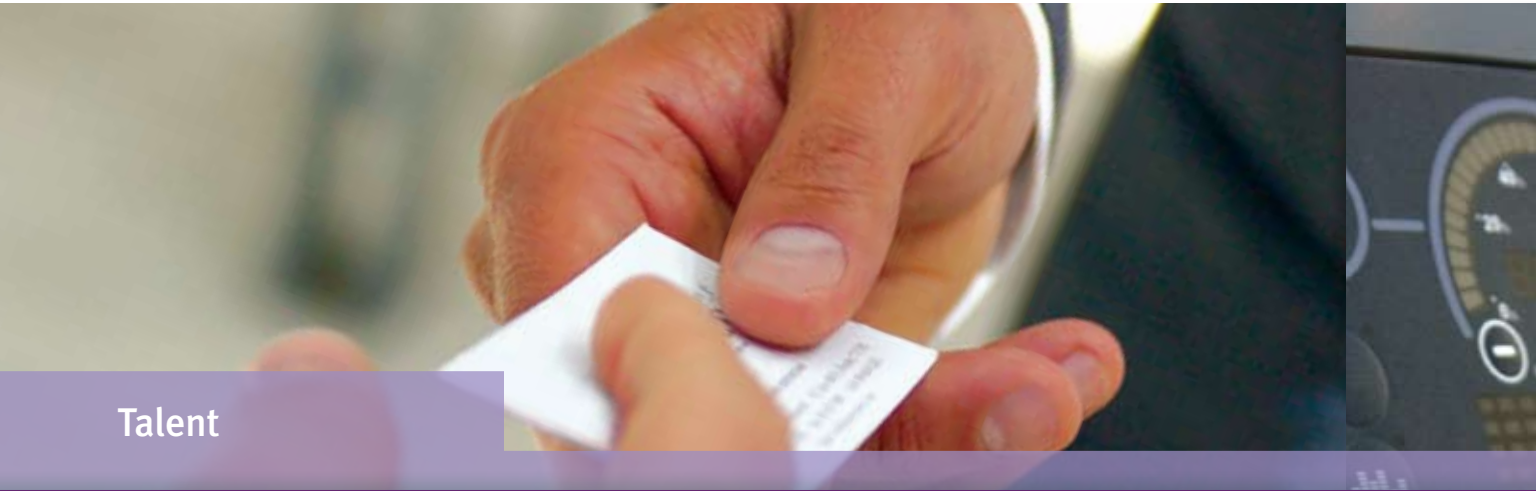


For us, doing first-class business in a first-class way has everything to do with our people. More than ever, we are devoted to building a great team made up of the best talent from every background. As a firm we work hard to create a winning culture that's open, entrepreneurial and inclusive. The most important thing we can do for employees is to build a healthy, vibrant company where people want to come to work and



Talent

: promoting diverse leadership

Recruiting Top Talent

In naming a managing director to the role of Diversity Recruiting Executive in March 2007, the firm re-energized its commitment to hiring and retaining top minority talent. And the results are evident: JPMorgan Chase has hired more exceptional minority executives in senior positions than ever before.



develop fulfilling and rewarding careers. We help our employees make their best contributions by providing programs that help them maintain healthy, balanced lives. And we reward performance by giving employees a stake in our company’s success. We’re proud of what they contribute to the firm and how they give their talent to communities and causes around the world. Their passion and commitment make all the difference.



:encouraging healthy lives

:contributing to others

Wellness Programs

In 2007 we expanded the reach of our wellness programs by partnering with employee networking groups to promote wellness screenings (up more than 11% over 2006), weight loss, cardiovascular and diabetes assessments, and breast health programs.

Matching Grants

To give more employees the chance to support their chosen nonprofits, we revamped our matching grants effort in 2007. We also expanded the list of charities in our “giving program” to include new partners.



Talent

Highlights

Diversity Recruiting

In 2007, we hosted a number of recruitment events to draw top diverse talent from around the world, such as our chairman's reception for graduates of historically black colleges and universities.

Employee Incentives

To recognize their hard work, this year we contributed \$400 in stock to the 401(k) accounts of eligible U.S. employees and cash grants to their counterparts outside the U.S. This created 7,200 new 401(k) participants and shareholders.

Team IB

In 2007, team IB, our Investment Banking led volunteer program, raised \$1.8 million, engaged 3,000 volunteers worldwide and sponsored more than 30 projects that have helped communities around the world.

Workforce Information

Our business is fueled by an impressive global workforce. In 2007, we employed an average of 179,987 people in 60 countries. Reflecting our business growth, our employment grew by 3.2 percent from 2006 to 2007.

Region	2007		2006	
	Population	% of Population	Population	% of Population
Domestic	140,362	78%	136,795	78%
Overseas	39,525	22%	37,565	22%
Total	179,987		174,360	

Benefits and Compensation

A great company provides people with competitive compensation, the opportunity to benefit as the company grows and rewarding career paths.

At JPMorgan Chase, we recognize and reward performance with competitive compensation and benefit plans that support our business goals. Our compensation system is performance- and market-based, and we take a long-term view in the way we assess performance and how we structure compensation.

Employee Ownership. We want employees to act like partners and to be invested in the company's long-term success, which is why equity is an important part of our compensation plans. We believe that all employees, at every level, contribute to and should be able to share in our success. Last year we recognized the hard work of employees by contributing \$400 in stock to the 401(k) accounts of eligible United States employees and making cash grants to similar employees outside the U.S.

Employee Engagement

We're committed to being open and honest with ourselves and our colleagues. As part of this, we strive to encourage—and to respond to—employee feedback in a number of ways, including town hall meetings, team discussions and surveys.

Town Hall Meetings

Face-to-face communication is one of the most effective means of creating dialogue, even in a firm as large as ours.

Wherever he travels in the world, Chairman and CEO Jamie Dimon meets with groups of employees and managers. Based on the success of these sessions, line-of-business leaders have taken up the practice. The result is a corporate culture where employees are encouraged to speak up and get involved.

Employee Opinion Survey

Every two years, JPMorgan Chase conducts a firmwide survey, in which all employees have an opportunity to express their views about our firm's goals, culture and management. This information helps us track our progress, make decisions about strategy and identify areas that need improvement. In 2007, 79 percent of our employees participated—up 11 percent from the 2005 survey, and seven percent higher than the average response rate for benchmark companies.

Our recent results showed improvement in several areas, particularly leadership and management. For example, 82 percent of employees reported that they understand the relationship between objectives and work group goals. And 80 percent said their managers are sensitive to work-life balance. We are pleased with these results, and we're committed to making progress in areas that still need improvement.

Diversity

JPMorgan Chase has worked hard to build an inclusive and diverse work environment that allows talented people to contribute and grow. We understand that treating people fairly, helping each other succeed, and recruiting and promoting from a diverse pool of candidates is great for our business and the right thing to do.

Our efforts to create a more inclusive work environment that draws on the best talent are longstanding. We continue to build upon our firm’s diversity in several ways, including linking management rewards to our diversity goals, building development plans for top talent, seeking diverse candidates for key jobs and recruiting undergraduate and graduate minority candidates.

In addition to efforts made at the corporate level, our business line managers are truly engaged in our diversity efforts and are responsible for driving results, which are regularly reviewed at senior management and Board meetings.

More recently, we have renewed our commitment to diversity with support from executive management and refined our approach to step up our efforts and enhance the diversity of our employee base, most notably in senior- and middle-management positions.

U.S. Workforce Diversity

Our workforce diversity continues to increase, with minorities representing nearly 39 percent of our employees in the United States. Minority representation is growing in most job categories. In the Officials/Managers and Professional categories, diverse individuals hold more than half of our U.S.-based jobs.

Diversity Leadership

To accelerate progress on our diversity efforts, we appointed a top JPMorgan Chase executive to work directly with our chairman and CEO and the human resources team to focus 100 percent of his time on recruiting and retaining outstanding minorities.

The initiative is part of a companywide movement to increase the number of women and minority candidates at the vice president, managing director and executive levels by expanding our recruiting partnerships, examining internal mobility of top talent and recruiting top external talent. As a result of these efforts, last year we hired more exceptional minority executives in senior positions than ever before.

Diversity Recruiting

We have implemented a number of programs and processes that help produce diverse representation at every level of the organization:

Strategic Partnerships. JPMorgan Chase recruits for minority and nonminority candidates at 75 leading schools and at several historically black colleges. Once hired, these recruits are paired with mentors within the firm to help them succeed.

Upwardly Global. This new initiative helps highly skilled legal immigrants find jobs in the U.S. and helps employers like JPMorgan Chase discover this hidden talent pool.

Conferences and Industry Groups. Our firmwide participation in community career fairs has heightened our recruitment initiatives to target diversity candidates.

U.S. Minority Representation: 2007

Position	White	Black/ African American	Hispanic/ Latino	Asian	American Indian/Alaska Native	Native Hawaiian/ Other Pacific Islander	Two or More Races	Total
Executive/Senior-level officials and managers	91.2%	3.0%	2.2%	3.5%	0.1%	0.0%	0.1%	1.4%
1st/Mid-level officials and managers	74.6%	11.2%	7.8%	6.0%	0.3%	0.0%	0.0%	18.1%
Professional	67.6%	10.5%	8.9%	12.8%	0.2%	0.0%	0.0%	29.7%
All other	50.4%	26.7%	15.6%	6.7%	0.5%	0.0%	0.0%	50.8%
Total	60.5%	18.8%	12.0%	8.4%	0.4%	0.0%	0.0%	

Source: Equal Employment Opportunity—Tier 1 (EEO-1) data. “All other” is a combination of the following EEO-1 job categories: technicians, sales workers, office and clerical, craft workers (skilled), operatives (semi-skilled), laborers and service workers.

Internship and Development Programs. JPMorgan Chase partners with nonprofit and community-based organizations to assist minorities, women, inner-city youth, welfare-to-work and low-income candidates, immigrants and older adults in developing job-search skills and identifying employment opportunities. We also participate in a number of internship programs, such as the Smart Start program, INROADS and Sponsors for Educational Opportunity, in hopes that many of our interns will choose full-time employment with the firm upon graduation.

Employee Networking Groups

More than 20,000 of our employees around the world are involved in employee networking groups, which are powerful ways for colleagues at JPMorgan Chase to make connections across the organization, help others, gain experience and develop professionally. All employees are welcome to join any of our networking groups. This practice reflects and enhances our inclusive environment as employees of different backgrounds have an opportunity to learn about other cultures and the challenges other groups face.

Employee Events

JPMorgan Chase regularly sponsors events targeted to the needs of diverse groups of employees. These events typically involve follow-up action plans so that we can capitalize on the learning, share it with others and keep the momentum going. For example, ujima Chicago, our African-American networking group, hosted “It Takes a Village: The Power of Influence,” with Yolanda King as the featured speaker. In New York City, the PRIDE networking group was addressed by John Amaechi, a broadcaster and political activist in the United Kingdom.

: gaining perspective

EMEA Conference for Women Leaders

After the success of its first event, a second EMEA Conference for Women Leaders was held to examine economic, political and social issues from the perspective of women in business. Featured speakers such as Nurjahan Begum of Grameen Bank addressed the group.



: meeting top talent

Reaching Out

In 2007, J.P.Morgan again sponsored the annual Reaching Out LGBT MBA Conference. Held in San Francisco, with more than 200 MBA students and alumni from leading business schools, this 3-day event helped the firm meet top candidates.



Work-Life

We understand that many of our employees have to balance the competing demands of work and life, so we have created several programs to help them meet their many different obligations.

Workplace Flexibility

Flexible work options help employees be more productive in their professional and personal lives, and they also help the firm attract and retain diverse talent. Whether they are informal arrangements that allow employees to manage everyday life experiences or formal programs such as telecommuting, part-time work or a compressed workweek, our flexibility programs help employees accomplish their tasks rather than focus on adhering to a traditional work schedule.

Child and Adult/ElderCare Resources

Back-up childcare continues to be a key employee resource and valuable business tool at JPMorgan Chase. Our 15 on-site childcare centers and five near-site facilities are a vital cornerstone of the offerings that we provide to help employees effectively manage their work and personal lives. Relocation Advantage, 8-Week Advantage, Travel Advantage, the Patriotic Program and the Special Needs Program are special-situation programs that allow employees in unique and sometimes difficult circumstances to continue to come to work.

In 2007, we piloted the Back-up Care Advantage Program in three locations. Employees can now access additional dependent-care services such as in-home mildly ill and in-home elder/ adult back-up care.

Wellness

Nothing is more fundamental to the quality of life than good health, and at JPMorgan Chase, we invest in the health and well-being of our employees by offering an expanding suite of programs and services to help them achieve and maintain good health.

Wellness Services

On-site Health Services. Most of our larger work locations employ one or more registered nurses specializing in occupational health. They provide treatment and referral for ill/injured employees and clients, emergency response and urgent care, consultation on disease management and prevention of illness, immunization for international business travel and education on a wide range of health-related topics.

Assessments. Every employee is encouraged to complete a brief health appraisal. Their responses are reviewed by the University of Michigan's Health Management Research Center, and each employee receives a personalized, confidential Wellness Profile with helpful recommendations on ways to improve his or her overall health.

Seminars. Employees are welcome to participate in a variety of wellness seminars on topics including nutrition, weight management, stress management, parenting and elder care.

Screenings. On-site screenings for blood pressure, cholesterol and blood sugar are administered by wellness team professionals at locations with a Health Services office.

Employee Assistance Program

This professional counseling and referral service helps employees and their families deal with a variety of issues, including managing stress, coping with addiction or emotional issues, addressing work-related conflicts, and solving legal and financial problems. The referral service is free, absolutely confidential and available 24 hours a day, seven days a week.

: making a difference

team IB: Going the Distance

Analysts in Credit Risk Management, with the support of the Investment Bank, raised funds for A Running Start Foundation by running in the New York City 13.1-mile Half Marathon.

The nonprofit harnesses the athletic talents of young people in East Africa to help improve their lives.



Volunteerism

At JPMorgan Chase, we strive to support our communities through grant making and business expertise. Yet our greatest source of pride from community outreach is our employees, who contribute tremendous amounts of time and talent to worthwhile causes around the world.

We are committed to our long tradition of volunteerism, which aligns business goals with philanthropic efforts, provides employees with centralized resources and training and leverages the expertise of national volunteer organizations to make an even greater difference for our communities. Throughout 2008, new resources will help employees connect with communities in need in meaningful ways.

Employee Giving and Matching Grants

Our annual giving campaign allows employees to make financial donations to several charitable organizations of their choice. In 2007, we expanded the campaign to include new partners such as environmental organizations and community health charities, while continuing longstanding partnerships with several national organizations.

We also revamped our volunteer grants program to further support individual interests and recognize more people for their service. By reducing the number of qualifying hours for individuals and teams, we're giving more employees the opportunity to support the nonprofits of their choice.

Local Opportunities, Global Difference

We know that volunteerism tends to be local, so we're supplying resources in the workplace that help our people get connected locally. Across the firm, we are helping make volunteerism more employee-owned than it ever has been.

For example, in our Investment Bank, we have created team IB to support and celebrate volunteer efforts of employees in a business known for its ingenuity and entrepreneurial innovation. The program gives employees the resources and support they need to participate actively in the issues they care about individually.

While this helps create a more satisfying employee experience, it also lets employees build new skills and relationships with colleagues and others that benefit them personally and professionally. In 2007, team IB made a tangible difference—engaging 3,000 volunteers worldwide, and sponsoring more than 30 projects that have affected communities around the world.