

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1996-01-11** | Period of Report: **1996-01-11**  
SEC Accession No. **0000068100-96-000017**

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FILER

**MORGAN J P & CO INC**

CIK: **68100** | IRS No.: **132625764** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-05885** | Film No.: **96502856**  
SIC: **6022** State commercial banks

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NEW YORK NY 10260  
2124832323*

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

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Date of Report (Date of earliest event reported) January 11, 1996

J.P. MORGAN & CO. INCORPORATED  
(Exact name of registrant as specified in its charter)

DELAWARE (State or other juris- diction of incorporation)	1-5885 (Commission File Number)	13-2625764 (IRS Employer Identification No.)
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0060 Code)	60 WALL STREET, NEW YORK, NEW YORK (Address of principal executive offices)	10260- (Zip
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Registrant's telephone number, including area code (212) 483-2323

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(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

On January 11, 1996, the Registrant issued a press release announcing its earnings for the three-month and twelve-month periods ended December 31, 1995. A copy of such press release is filed herein as Exhibit 99.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements

NONE. The financial statements included in this report are not required to be filed as part of this report.

(b) Pro Forma Financial Information

NONE.

(c) Exhibits

99. Copy of press release of J.P. Morgan & Co. Incorporated dated January 11, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934,  
the

registrant has duly caused this report to be signed on its behalf by  
the

undersigned hereunto duly authorized.

J.P. MORGAN & CO. INCORPORATED

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(REGISTRANT)

/s/ PATRICIA A. JONES

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NAME: PATRICIA A. JONES  
TITLE: MANAGING DIRECTOR

DATE: January 11, 1996

January 11, 1996

## J.P. MORGAN REPORTS FOURTH QUARTER AND 1995 FULL YEAR RESULTS

J.P. Morgan & Co. Incorporated reported net income of \$366 million in the fourth quarter of 1995 versus \$193 million a year earlier. Earnings per share were \$1.80 in the fourth quarter versus \$0.96 a year earlier. Net income for 1995 totaled \$1.296 billion, up 7% from 1994. Earnings per share were \$6.42 in 1995 versus \$6.02 in 1994.

Douglas A. Warner III, chairman, said: "Stronger earnings in 1995 flowed from across-the-board momentum in meeting the needs of clients worldwide, as well as good results from activities for our own account. We also sharpened our focus on core capabilities with the strategic sale of our securities custody business. In 1996, our drive to earn a growing share of clients' business will continue."

&lt;TABLE&gt;

FOURTH QUARTER AND 1995 FULL YEAR RESULTS AT A GLANCE

&lt;CAPTION&gt;

In millions of dollars, except per share data	Fourth Quarter		Year	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 1,518	\$ 1,228	\$ 5,904	\$ 5,517
Operating expenses	(990)	(963)	(3,998)	(3,692)
Income taxes	(162)	(72)	(610)	(610)
Net income	\$ 366	\$ 193	\$ 1,296	\$ 1,215
Net income per share	\$ 1.80	\$ 0.96	\$ 6.42	\$ 6.02
Dividends declared per share	\$ 0.81	\$ 0.75	\$ 3.06	\$ 2.79

&lt;/TABLE&gt;

REVENUES rose 24% in the fourth quarter from a year ago on stronger results in trading, corporate finance, and investment management activities. Revenues for the year were up 7%.

- Combined trading and related net interest revenue advanced 58% to \$385 million in the fourth quarter on higher results in debt instruments and in equities and commodities. In 1995, combined trading and related net interest revenue rose 16% to \$1.507 billion.

- Corporate finance revenue increased 30% to \$158 million in the fourth quarter. Advisory and syndication fees rose 14% in the quarter,

and underwriting revenue increased 72%. Corporate finance revenue in 1995 was 35% higher than in 1994.

- Investment management fees increased 20% to \$156 million in the fourth quarter. In 1995, investment management fees grew 11%. In both the quarter and full year, operational service fees were essentially unchanged, and credit-related fees were lower.

- Other revenue totaled \$177 million in the fourth quarter compared with \$111 million a year ago. The 1995 fourth quarter included a \$31 million pretax gain (\$19 million after tax) on the previously announced sales of the firm's custody businesses. Net equity investment securities gains were \$99 million in the 1995 fourth quarter compared with \$97 million a year ago. Other revenue for 1995 totaled \$638 million versus \$694 million in 1994.

OPERATING EXPENSES in the fourth quarter were 3% higher than a year ago. In 1995, operating expenses increased 8%, which included a first quarter charge of \$55 million, related primarily to severance.

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The remainder of this release contains information on specific areas of results, a financial summary, and the consolidated financial statements.

#### REVENUES

REVENUES in the fourth quarter of 1995 totaled \$1.518 billion, up 24% from a year earlier. Revenues increased 7% in 1995 to \$5.904 billion.

NET INTEREST REVENUE in the fourth quarter totaled \$488 million, down 6% from \$518 million a year earlier, primarily due to lower trading-related net interest revenue. In 1995, net interest revenue totaled \$2.003 billion, comparable with \$1.981 billion in 1994. The 1994 amount included \$116 million of past due interest on Brazilian and Argentine assets and interest on income tax refunds.

TRADING REVENUE increased to \$369 million in the fourth quarter from \$153 million in the year-earlier quarter. Reported trading revenue does not include net interest revenue associated with trading activities, which totaled an estimated \$16 million in the 1995 fourth quarter, compared with \$90 million in the 1994 fourth quarter.

Combined trading and related net interest revenue in the fourth quarter increased 58% to an estimated \$385 million from a year earlier. (See the table of combined trading and related net interest revenue by principal markets on page 10.) Combined revenue from debt instruments increased to \$189 million in the final quarter from \$6 million a year ago as debt markets improved globally. Combined revenue from equities and commodities rose \$24 million from a year ago to \$31 million in the fourth quarter, primarily due to higher results in equity derivatives. Swaps and other interest rate contracts produced combined revenue of \$107 million in the 1995 fourth quarter compared with \$149 million in the 1994 fourth quarter, with swaps market-making revenues essentially unchanged. Combined revenue from foreign exchange trading in the fourth quarter declined \$23 million to \$58 million from the strong quarter a year ago.

In 1995, trading revenue rose 35% to \$1.376 billion. Net interest revenue associated with trading activities totaled an estimated \$131 million in 1995, down from \$282 million in 1994.

Combined trading and related net interest revenue rose 16% to an estimated \$1.507 billion in 1995, reflecting improved market conditions and strengthening client demand across the range of the firm's market-making activities. Higher revenue from debt instruments trading accounted for most of the increase in the year. Foreign exchange, and equities and commodities both recorded higher results, while swaps and other interest rate contracts remained significant contributors to revenues.

CORPORATE FINANCE REVENUE rose 30% to \$158 million in the fourth quarter. Advisory and syndication fees in the fourth quarter rose 14% from a year ago to \$103 million, and debt and equity underwriting revenue was up 72% to \$55 million. In 1995, corporate finance revenue totaled \$584 million, up 35% from 1994, reflecting increased activity from a broad range of clients. Advisory and syndication fees increased 27% to \$395 million in 1995, and debt and equity underwriting revenue rose 52% to \$189 million.

CREDIT-RELATED FEES declined 9% to \$40 million in the fourth quarter from a year earlier on lower securities lending revenue. Credit-related fees were \$162 million in 1995, down 21% from 1994.

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INVESTMENT MANAGEMENT FEES in the fourth quarter of 1995 totaled \$156 million, up 20% from the fourth quarter of 1994, reflecting an increase in assets under management, primarily from net new business. Investment management fees in 1995 rose 11% to \$574 million.

OPERATIONAL SERVICE FEES totaled \$129 million in the fourth quarter of 1995 versus \$127 million in the year-earlier quarter. In 1995, operational service fees totaled \$546 million, unchanged from 1994, as an increase in commissions revenue was offset by lower revenue from custody and trust services.

NET INVESTMENT SECURITIES GAINS were \$1 million in the fourth quarter of 1995, compared with \$23 million in the fourth quarter of 1994. Net investment securities gains totaled \$21 million in 1995 compared with \$122 million in 1994.

OTHER REVENUE for the 1995 fourth quarter was \$177 million, compared with \$111 million in the year-earlier period. Other revenue totaled \$638 million in 1995, compared with \$694 million in 1994. Net equity investment securities gains were \$99 million in the fourth quarter, compared with \$97 million a year earlier. Gains for 1995 were \$485 million versus \$606 million in 1994.

Other revenue for 1995 included a pretax gain of \$40 million (\$31 million in the fourth quarter) on the previously announced sales of the firm's global and local custody and U.S. commercial paper issuing and paying

agency businesses. Gross sales proceeds of \$260 million were largely offset by costs of \$220 million associated with the exit from these businesses. The costs included a real estate charge of \$110 million as a result of the rationalization of the firm's space requirements coincident with the disposition of these businesses and the corresponding reduction in personnel, which totaled approximately 850 employees.

#### OPERATING EXPENSES

Operating expenses totaled \$990 million in the fourth quarter of 1995, 3% above operating expenses of \$963 million a year earlier. Employee compensation and benefits expense rose, due to higher incentive compensation accruals. Expenses other than employee compensation and benefits were lower than in the 1994 fourth quarter.

In 1995, operating expenses rose 8% to \$3.998 billion, which included a first quarter charge of \$55 million related to the firm's expense management initiative. The weakening in the dollar's value accounted for 2 percentage points of the increase. Employee compensation and benefits expense rose, primarily reflecting higher incentive compensation and salary costs. Expenses other than employee compensation and benefits were essentially unchanged from a year ago. At December 31, 1995, staff totaled 15,613 employees compared with 16,394 employees at September 30, 1995, and 17,055 employees at December 31, 1994.

Income tax expense in the fourth quarter totaled \$162 million, based on an effective tax rate of 31% versus 27% in the year-earlier quarter. Income tax expense of \$610 million for 1995 reflects an effective tax rate of 32%, compared with an effective tax rate of 33% in 1994.

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#### ASSETS

Total assets were \$185 billion at December 31, 1995, compared with \$178 billion at September 30, 1995. Nonperforming assets declined to \$118 million at December 31, 1995, from \$188 million at September 30, 1995, as new classifications were more than offset by repayments, sales, and charge-offs. No provision for credit losses was deemed necessary in the 1995 fourth quarter. The allowance for credit losses was \$1.130 billion at December 31, 1995. (For details, see asset quality tables on page 11.)

#### CAPITAL

At December 31, 1995, J.P. Morgan's estimated Tier 1 and total risk-based capital ratios were 8.7% and 12.9%, respectively, compared with Tier 1 and total risk-based capital ratios of 8.5% and 12.5%, respectively, at September 30, 1995. The December 31, 1995, leverage ratio was 6.1%, versus 6.3% at September 30, 1995.

At December 31, 1995, stockholders' equity included approximately \$566 million of net unrealized appreciation on debt investment and marketable equity investment securities, net the related deferred tax liability of \$358 million. This compares with \$495 million of net unrealized appreciation at September 30, 1995. The unrealized appreciation on debt investment securities was \$484 million and \$357 million at December 31,



1995, and at September 30, 1995, respectively. The unrealized appreciation on marketable equity investment securities was \$440 million at December 31, 1995, and \$447 million at September 30, 1995.

As previously reported, the Board of Directors in December declared an increase in the regular quarterly dividend to \$0.81 per share from \$0.75 per share on the company's common stock for the quarter ended December 31, 1995. The Board also approved the purchase of up to 7 million shares of J.P. Morgan common stock to lessen the dilutive impact on earnings per share of the firm's employee benefit plans. These purchases may be made periodically in 1996 or beyond in the open market or through privately negotiated transactions. The firm purchased approximately 4 million shares in 1995.

# # #

J.P. Morgan is a global banking firm that serves clients with complex financial needs through an integrated range of advisory, financing, trading, investment, and related capabilities.

Attached are the financial summary, the financial statements, the combined trading and related net interest revenue table, and the asset quality tables. J.P. Morgan news releases, including quarterly financial results, are available on the Internet (<http://www.jpmorgan.com>).

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<TABLE>  
FINANCIAL SUMMARY

J.P. Morgan & Co. Incorporated

<CAPTION>

Dollars in millions, except per share data

	Fourth Quarter		Third Quarter	Twelve Months	
	1995	1994	1995	1995	1994

<S>	<C>	<C>	<C>	<C>	<C>
Net income	\$366	\$193	\$360	\$1,296	\$1,215

PER COMMON SHARE

Net income (a)	\$ 1.80	\$ 0.96	\$ 1.78	\$ 6.42	\$ 6.02
Dividends	0.81	0.75	0.75	3.06	2.79

declared					
Book value (b)	50.71	46.73	49.36		

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Weighted- average number of common and common equivalent shares outstanding	199,829, 966	196,197, 704	199,300 ,749	198,654 ,973	199,056, 561
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Dividends declared on common stock	\$152	\$140	\$140	\$574	\$530
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Dividends declared on preferred stock	6	5	6	24	20
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#### SELECTED RATIOS

Annualized rate of return on average common stockholders' equity (c)	14.7%	8.1%	14.9%	13.6%	12.9%
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As % of period-  
end total  
assets:

Common equity	5.4	5.9	5.4		
Total equity	5.7	6.2	5.7		

Regulatory  
capital ratios  
(d)

Tier 1 risk- based capital ratio	8.7	9.6	8.5		
Total risk- based capital ratio	12.9	14.2	12.5		
Leverage ratio	6.1	6.5	6.3		

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AVERAGE

## BALANCES

Debt investment securities (e)	\$ 23,077	\$ 20,431	\$ 21,542	\$ 21,999	\$ 20,076
Loans	24,500	23,384	23,777	24,147	23,955
Total interest-earning assets	147,569	137,281	132,423	136,115	134,369
Total assets	189,724	170,739	174,014	178,510	172,581
Total interest-bearing liabilities	142,575	132,049	124,442	130,139	127,927
Total liabilities	179,570	161,093	164,055	168,651	162,824
Common stockholders' equity	9,660	9,152	9,465	9,365	9,263
Total stockholders' equity	10,154	9,646	9,959	9,859	9,757
Net interest earnings (fully taxable basis)	511	549	534	2,109	2,101
Net yield on interest-earning assets	1.37%	1.59%	1.60%	1.55%	1.56%

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Employees at period-end	15,613	17,055	16,394
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(a) Earnings per share amounts represent both primary and fully diluted earnings per share, except for the twelve months ended December 31, 1995. Fully diluted earnings per share for the twelve months ended December 31, 1995, were \$6.36.

(b) Excluding the impact of SFAS No. 115, book value per common share would have been \$47.83, \$44.39 and \$46.82 at December 31, 1995, December 31, 1994, and September 30, 1995, respectively.

(c) Excluding the impact of SFAS No. 115, the annualized rate of return on average common stockholders' equity would have been 15.5%, 8.6% and 15.6% for the three months ended December 31, 1995, December 31, 1994, and September 30, 1995, respectively, and 14.3% and 14.2% for the twelve months ended December 31, 1995 and 1994 respectively.

(d) In accordance with Federal Reserve Board guidelines, these ratios exclude the equity, assets and off-balance-sheet exposures of J.P. Morgan Securities, Inc. and the effect of SFAS No. 115. Risk-based capital ratios for December 31, 1995, are estimates.

(e) Average debt investment securities are computed based on historical amortized cost, excluding the effects of SFAS No. 115 adjustments.

</TABLE>

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<TABLE>

CONSOLIDATED STATEMENT OF INCOME

J.P. Morgan & Co. Incorporated

<CAPTION>

In millions,  
except per share data

Three months ended

	December 31 1995	December 31 1994	Increase (Decrease) e)	September 30 1995	Increase (Decrease)
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<S>	<C>	<C>	<C>	<C>	<C>
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NET INTEREST REVENUE

Interest revenue	\$2,609	\$2,369	\$240	\$2,453	\$156
Interest expense	2,121	1,851	270	1,946	175

Net interest revenue	488	518	(30)	507	(19)
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NONINTEREST REVENUE

Trading revenue	369	153	216	399	(30)
Corporate finance revenue	158	122	36	195	(37)
Credit-related fees	40	44	(4)	38	2
Investment management fees	156	130	26	150	6
Operational service fees	129	127	2	137	(8)
Net investment securities gains (losses)	1	23	(22)	(22)	23
Other revenue	177	111	66	145	32

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Total noninterest revenue	1,030	710	320	1,042	(12)
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Total revenue	1,518	1,228	290	1,549	(31)
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#### OPERATING EXPENSES

Employee compensation and benefits	608	501	107	648	(40)
Net occupancy	76	74	2	87	(11)
Technology and communications	165	209	(44)	169	(4)
Other expenses	141	179	(38)	118	23

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Total operating expenses	990	963	27	1,022	(32)
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Income before income taxes	528	265	263	527	1
Income taxes	162	72	90	167	(5)

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Net income	366	193	173	360	6
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#### PER COMMON SHARE

Net income (a)	\$1.80	\$0.96	\$0.84	\$1.78	\$0.02
Dividends declared	0.81	0.75	0.06	0.75	0.06

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(a) Earnings per share amounts represent both primary and fully diluted earnings per share.

</TABLE>

<TABLE>  
 CONSOLIDATED STATEMENT OF INCOME

J.P. Morgan & Co. Incorporated

<CAPTION>

In millions,

except per share data

Twelve months ended

	December 31 1995	December 31 1994	Increase (Decrease)
<S>	<C>	<C>	<C>
NET INTEREST REVENUE			
Interest revenue	\$9,937	\$8,379	\$1,558
Interest expense	7,934	6,398	1,536
Net interest revenue	2,003	1,981	22
NONINTEREST REVENUE			
Trading revenue	1,376	1,019	357
Corporate finance revenue	584	434	150
Credit-related fees	162	204	(42)
Investment management fees	574	517	57
Operational service fees	546	546	-
Net investment securities gains	21	122	(101)
Other revenue	638	694	(56)
Total noninterest revenue	3,901	3,536	365
Total revenue	5,904	5,517	387
OPERATING EXPENSES			
Employee compensation and benefits	2,498	2,217	281
Net occupancy	322	275	47
Technology and communications	671	645	26

Other expenses	507	555	(48)
<hr/>			
Total operating expenses	3,998	3,692	306
Income before income taxes	1,906	1,825	81
Income taxes	610	610	-
<hr/>			
Net income	1,296	1,215	81
<hr/>			
PER COMMON SHARE			
Net income (a)	\$6.42	\$6.02	\$0.40
Dividends declared	3.06	2.79	0.27
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(a) See Financial summary for per common share data assuming full dilution.

</TABLE>

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<TABLE>

CONSOLIDATED BALANCE SHEET

J.P. Morgan & Co. Incorporated

<CAPTION>

Dollars in millions	December 31	September	December 31
		30	
	1995	1995	1994

<S>	<C>	<C>	<C>
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ASSETS

Cash and due from banks	\$ 1,535	\$ 1,519	\$ 2,210
Interest-earning deposits with banks	1,986	1,504	1,362
Debt investment securities available-for-sale carried at fair value (Cost: \$24,154 at December 1995, \$21,657 at September 1995 and \$22,503 at December 1994)	24,638	22,014	22,657
Trading account assets	69,408	64,696	57,065
Securities purchased under			

agreements to resell (\$32,157 at December 1995, \$30,549 at September 1995, and \$21,170 at December 1994) and federal funds sold	32,157	30,687	21,350
Securities borrowed	19,830	17,840	12,127
Loans	23,453	25,265	22,080
Less: allowance for credit losses	1,130	1,132	1,131

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Net loans	22,323	24,133	20,949
Customers' acceptance liability	237	528	586
Accrued interest and accounts receivable	3,539	2,998	5,028
Premises and equipment	3,339	3,453	3,318
Less: accumulated depreciation	1,412	1,453	1,302

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Premises and equipment, net	1,927	2,000	2,016
Other assets	7,299	10,412	9,567

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Total assets	184,879	178,331	154,917
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#### LIABILITIES

Noninterest-bearing deposits:			
In offices in the U.S.	3,287	3,525	3,693
In offices outside the U.S.	744	894	767
Interest-bearing deposits:			
In offices in the U.S.	2,003	1,669	1,826
In offices outside the U.S.	40,404	40,590	36,799

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Total deposits	46,438	46,678	43,085
Trading account liabilities	45,289	45,008	36,407
Securities sold under agreements to repurchase (\$40,803 at December 1995, \$38,347 at September 1995, and \$30,179 at December 1994) and federal funds purchased	45,099	41,879	35,768
Commercial paper	2,801	2,954	3,507
Other liabilities for borrowed money	15,129	14,330	10,900
Accounts payable and accrued			



expenses	5,643	5,570	6,231
Liability on acceptances	237	528	586
Long-term debt not qualifying as risk-based capital	5,737	6,028	3,605
Other liabilities	4,465	1,821	2,063

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	170,838	164,796	142,152
Long-term debt qualifying as risk-based capital	3,590	3,422	3,197

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Total liabilities	174,428	168,218	145,349
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#### STOCKHOLDERS' EQUITY

Preferred stock (authorized  
shares: 10,000,000):

Adjustable rate cumulative preferred stock, \$100 par value(issued and outstanding: 2,444,300)	244	244	244
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Variable cumulative preferred stock, \$1,000 par value (issued and outstanding: 250,000)	250	250	250
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Common stock, \$2.50 par value (authorized shares: 500,000,000; issued: 200,678,373 at December 1995, 200,677,173 at September 1995 and 200,668,373 at December 1994)	502	502	502
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Capital surplus	1,430	1,433	1,452
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Retained earnings	7,731	7,526	7,044
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Net unrealized gains on investment securities, net of taxes	566	495	456
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Other	552	439	367
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	11,275	10,889	10,315
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Less: treasury stock (13,562,755 shares at December 1995, 13,107,615 shares at September 1995 and 12,966,917 shares at December 1994) at cost	824	776	747
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Total stockholders' equity	10,451	10,113	9,568
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Total liabilities and stockholders' equity	184,879	178,331	154,917
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</TABLE>

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<TABLE>

CONSOLIDATED STATEMENT OF CONDITION

Morgan Guaranty Trust Company of New York

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<CAPTION>

Dollars in millions	December	December
	31	31
	1995	1994

<S>

ASSETS

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	<C>	<C>
Cash and due from banks	\$1,421	\$ 2,182
Interest-earning deposits with banks	2,081	1,605
Debt investment securities available-for-sale carried at fair value	23,625	21,292
Trading account assets	55,298	45,386
Securities purchased under agreements to resell and federal funds sold	21,013	16,562
Loans	20,628	19,397
Less: allowance for credit losses	1,021	1,025

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Net loans	19,607	18,372
Customers' acceptance liability	237	556
Accrued interest and accounts receivable	3,401	3,594
Premises and equipment	2,958	2,967
Less: accumulated depreciation	1,224	1,149

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Premises and equipment, net	1,734	1,818
Other assets	4,574	7,360

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Total assets	132,991	118,727
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LIABILITIES		
Noninterest-bearing deposits:		
In offices in the U.S.	3,254	3,698
In offices outside the U.S.	839	770
Interest-bearing deposits:		
In offices in the U.S.	1,846	1,480
In offices outside the U.S.	40,450	38,566
<hr/>		
Total deposits	46,389	44,514
Trading account liabilities	39,126	30,730
Securities sold under agreements to repurchase and federal funds purchased	20,090	22,099
Other liabilities for borrowed money	7,368	5,320
Accounts payable and accrued expenses	4,168	2,902
Liability on acceptances	237	556
Long-term debt not qualifying as risk-based capital	2,786	1,968
Other liabilities	2,852	2,080
<hr/>		
	123,016	110,169
Long-term debt qualifying as risk-based capital	1,509	1,249
<hr/>		
Total liabilities	124,525	111,418
STOCKHOLDER'S EQUITY		
Preferred stock, \$100 par value (authorized shares: 2,500,000)	-	-
Common stock, \$25 par value (authorized and outstanding shares: 10,000,000)	250	250
Surplus	2,820	2,670
Undivided profits	5,136	4,266
Net unrealized gains on investment securities, net of taxes	264	124
Foreign currency translation	(4)	(1)
<hr/>		
Total stockholder's equity	8,466	7,309
<hr/>		

Total liabilities and stockholder's equity 132,991 118,727

Member of the Federal Reserve System and the Federal Deposit Insurance Corporation.

</TABLE>

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<TABLE>

COMBINED TRADING AND RELATED NET INTEREST REVENUE  
J.P. Morgan & Co. Incorporated

<CAPTION>

Dollars in millions

	Swaps and other interest rate contracts	Debt instrumen ts	Foreign exchange spot and option contract s	Equities and commoditi es	Total
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<S>	<C>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----	-----

FOURTH QUARTER  
1995

Trading revenue	\$116	\$147	\$51	\$55	\$369
Net interest revenue*	(9)	42	7	(24)	16

Combined total	107	189	58	31	385
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FOURTH QUARTER  
1994

Trading revenue	144	(72)	78	3	153
Net interest revenue	5	78	3	4	90

Combined total	149	6	81	7	243
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TWELVE MONTHS					
1995					
Trading revenue	451	424	193	308	1,376
Net interest revenue*	1	213		(89)	131
		6			

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Combined total	452	637	199	219	1,507
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TWELVE MONTHS					
1994					
Trading revenue	663	41	131	184	1,019
Net interest revenue**	13	302	3	(36)	282

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Combined total	676	343	134	148	1,301
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\*Estimated

\*\*Certain amounts have been reclassified to conform with 1995 classifications.

</TABLE>

11

<TABLE>

ASSET QUALITY

J.P. Morgan & Co. Incorporated

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NONPERFORMING ASSETS

<CAPTION>

	December 31	September	December
Dollars in millions	1995	30 1995	31 1994
	<C>	<C>	<C>
Impaired loans:			
Commercial and industrial	\$67	\$135	\$136
Other	48	50	81
	115	185	217

Restructuring countries	2	2	2
Total impaired loans	117	187	219
Other nonperforming assets	1	1	1
Total nonperforming assets	118	188	220

ALLOWANCE FOR CREDIT LOSSES  
<CAPTION>

	December 31 1995	September 30 1995	December 31 1994
Dollars in millions			
<S> Allowance for credit losses	<C> \$1,130	<C> \$1,132	<C> \$1,131

<CAPTION>

	Fourth Quarter		Twelve Months	
	1995	1994	1995	1994
<S> Charge-offs:	<C>	<C>	<C>	<C>
Commercial and industrial	(\$8)	(\$7)	(\$39)	(\$37)
Restructuring countries	-	(1)	-	(18)
Other	(10)	(5)	(16)	(17)
Recoveries	16	11	54	45

</TABLE>