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they've done before that will go a long way towards stemming some of the systemic risk by allowing some primary dealers to use the window, a much broader class of assets, a much more market-driven funding level. So I think this in and of itself on the Bear Stearns transaction you could argue either may or may not have done much on that front. But having taken Bear Stearns out of the problem category and at the same time the strong action by the Federal Reserve, I think we would certainly anticipate that the market will behave quite differently on Monday than it was on Thursday and Friday.

Kevin Ing: And given that you believe that Bear marked their portfolio consistent with the way you guys marked your portfolio, do you believe that --do you really believe the book value? Or do you believe the book value that they stated I guess on the Friday call of being the mid 80s? I'm just trying to reconcile that with the \$2.00 a share.

Bill Winters: I think Mike took you through what the contributors were to the final price that made sense for JPMorgan shareholders. It's an art, not a science and it can't be reconciled back penny for penny. But there's a thousand moving pieces including all the moving pieces over the weekend that are reflected in the final price that JPMorgan has agreed to pay.

Kevin Ing: Thank you.

Mike Cavanagh: One last question, Operator?

Operator: Thank you, sir. And caller, your line is open.

Susan Katzke: Thank you, it's Susan Katzke from Credit Suisse. I was hoping you could just help us out with understanding what's left in terms of the clearing and prime brokerage balances?

Mike Cavanagh: It's a little premature to really spend a lot of time drilling in, Susan, into the characteristics of the business as it sits at this very moment. Obviously it was a busy, active week of counterparties vis-a-vis Bear Stearns. I think we'll be able to give you a better picture a little bit down the road.

But we certainly feel good about the ongoing franchise capability given the quality of the business, the people at Bear Stearns and along with the strong balance sheet and credit rating that we bring to the business, and all the other complementary aspects of our Investment Bank sales and trading activities. So I think we feel quite fine about, despite the recent events, that the health of the franchise and the prime brokerage and clearing business is in very good shape.

[Redacted].

Mike Cavanagh: Thanks everyone. So we'll look forward to updating you soon. Thanks for joining us late on a Sunday night and you can bring any other questions you have back to our Investor Relations team. Thanks again, take care.

Operator: That does conclude today's telephone conference. We thank you once again for your participation.

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Forward-Looking Statements

This conference call transcript contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the merger between JPMorgan Chase & Co. and The Bear Stearns Companies Inc., including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of J.P. Morgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain governmental and self-regulatory organization approvals of the merger on the proposed terms and schedule, and any changes to regulatory agencies' outlook on, responses to and actions and commitments taken in connection with the merger and the agreements and arrangements related thereto; the extent and duration of continued economic and market disruptions; adverse developments in the business and operations of Bear Stearns, including the loss of client, employee, counterparty and other business relationships; the failure of Bear Stearns stockholders to approve the merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the merger may not be fully realized or may take longer to realize than expected; disruption from the merger making it more difficult to maintain business and operational relationships; increased competition and its effect on pricing, spending, third-party relationships and revenues; the risk of new and changing regulation in the U.S. and internationally and the exposure to litigation and/or regulatory actions. Additional factors that could cause JPMorgan Chase's results to differ materially from those described in the forward-looking statements can be found in the firm's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>).

Additional Information

In connection with the proposed merger, JPMorgan Chase & Co. will file with the SEC a Registration Statement on Form S-4 that will include a proxy statement of Bear Stearns that also constitutes a prospectus of JPMorgan Chase & Co.. Bear Stearns will mail the proxy statement/prospectus to its stockholders. JPMorgan Chase & Co. and Bear Stearns urge investors and security holders to read the proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from JPMorgan Chase & Co.'s website (www.jpmorganchase.com) under the tab Investor Relations and then under the heading Financial Information then under the item SEC Filings. You may also obtain these documents, free of charge, from Bear Stearns's website (www.bearstearns.com) under the heading Investor Relations and then under the tab SEC Filings.

JPMorgan Chase, Bear Stearns and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Bear Stearns stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed

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participants in the solicitation of the Bear Stearns stockholders in connection with the proposed merger will be set forth in the proxy statement/prospectus when it is filed with the SEC. You can find information about JPMorgan Chase s executive officers and directors in its definitive proxy statement filed with the SEC on March 30, 2007. You can find information about Bear Stearns s executive officers and directors in definitive proxy statement filed with the SEC on March 27, 2007. You can obtain free copies of these documents from JPMorgan Chase and Bear Stearns using the contact information above.
