PRESS RELEASE

Statement on Financing Arrangement of JPMorgan Chase's Acquisition of Bear Stearns

March 24, 2008

At the closing of the merger, the Federal Reserve Bank of New York ("New York Fed") will provide term financing to facilitate JPMorgan Chase & Co.'s acquisition of The Bear Stearns Companies Inc. This action is being taken by the Federal Reserve, with the support of the Treasury Department, to bolster market liquidity and promote orderly market functioning.

The New York Fed will take, through a limited liability company formed for this purpose, control of a portfolio of assets valued at $30 billion as of March 14, 2008. The assets will be pledged as security for $29 billion in term financing from the New York Fed at its primary credit rate.

JPMorgan Chase will bear the first $1 billion of any losses associated with the portfolio and any realized gains will accrue to the New York Fed. BlackRock Financial Management, Inc. will manage the portfolio under guidelines established by the New York Fed designed to minimize disruption to financial markets and maximize recovery value.

Summary of Terms and Conditions Regarding the JPMorgan Chase Facility >>

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