

Washington, D.C. 20549

Form 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934Date of the Report: January 23, 1997
-----Commission file number 1-5805
-----THE CHASE MANHATTAN CORPORATION
(Exact name of registrant as specified in its charter)Delaware
(State or other jurisdiction
of incorporation)13-2624428
(I.R.S. Employer
Identification No.)270 Park Avenue, New York, NY
(Address of principal executive offices)10017
(Zip Code)

Registrant's telephone number, including area code (212) 270-6000

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Item 5. Other Events

On January 21, 1997, The Chase Manhattan Corporation (the "Corporation") reported that net income for full year 1996 was \$3.586 billion, excluding merger-related restructuring costs, and was \$2.461 billion including merger-related costs. Net income in the fourth quarter of 1996 was \$901 million, excluding merger-related restructuring costs, and was \$836 million including merger-related costs.

Also on January 21, 1997, the Corporation announced that Edward D. Miller, Senior Vice Chairman, will retire on April 1, and that Thomas G. Labrecque, President and Chief Operating Officer, would assume leadership of the Corporation's regional banking and nationwide consumer businesses as well as information technology, operations and administration at the Corporation.

In connection with reporting its 1996 year-end and fourth quarter results, management of the Corporation stated that (i) it currently expects the Corporation to realize annual revenue growth, on an "operating basis" (that is, on a basis that excludes special one-time items and the effects of securitizations), of approximately 6%-8% in 1997, and (ii) it continued to target as financial goals for the Corporation double digit operating earnings per share growth in each of 1997 and 1998, a return on average common equity of 18% or higher by 1998, and an efficiency ratio in the low 50% range by 1998. With respect to expenses, management indicated that the "underlying operating noninterest expense" of the Corporation (that is, noninterest expense excluding merger-related costs, foreclosed property expense, minority interest expense and non-recurring items and before the effects of any merger-related cost savings) is expected to be approximately 5%-6% higher in 1997 than it was in 1996. Management stated that it maintained its belief that the Corporation would realize annual merger-related cost savings of approximately \$1.2 billion by the end of 1997 and \$1.7 billion by the end of 1998.

With respect to credit quality, management indicated that it continued to believe that the credit quality of the Corporation's overall commercial and industrial portfolio would remain relatively stable in 1997; that it expected the Corporation to continue over the year to take provisions that were equal to net charge-offs; that, primarily as a result of growth in consumer loans, higher delinquencies in credit card loans and lower recoveries in commercial loans, the total provision in 1997 would be higher than in 1996; and that, specifically, with respect to the Corporation's credit card portfolio, it expected credit card net charge-offs, as a percentage of average managed credit card receivables, to increase modestly in 1997.

Finally, with respect to the Corporation's capital policies, management of the Corporation noted that the Corporation had purchased \$1 billion of its common equity during the fourth quarter of 1996. Management stated that it now expected to purchase equity on a more accelerated time schedule than previously thought, and that therefore it was likely that the previously-announced buy-back program would be completed more quickly than previously anticipated. Management

reiterated its disciplined approach to the use of the Corporation's capital, indicating that its current expectation is that the Board of Directors of the Corporation would review the dividend on the Corporation's common stock in the normal course in March 1997 and that management currently anticipates that the dividend policy of the Corporation would continue to be generally to pay a common stock dividend equal to approximately 25%-35% of the Corporation's net income (excluding restructuring costs) and less preferred stock dividends.

Copies of the Corporation's press releases are attached as exhibits hereto. Those press releases and this Current Report on Form 8-K contain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties and the Corporation's actual results may differ materially from those set forth in such forward-looking statements. Factors that would affect the prospects of the Corporation's business are discussed in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996 and the Corporation's Annual Report to Stockholders (as filed with the Corporation's Current Report on Form 8-K dated April 16, 1996), to each of which reference is hereby made.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

The following exhibits are filed with this Report:

| Exhibit Number | Description |
|----------------|---|
| 99.1 | Press Release - 1996 Fourth Quarter Earnings. |
| 99.2 | Press Release - Senior Vice Chairman Miller to Retire in April |

SIGNATURE

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.

THE CHASE MANHATTAN CORPORATION
(Registrant)

Dated January 23, 1997

by _____
Joseph L. Sclafani
Controller
[Principal Accounting Officer]

EXHIBIT INDEX

| Exhibit Number | Description | Page at Which Located |
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| 99.1 | Press Release - 1996 Fourth Quarter Earnings | 6 |
| 99.2 | Press Release - Senior Vice Chairman Miller to Retire in April | 21 |

Investor Contact: John Borden
212-270-7318

Press Contacts: Kathleen Baum
212-270-5089
John Stefans
212-270-7438

For Immediate Release

Chase's Operating EPS Up 22 percent for 1996 and 9 Percent in the Fourth Quarter

New York, January 21, 1997 -- The Chase Manhattan Corporation today reported that net income for the full year, before merger-related restructuring costs, rose 20 percent to \$3.586 billion from \$2.979 billion. Primary earnings per share for the year rose to \$7.54 per share from \$6.25 and fully diluted earnings per share rose 22 percent to \$7.43 from \$6.09 in 1995.

Net income in the fourth quarter of 1996, before merger costs, rose 9 percent to \$901 million from \$827 million in the fourth quarter 1995. Primary earnings per share were \$1.89 compared with \$1.73; fully diluted earnings per share were \$1.88 compared with \$1.73 in the year-ago quarter.

FINANCIAL HIGHLIGHTS

- Operating revenue on a managed basis grew 5 percent when compared with the strong 1995 fourth quarter and 9 percent for the year, exceeding Chase's 5 to 7 percent target range;
- Expenses declined 3 percent in the quarter, resulting in a one percent decline for the year; Merger savings of \$235 million for the quarter led to annual savings of \$555 million, above the original target;
- The provision for credit losses was \$182 million for the quarter and \$897 million for the year, reflecting continued strong asset quality;
- The Corporation repurchased \$1 billion of its common equity during the quarter under the terms of a stock buyback plan announced in October.

"Led by strong earnings across the full breadth of our businesses, Chase had an excellent year and quarter," said Walter V. Shipley, chairman and chief executive officer. "The Corporation exceeded 1996 performance goals while executing the merger integration and putting in place a superior set of franchises for long term growth."

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Including merger-related costs, net income for the full year was \$2.461 billion compared with \$2.959 billion for 1995. Primary earnings per share were \$5.02 compared with \$6.20 in 1995; fully diluted earnings per share were \$4.94 and \$6.04, in 1996 and 1995, respectively. Fourth quarter 1996 net income, including merger costs, was \$836 million compared with \$827 million in the year-ago quarter. Primary earnings per share were \$1.74 versus \$1.73 and fully diluted earnings per share were \$1.74 and \$1.73, in the 1996 and 1995 fourth quarters, respectively.

The corporation's return on average common stockholders' equity, excluding merger costs, for the 1996 full year was 18.7 percent compared with 16.3 percent in 1995; return on average common stockholders' equity for the fourth quarter was 18.1 percent compared to 17.3 percent in the year-ago quarter. The efficiency ratio for the full year stood at 59 percent versus 63 percent in 1995.

REVENUES

Total revenue for the year rose 6 percent to \$15,852 million from \$14,960 million in 1995. On an operating basis, adjusting for securitizations, total revenue for the year rose 9 percent to \$16,431 million. Total revenue in the 1996 fourth quarter was \$3,938 million versus \$3,843 million in the same 1995 period. On an operating basis, total revenue in the latest quarter rose 5 percent to \$4,100 million.

Net interest income in the 1996 fourth quarter was \$2,082 million compared with \$2,078 million in the fourth quarter of 1995. Average interest-earning assets were \$268.5 billion, compared with \$253.7 billion in the prior year quarter. The net yield on average interest-earning assets was 3.10 percent in the 1996 fourth quarter compared with 3.27 percent in the fourth quarter of 1995. These results were affected by an increase in average consumer loan securitizations of approximately \$6.3 billion from the 1995 fourth quarter level. Including securitizations, the net yield on average interest-earning assets was 3.35 percent in the 1996 fourth quarter compared with 3.39 percent in the 1995 quarter.

Total noninterest revenue was \$1,856 million in the 1996 fourth quarter compared with \$1,765 million in the 1995 quarter.

Total revenues from trading activities were \$457 million in the fourth quarter of 1996, including \$209 million of net interest income. In the fourth quarter of 1995, total revenues from trading activities were \$399 million, including \$125 million of net interest income.

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Fees related to credit cards were \$320 million compared to \$246 million in the fourth quarter of 1995, reflecting the growth in average receivables as well as the effect of securitizations. Corporate finance and syndication fees were \$213 million compared with \$220 million in the 1995 fourth quarter, reflecting continued strong activity in this area. Trust and investment management fees rose to \$294 million in the fourth quarter of 1996 from \$277 million, reflecting a higher level of assets under management, including the Vista mutual funds and growth in Chase's global services and securities processing activities.

Revenues from equity-related investments totaled \$172 million in the fourth quarter of 1996, compared with \$131 million in the same quarter of 1995.

EXPENSES

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Before merger-related costs and foreclosed property expense, total noninterest expenses in the 1996 fourth quarter were \$2,304 million, a decrease of 3.2 percent from \$2,379 million in the fourth quarter of 1995, and declined 1.1 percent to \$9,346 million from \$9,450 million for the full year. Merger savings for the fourth quarter were \$235 million, bringing savings for the full year to \$555 million.

Fourth quarter and full year 1996 expenses included first time costs associated with the launch of Chase's new co-branded credit card with Wal-Mart (\$44 million) and minority interest costs related to recently-issued REIT/Preferred securities (\$13 million).

The total number of employees was 67,785 at December 31, 1996 compared with 72,696 at December 31, 1995.

Merger-related expenses in the fourth quarter of 1996 were \$104 million.

CREDIT COSTS

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The provision for credit losses in the fourth quarter of 1996 was \$182 million and \$186 million in the fourth quarter of 1995, equal to charge-offs in both periods. The provision for credit losses for the full year was \$897 million in 1996 and \$758 million in 1995.

Total commercial net recoveries were \$22 million in both the fourth quarters of 1996 and 1995. Total consumer net charge-offs in the fourth quarter were \$212 million, of which credit card charge-offs, on retained receivables, accounted for \$156 million. Total consumer net charge-offs in the fourth quarter of 1995 were \$214 million, of which credit card net charge-offs, on retained receivables, were \$172 million.

Credit card net charge-offs on a managed basis were \$311 million, or 5.11 percent of average managed receivables in the fourth quarter compared with \$238 million or 4.18 percent of average managed receivables in the fourth quarter of 1995, reflecting growth in receivables of 7 percent, year-over-year, and higher bankruptcies.

Managed credit card receivables past due 90 days and over and accruing were \$564 million at December 31, 1996, or 2.31 percent of average credit card receivables, compared with \$498 million, or 2.19 percent at December 31, 1995.

OTHER FINANCIAL DATA

Nonperforming assets, at December 31, 1996, were \$1,151 million, compared with \$1,517 million on September 30, 1996, and \$1,664 million on December 31, 1995.

The corporation's effective tax rate was 38 percent in the fourth quarter of 1996, and 36 percent in the fourth quarter of 1995.

At December 31, 1996, the aggregate allowance for credit losses was \$3,694 million and \$3,784 million on the same date a year ago.

Total assets at December 31, 1996, were \$336 billion, compared with \$304 billion on the same date a year ago. Total loans at December 31, 1996, were \$155 billion, compared with \$150 billion at December 31, 1995. Total deposits at year-end 1996 stood at \$181 billion and \$172 billion on December 31, 1995.

The return on average assets for the fourth quarter of 1996 was 1.08 percent, compared with 1.04 percent for the same 1995 quarter.

During the 1996 fourth quarter, the Corporation purchased approximately 11.5 million common shares (\$1.0 billion) as part of a stock repurchase plan announced in October. The Corporation reissued approximately 1.6 million treasury shares under the Corporation's employee benefit plans, resulting in a net repurchase of 9.9 million shares (\$890 million) of its common stock.

At December 31, 1996, the estimated Tier I risk-based capital ratio was 8.2 percent, compared with 8.2 percent at December 31, 1995. The estimated Total risk-based capital ratio was 11.8 percent at December 31, 1996, and 12.3 percent at December 31, 1995.

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Note: On March 31, 1996, The Chase Manhattan Corporation merged with and into Chemical Banking Corporation. Upon consummation of the merger, Chemical changed its name to The Chase Manhattan Corporation. The merger was accounted for as a pooling-of-interests and, accordingly, the information included in this release reports the combined results of Chase and Chemical as though the merger had been in effect for all periods presented.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
FINANCIAL HIGHLIGHTS
(in millions, except per share data)

| | Three Months Ended December 31, | | For The Year Ended December 31, | |
|---|------------------------------------|----------|------------------------------------|-----------|
| | 1996 | 1995 | 1996 | 1995 |
| EARNINGS: | | | | |
| Income Before Restructuring Charge | \$ 901 | \$ 827 | \$ 3,586 | \$ 2,979 |
| Restructuring Charge (After-Tax) | (65)(a) | -- | (1,125)(a) | (9)(b) |
| Income After Restructuring Charge and Before Effect of Accounting Change | \$ 836 | \$ 827 | \$ 2,461 | \$ 2,970 |
| Effect of Change in Accounting Principle | -- | -- | -- | (11)(c) |
| Net Income | \$ 836 | \$ 827 | \$ 2,461 | \$ 2,959 |
| Net Income Applicable to Common Stock | \$ 781 | \$ 773 | \$ 2,242 | \$ 2,732 |
| INCOME PER COMMON SHARE: | | | | |
| Primary: | | | | |
| Income Before Restructuring Charge | \$ 1.89 | \$ 1.73 | \$ 7.54 | \$ 6.25 |
| Restructuring Charge (After-Tax) | (0.15)(a) | -- | (2.52)(a) | (0.02)(b) |
| Income After Restructuring Charge and Before Effect of Accounting Change | \$ 1.74 | \$ 1.73 | \$ 5.02 | \$ 6.23 |
| Effect of Change in Accounting Principle | -- | -- | -- | (0.03)(c) |
| Net Income | \$ 1.74 | \$ 1.73 | \$ 5.02 | \$ 6.20 |
| Assuming Full Dilution: | | | | |
| Income Before Restructuring Charge | \$ 1.88 | \$ 1.73 | \$ 7.43 | \$ 6.09 |
| Restructuring Charge (After-Tax) | (0.14)(a) | -- | (2.49)(a) | (0.02)(b) |
| Income After Restructuring Charge and Before Effect of Accounting Change | \$ 1.74 | \$ 1.73 | \$ 4.94 | \$ 6.07 |
| Effect of Change in Accounting Principle | -- | -- | -- | (0.03)(c) |
| Net Income | \$ 1.74 | \$ 1.73 | \$ 4.94 | \$ 6.04 |
| PER COMMON SHARE: | | | | |
| Book Value at December 31, | \$ 42.58 | \$ 41.81 | \$ 42.58 | \$ 41.81 |
| Market Value at December 31, | \$ 89.38 | \$ 58.75 | \$ 89.38 | \$ 58.75 |
| Common Stock Dividends Declared (d) | \$ 0.56 | \$ 0.50 | \$ 2.24 | \$ 1.94 |
| COMMON SHARES OUTSTANDING: | | | | |
| Average Common and Common Equivalent Shares | 447.7 | 446.0 | 446.4 | 440.8 |
| Average Common Shares Assuming Full Dilution | 448.8 | 447.7 | 453.4 | 453.5 |
| Common Shares at Period End | 430.8 | 435.0 | 430.8 | 435.0 |

- (a) Reflects merger-related restructuring charge of \$1,022 million, after-tax, which was recorded on March 31, 1996. In addition, \$103 million, after-tax, of merger-related expenses were incurred during 1996 (\$4 million in the first quarter, \$14 million in the second quarter, \$20 million in the third quarter and \$65 million in the fourth quarter) and recognized under an existing accounting pronouncement.
- (b) Reflects restructuring charge related to exiting from a futures brokerage business.
- (c) On January 1, 1995, the Corporation adopted SFAS 106 for the accounting for other postretirement benefits relating to its foreign plans.
- (d) The Corporation increased its quarterly common stock dividend from \$0.50 per share to \$0.56 per share in the first quarter of 1996.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
FINANCIAL HIGHLIGHTS (CONTINUED)

| | Three Months Ended December 31, | | For The Year Ended December 31, | |
|---|------------------------------------|--------|------------------------------------|--------|
| | 1996 | 1995 | 1996 | 1995 |
| PERFORMANCE RATIOS: (Average Balances) (e) | | | | |
| Income Before Restructuring Charge: | | | | |
| Return on Assets | 1.08% | 1.04% | 1.12% | 0.97% |
| Return on Common Stockholders' Equity | 18.12% | 17.33% | 18.74% | 16.27% |
| Return on Total Stockholders' Equity | 16.89% | 16.13% | 17.40% | 15.17% |
| Net Income: | | | | |
| Return on Assets | 1.00% | 1.04% | 0.77% | 0.96% |
| Return on Common Stockholders' Equity | 16.73% | 17.33% | 12.48% | 16.15% |
| Return on Total Stockholders' Equity | 15.67% | 16.13% | 11.94% | 15.06% |
| Efficiency Ratio (f) | 59% | 62% | 59% | 63% |
| CAPITAL RATIOS AT DECEMBER 31: | | | | |
| Common Stockholders' Equity to Assets | | | 5.5% | 6.0% |
| Total Stockholders' Equity to Assets | | | 6.2% | 6.9% |
| Tier 1 Leverage | | | 6.8% | 6.7% |
| Risk-Based Capital: (g) | | | | |
| Tier 1 (4.0% required) | | | 8.2%* | 8.2% |
| Total (8.0% required) | | | 11.8%* | 12.3% |

(e) Performance ratios for three months ended December 31, 1996 and 1995 are based on annualized amounts.

(f) Excludes restructuring charges, foreclosed property expense and nonrecurring items.

(g) The 1996 ratios include the impact of the issuance of \$550 million of preferred stock (the "Series A Preferred Shares") of Chase Preferred Capital Corporation, which qualifies as a real estate investment trust (REIT), and the issuance of \$600 million of Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures (the "Series A Subordinated Debentures").

* Estimated

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CONSOLIDATED STATEMENT OF INCOME
(in millions, except per share data)

| | Three Months Ended | | |
|---|--------------------|-------------------|------------------|
| | Dec. 31, 1996 | Sept. 30, 1996 | Dec. 31, 1995 |
| INTEREST INCOME | | | |
| Loans | \$ 3,048 | \$ 3,042 | \$ 3,252 |
| Securities | 767 | 690 | 718 |
| Trading Assets | 656 | 525 | 402 |
| Federal Funds Sold and Securities Purchased Under Resale Agreements | 571 | 549 | 491 |
| Deposits with Banks | 97 | 112 | 187 |
| | ----- | ----- | ----- |
| Total Interest Income | 5,139 | 4,918 | 5,050 |
| | ----- | ----- | ----- |
| INTEREST EXPENSE | | | |
| Deposits | 1,520 | 1,416 | 1,602 |
| Short-Term and Other Borrowings | 1,304 | 1,213 | 1,139 |
| Long-Term Debt | 233 | 220 | 231 |
| | ----- | ----- | ----- |
| Total Interest Expense | 3,057 | 2,849 | 2,972 |
| | ----- | ----- | ----- |
| NET INTEREST INCOME | 2,082 | 2,069 | 2,078 |
| Provision for Credit Losses | 182 | 220 | 186 |
| | ----- | ----- | ----- |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES | 1,900 | 1,849 | 1,892 |
| | ----- | ----- | ----- |
| NONINTEREST REVENUE | | | |
| Corporate Finance and Syndication Fees | 213 | 234 | 220 |
| Trust and Investment Management Fees | 294 | 295 | 277 |
| Credit Card Revenue | 320 | 277 | 246 |
| Service Charges on Deposit Accounts | 98 | 97 | 101 |
| Fees for Other Financial Services | 377 | 393 | 363 |
| Trading Revenue | 248 | 304 | 274 |
| Securities Gains | 25 | 34 | 25 |
| Other Revenue | 281 | 222 | 259 |
| | ----- | ----- | ----- |
| Total Noninterest Revenue | 1,856 | 1,856 | 1,765 |
| | ----- | ----- | ----- |
| NONINTEREST EXPENSE | | | |
| Salaries | 1,070 | 1,040 | 1,130 |
| Employee Benefits | 185 | 211 | 206 |
| Occupancy Expense | 192 | 204 | 224 |
| Equipment Expense | 180 | 179 | 187 |
| Foreclosed Property Expense | (1) | 2 | (15) |
| Other Expense | 677 | 652 | 632 |
| | ----- | ----- | ----- |
| Total Noninterest Expense Before Restructuring Charge | 2,303 | 2,288 | 2,364 |
| Restructuring Charge and Expenses | 104 | 32 | -- |
| | ----- | ----- | ----- |
| Total Noninterest Expense | 2,407 | 2,320 | 2,364 |
| | ----- | ----- | ----- |
| INCOME BEFORE INCOME TAX EXPENSE | 1,349 | 1,385 | 1,293 |
| Income Tax Expense | 513 | 527 | 466 |
| | ----- | ----- | ----- |
| NET INCOME | \$ 836 | \$ 858 | \$ 827 |
| | ===== | ===== | ===== |
| NET INCOME APPLICABLE TO COMMON STOCK | \$ 781 | \$ 803 | \$ 773 |
| | ===== | ===== | ===== |
| NET INCOME PER COMMON SHARE: | | | |
| Primary | \$ 1.74 | \$ 1.80 | \$ 1.73 |
| | ===== | ===== | ===== |
| Assuming Full Dilution | \$ 1.74 | \$ 1.78 | \$ 1.73 |
| | ===== | ===== | ===== |

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CONSOLIDATED STATEMENT OF INCOME
(in millions, except per share data)

| | For The Year Ended December 31, | |
|---|------------------------------------|-----------|
| | 1996 | 1995 |
| INTEREST INCOME | | |
| Loans | \$ 12,359 | \$ 12,842 |
| Securities | 2,862 | 2,591 |
| Trading Assets | 2,016 | 1,464 |
| Federal Funds Sold and Securities Purchased Under Resale Agreements | 2,135 | 1,889 |
| Deposits with Banks | 537 | 824 |
| | ----- | ----- |
| Total Interest Income | 19,909 | 19,610 |
| | ----- | ----- |
| INTEREST EXPENSE | | |
| Deposits | 6,038 | 6,291 |
| Short-Term and Other Borrowings | 4,630 | 4,175 |
| Long-Term Debt | 901 | 942 |
| | ----- | ----- |
| Total Interest Expense | 11,569 | 11,408 |
| | ----- | ----- |
| NET INTEREST INCOME | 8,340 | 8,202 |
| Provision for Credit Losses | 897 | 758 |
| | ----- | ----- |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES | 7,443 | 7,444 |
| | ----- | ----- |
| NONINTEREST REVENUE | | |
| Corporate Finance and Syndication Fees | 929 | 796 |
| Trust and Investment Management Fees | 1,176 | 1,018 |
| Credit Card Revenue | 1,063 | 834 |
| Service Charges on Deposit Accounts | 394 | 417 |
| Fees for Other Financial Services | 1,529 | 1,453 |
| Trading Revenue | 1,270 | 1,016 |
| Securities Gains | 135 | 132 |
| Other Revenue | 1,016 | 1,092 |
| | ----- | ----- |
| Total Noninterest Revenue | 7,512 | 6,758 |
| | ----- | ----- |
| NONINTEREST EXPENSE | | |
| Salaries | 4,232 | 4,208 |
| Employee Benefits | 926 | 899 |
| Occupancy Expense | 824 | 897 |
| Equipment Expense | 724 | 755 |
| Foreclosed Property Expense | (16) | (75) |
| Other Expense | 2,640 | 2,691 |
| | ----- | ----- |
| Total Noninterest Expense Before Restructuring Charge | 9,330 | 9,375 |
| Restructuring Charge and Expenses | 1,814 | 15 |
| | ----- | ----- |
| Total Noninterest Expense | 11,144 | 9,390 |
| | ----- | ----- |
| INCOME BEFORE INCOME TAX EXPENSE AND EFFECT OF ACCOUNTING CHANGE | 3,811 | 4,812 |
| Income Tax Expense | 1,350 | 1,842 |
| | ----- | ----- |
| INCOME BEFORE EFFECT OF ACCOUNTING CHANGE | 2,461 | 2,970 |
| Effect of Change in Accounting Principle | -- | (11) |
| | ----- | ----- |
| NET INCOME | \$ 2,461 | \$ 2,959 |
| | ===== | ===== |
| NET INCOME APPLICABLE TO COMMON STOCK | \$ 2,242 | \$ 2,732 |
| | ===== | ===== |
| INCOME PER COMMON SHARE: | | |
| Primary: | | |
| Income Before Effect of Accounting Change | \$ 5.02 | \$ 6.23 |
| Effect of Change in Accounting Principle | -- | (0.03) |
| | ----- | ----- |
| Net Income | \$ 5.02 | \$ 6.20 |
| | ===== | ===== |
| Assuming Full Dilution: | | |
| Income Before Effect of Accounting Change | \$ 4.94 | \$ 6.07 |
| Effect of Change in Accounting Principle | -- | (0.03) |
| | ----- | ----- |
| Net Income | \$ 4.94 | \$ 6.04 |
| | ===== | ===== |

THE CHASE MANHATTAN CORPORATION and Subsidiaries
NONINTEREST REVENUE DETAIL
(in millions)

| | Three Months Ended | | | For The Year Ended | |
|---|--------------------|-------------------|------------------|--------------------|----------------------|
| | Dec. 31, 1996 | Sept. 30, 1996 | Dec. 31, 1995 | 1996 | December 31, 1995 |
| Fees for Other Financial Services: | | | | | |
| Commissions on Letters of Credit and Acceptances | \$ 78 | \$ 81 | \$ 88 | \$ 330 | \$ 350 |
| Fees in Lieu of Compensating Balances | 72 | 75 | 68 | 295 | 281 |
| Mortgage Servicing Fees | 45 | 55 | 53 | 204 | 212 |
| Loan Commitment Fees | 28 | 32 | 27 | 120 | 123 |
| Other Fees | 154 | 150 | 127 | 580 | 487 |
| | ----- | ----- | ----- | ----- | ----- |
| Total | \$ 377 | \$ 393 | \$ 363 | \$ 1,529 | \$ 1,453 |
| | ===== | ===== | ===== | ===== | ===== |
| Trading-Related Revenue: (a) | | | | | |
| Interest Rate Contracts | \$ 85 | \$ 124 | \$ 137 | \$ 535 | \$ 445 |
| Foreign Exchange Revenue | 103 | 108 | 125 | 444 | 584 |
| Debt Instruments and Other | 269 | 247 | 137 | 994 | 429 |
| | ----- | ----- | ----- | ----- | ----- |
| Total | \$ 457 | \$ 479 | \$ 399 | \$ 1,973 | \$ 1,458 |
| | ===== | ===== | ===== | ===== | ===== |
| Other Revenue: | | | | | |
| Revenue from Equity-Related Investments | \$ 172 | \$ 112 | \$ 131 | \$ 726 | \$ 626 |
| Net Gains (Losses) on Emerging Markets Securities Sales | (15) | -- | 13 | (80) | (49) |
| Gain on Sale of Investment in Far East Bank and Trust Co. | -- | -- | -- | -- | 85 |
| Residential Mortgage Origination/Sales Activities | 22 | 15 | 67 | 63 | 179 |
| Loss on Sale of a Building in Japan | -- | -- | -- | (60) | -- |
| All Other Revenue | 102 | 95 | 48 | 367 | 251 |
| | ----- | ----- | ----- | ----- | ----- |
| Total | \$ 281 | \$ 222 | \$ 259 | \$ 1,016 | \$ 1,092 |
| | ===== | ===== | ===== | ===== | ===== |

(a) Includes net interest income attributable to trading activities.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
NONINTEREST EXPENSE DETAIL
(in millions)

| | Three Months Ended | | | For The Year Ended | |
|-----------------------------|--------------------|-------------------|------------------|--------------------|----------------------|
| | Dec. 31, 1996 | Sept. 30, 1996 | Dec. 31, 1995 | 1996 | December 31, 1995 |
| Other Expense: | | | | | |
| Professional Services | \$ 133 | \$ 127 | \$ 152 | \$ 530 | \$ 559 |
| Marketing Expense | 110 (a) | 73 | 88 | 346 (a) | 372 |
| FDIC Assessments | 1 (b) | 6 (b,c) | 10 (b) | 9 (b) | 117 |
| Telecommunications | 77 | 82 | 84 | 326 | 333 |
| Amortization of Intangibles | 42 | 42 | 43 | 169 | 182 |
| Minority Interest | 18 (d) | 16 | 7 | 54 (d) | 27 |
| All Other | 296 | 306 | 248 | 1,206 | 1,101 |
| | ----- | ----- | ----- | ----- | ----- |
| Total | \$ 677 (a) | \$ 652 | \$ 632 | \$ 2,640 (a) | \$ 2,691 |
| | ===== | ===== | ===== | ===== | ===== |

(a) Includes total expenses related to the Wal-Mart program of \$44 million, which includes \$30 million of marketing expense.

(b) Reflects the impact of a reduction in the FDIC assessment rate.

(c) Includes a special assessment for Savings Association Insurance Fund-related deposits.

(d) Includes minority interest related to the Series A Preferred Shares of \$13 million.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CONSOLIDATED BALANCE SHEET
(in millions)

| | December 31, 1996 | December 31, 1995 |
|--|----------------------|----------------------|
| | ----- | ----- |
| ASSETS | | |
| Cash and Due from Banks | \$ 14,605 | \$ 14,794 |
| Deposits with Banks | 8,344 | 8,468 |
| Federal Funds Sold and Securities Purchased Under Resale Agreements | 28,966 | 17,461 |
| Trading Assets: | | |
| Debt and Equity Instruments | 30,377 | 26,212 |
| Risk Management Instruments | 29,579 (a) | 25,825 |
| Securities: | | |
| Available-for-Sale | 44,691 | 37,141 |
| Held-to-Maturity | 3,855 | 4,628 |
| Loans (Net of Allowance for Loan Losses of \$3,549 in 1996 and \$3,784 in 1995) | 151,543 (a) | 146,423 |
| Premises and Equipment | 3,642 | 3,757 |
| Due from Customers on Acceptances | 2,322 | 1,896 |
| Accrued Interest Receivable | 3,020 | 2,541 |
| Other Assets | 15,155 | 14,843 |
| | ----- | ----- |
| TOTAL ASSETS | \$ 336,099 | \$ 303,989 |
| | ===== | ===== |
| LIABILITIES | | |
| Deposits: | | |
| Domestic: | | |
| Noninterest-Bearing | \$ 42,726 | \$ 36,983 |
| Interest-Bearing | 67,186 | 63,071 |
| Foreign: | | |
| Noninterest-Bearing | 4,331 | 3,849 |
| Interest-Bearing | 66,678 | 67,631 |
| | ----- | ----- |
| Total Deposits | 180,921 | 171,534 |
| Federal Funds Purchased and Securities Sold Under Repurchase Agreements | 53,868 | 37,263 |
| Other Borrowed Funds | 13,731 | 13,936 |
| Acceptances Outstanding | 2,276 | 1,915 |
| Trading Liabilities | 38,136 | 34,341 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 12,309 (a) | 11,339 |
| Long-Term Debt | 13,314 (b) | 12,825 |
| | ----- | ----- |
| TOTAL LIABILITIES | 314,555 | 283,153 |
| | ----- | ----- |
| PREFERRED STOCK OF SUBSIDIARY | 550 (c) | -- |
| | ----- | ----- |
| STOCKHOLDERS' EQUITY | | |
| Preferred Stock | 2,650 | 2,650 |
| Common Stock | 441 | 458 |
| Capital Surplus | 10,459 | 11,075 |
| Retained Earnings | 8,627 | 7,997 |
| Net Unrealized Loss on Securities Available-for-Sale, Net of Taxes | (288) | (237) |
| Treasury Stock, at Cost | (895) | (1,107) |
| | ----- | ----- |
| TOTAL STOCKHOLDERS' EQUITY | 20,994 | 20,836 |
| | ----- | ----- |
| TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY | \$ 336,099 | \$ 303,989 |
| | ===== | ===== |

- (a) At December 31, 1996, in accordance with a recently issued accounting pronouncement, the allowance for credit losses has been allocated into three components: a \$3,549 million allowance for loan losses, which is reported net in Loans; an allowance for credit losses on derivative and foreign exchange financial instruments of \$75 million, which is reported net in Trading Assets - Risk Management Instruments; and an allowance for credit losses on letters of credit and guarantees of \$70 million, which is reported in Other Liabilities. Prior period amounts have not been reclassified due to immateriality.
- (b) The 1996 amount includes \$600 million of Series A Subordinated Debentures, issued in December 1996, which qualify as Tier I Capital for the Corporation.
- (c) Reflects the issuance in September 1996 of Series A Preferred Shares, which qualify as Tier I Capital for the Corporation.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY
(in millions)

| | For the Year Ended December 31, | |
|---|------------------------------------|------------------|
| | 1996 | 1995 |
| Preferred Stock: | | |
| Balance at Beginning of Year | \$ 2,650 | \$ 2,850 |
| Conversion of Stock | -- | (200) |
| Balance at End of Period | \$ 2,650 | \$ 2,650 |
| Common Stock: | | |
| Balance at Beginning of Year | \$ 458 | \$ 447 |
| Retirement of Treasury Stock | (20) (a) | -- |
| Issuance of Common Stock | 3 | 11 |
| Balance at End of Period | \$ 441 | \$ 458 |
| Capital Surplus: | | |
| Balance at Beginning of Year | \$ 11,075 | \$ 10,671 |
| Retirement of Treasury Stock | (433) (a) | -- |
| New Issuances of Common Stock | 42 | 307 |
| Shares Issued for Employee Stock-Based Awards and Certain Related Tax Benefits | (225) | 97 |
| Balance at End of Period | \$ 10,459 | \$ 11,075 |
| Retained Earnings: | | |
| Balance at Beginning of Year | \$ 7,997 | \$ 6,045 |
| Net Income | 2,461 | 2,959 |
| Retirement of Treasury Stock | (557) (a) | -- |
| Cash Dividends Declared: | | |
| Preferred Stock | (219) | (227) |
| Common Stock | (1,061) | (789) |
| Accumulated Translation Adjustment | 6 | 9 |
| Balance at End of Period | \$ 8,627 | \$ 7,997 |
| Net Unrealized Loss on Securities Available-for-Sale: | | |
| Balance at Beginning of Year | \$ (237) | \$ (473) |
| Net Change in Fair Value of Securities Available-for-Sale, Net of Taxes | (51) | 236 |
| Balance at End of Period | \$ (288) | \$ (237) |
| Common Stock in Treasury, at Cost: | | |
| Balance at Beginning of Year | \$ (1,107) | \$ (667) |
| Retirement of Treasury Stock | 1,010 (a) | -- |
| Purchase of Treasury Stock | (2,037) | (1,389) |
| Reissuance of Treasury Stock | 1,239 | 949 |
| Balance at End of Period | \$ (895) | \$ (1,107) |
| Total Stockholders' Equity | \$ 20,994 | \$ 20,836 |

(a) Under the terms of the merger agreement, on March 31, 1996, all of the former Chase Manhattan Corporation's treasury stock was cancelled and retired.

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CREDIT RELATED INFORMATION
(in millions)

| | Loans Outstanding | | Nonperforming Assets | |
|--|--------------------|------------|----------------------|----------|
| | December 31, | | December 31, | |
| | 1996 | 1995 | 1996 | 1995 |
| Domestic Commercial: | | | | |
| Commercial Real Estate | \$ 5,934 | \$ 6,660 | \$ 156 | \$ 375 |
| Other Commercial | 40,282 | 37,990 | 446 | 498 |
| Total Commercial Loans | 46,216 | 44,650 | 602 | 873 |
| Domestic Consumer: | | | | |
| Residential Mortgage | 36,621 | 34,060 | 249 | 238 |
| Credit Card | 12,157 | 17,078 | -- | -- |
| Other Consumer | 20,306 | 18,293 | 35 | 39 |
| Total Consumer Loans | 69,084 | 69,431 | 284 | 277 |
| Total Domestic Loans | 115,300 | 114,081 | 886 | 1,150 |
| Foreign | 39,792 | 36,126 | 135 | 343 |
| Total Loans | \$ 155,092 | \$ 150,207 | 1,021 | 1,493 |
| | ===== | ===== | | |
| Assets Acquired as Loan Satisfactions | | | 130 | 171 |
| Total Nonperforming Assets | | | \$ 1,151 | \$ 1,664 |
| | | | ===== | ===== |
| Assets Held For Accelerated Disposition | | | \$ 274 | \$ 412 |
| | | | ===== | ===== |
| | | | | |
| | Three Months Ended | | For The Year Ended | |
| | December 31, | | December 31, | |
| | 1996 | 1995 | 1996 | 1995 |
| Net Charge-Offs: | | | | |
| Domestic Commercial: | | | | |
| Commercial Real Estate | \$ (18) | \$ 9 | \$ 14 | \$ 31 |
| Other Commercial | (4) | (31) | 86 | (16) |
| Total Commercial | (22) | (22) | 100 | 15 |
| Domestic Consumer: | | | | |
| Residential Mortgage | 8 | 11 | 30 | 62 |
| Credit Card | 156 | 172 | 618 | 675 |
| Other Consumer | 48 | 31 | 176 | 122 |
| Total Consumer | 212 | 214 | 824 | 859 |
| Total Domestic Net Charge-offs | 190 | 192 | 924 | 874 |
| Foreign | (8) | (6) | (27) | (34) |
| Subtotal Net Charge-offs | 182 | 186 | 897 | 840 |
| Charge Related to Conforming Credit Card Charge-off Policies | -- | -- | 102 | -- |
| Total Net Charge-offs | \$ 182 | \$ 186 | \$ 999 | \$ 840 |
| | ===== | ===== | ===== | ===== |

THE CHASE MANHATTAN CORPORATION and Subsidiaries
CREDIT CARD RELATED INFORMATION
(in millions, except ratios)

| | As of or For The Three Months Ended December 31, | | As of or For The Year Ended December 31, | |
|--|--|-----------|--|-----------|
| | 1996 | 1995 | 1996 | 1995 |
| MANAGED CREDIT CARD PORTFOLIO: | | | | |
| Average Managed Credit Card Receivables | \$ 24,382 | \$ 22,777 | \$ 23,709 | \$ 20,980 |
| Past Due 90 Days & Over and Accruing | \$ 564 | \$ 498 | \$ 564 | \$ 498 |
| As a Percentage of Average Credit Card Receivables | 2.31% | 2.19% | 2.38% | 2.37% |
| Net Charge-offs | \$ 311 (a) | \$ 238 | \$ 1,156 (a) | \$ 849 |
| As a Percentage of Average Credit Card Receivables | 5.11% | 4.18% | 4.87% | 4.05% |

(a) Excludes a charge related to conforming credit card charge-off policies.

| | Three Months Ended | | For The Year Ended | |
|--|--------------------|----------|--------------------|----------|
| | December 31, | | December 31, | |
| | 1996 | 1995 | 1996 | 1995 |
| Favorable (unfavorable) impact of credit card securitizations on reported Consolidated Statement of Income line items: | | | | |
| Net Interest Income | \$ (275) | \$ (134) | \$ (914) | \$ (360) |
| Provision for Losses | 161 | 62 | 570 | 170 |
| Credit Card Revenue | 101 | 61 | 318 | 173 |
| Other Revenue | 12 | 7 | 23 | 24 |
| Pre-tax Income (Loss) Impact of Securitizations | \$ (1) | \$ (4) | \$ (3) | \$ 7 |

THE CHASE MANHATTAN CORPORATION and Subsidiaries
Condensed Average Consolidated Balance Sheet, Interest and Rates
(Taxable-Equivalent Interest and Rates; in millions)

| | Three Months Ended December 31, 1996 | | | Three Months Ended December 31, 1995 | | |
|---|---|----------|----------------------|---|----------|----------------------|
| | Average Balance | Interest | Rate (Annualized) | Average Balance | Interest | Rate (Annualized) |
| ASSETS | | | | | | |
| Liquid Interest-Earning Assets | \$ 71,724 | \$ 1,324 | 7.34% | \$ 64,290 | \$ 1,080 | 6.66% |
| Securities | 47,103 | 772 | 6.52% | 41,153 | 723 | 6.98% |
| Loans | 149,665 | 3,053 | 8.11% | 148,217 | 3,256 | 8.73% |
| | ----- | ----- | | ----- | ----- | |
| Total Interest-Earning Assets | 268,492 | 5,149 | 7.63% | 253,660 | 5,059 | 7.93% |
| Total Noninterest-Earning Assets | 62,924 | | | 61,097 | | |
| | ----- | | | ----- | | |
| Total Assets | \$ 331,416 | | | \$ 314,757 | | |
| | ===== | | | ===== | | |
| LIABILITIES | | | | | | |
| Total Interest-Bearing Deposits | \$ 130,453 | 1,520 | 4.64% | \$ 131,201 | 1,602 | 4.86% |
| Total Short-Term and Other Borrowings | 82,024 | 1,304 | 6.32% | 68,540 | 1,139 | 6.60% |
| Long-Term Debt | 12,901 | 233 | 7.16% | 13,166 | 231 | 6.96% |
| | ----- | ----- | | ----- | ----- | |
| Total Interest-Bearing Liabilities | 225,378 | 3,057 | 5.40% | 212,907 | 2,972 | 5.55% |
| | ----- | ----- | | ----- | ----- | |
| Noninterest-Bearing Deposits | 40,787 | | | 39,449 | | |
| Other Noninterest-Bearing Liabilities | 43,479 | | | 42,056 | | |
| | ----- | | | ----- | | |
| Total Liabilities | 309,644 | | | 294,412 | | |
| | ----- | | | ----- | | |
| PREFERRED STOCK OF SUBSIDIARY | 550 | | | -- | | |
| | ----- | | | ----- | | |
| STOCKHOLDERS' EQUITY | | | | | | |
| Preferred Stock | 2,650 | | | 2,650 | | |
| Common Stockholders' Equity | 18,572 | | | 17,695 | | |
| | ----- | | | ----- | | |
| Total Stockholders' Equity | 21,222 | | | 20,345 | | |
| | ----- | | | ----- | | |
| Total Liabilities and Stockholders' Equity | \$ 331,416 | | | \$ 314,757 | | |
| | ===== | | | ===== | | |
| INTEREST RATE SPREAD | | | 2.23% | | | 2.38% |
| | | | ===== | | | ===== |
| NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS | | \$ 2,092 | 3.10% | \$ 2,087 | 3.27% | |
| | | ===== | ===== | ===== | ===== | |

| | For The Year Ended December 31, 1996 | | | For The Year Ended December 31, 1995 | | |
|--|---|----------|-------|---|----------|-------|
| | Average Balance | Interest | Rate | Average Balance | Interest | Rate |
| ASSETS | | | | | | |
| Liquid Interest-Earning Assets | \$ 67,239 | \$ 4,688 | 6.97% | \$ 61,277 | \$ 4,177 | 6.82% |
| Securities | 43,712 | 2,882 | 6.59% | 36,702 | 2,615 | 7.12% |
| Loans | 149,996 | 12,373 | 8.25% | 146,528 | 12,863 | 8.78% |
| | ----- | ----- | | ----- | ----- | |
| Total Interest-Earning Assets | 260,947 | 19,943 | 7.64% | 244,507 | 19,655 | 8.04% |
| Total Noninterest-Earning Assets | 60,293 | | | 62,878 | | |
| | ----- | | | ----- | | |
| Total Assets | \$ 321,240 | | | \$ 307,385 | | |
| | ===== | | | ===== | | |
| LIABILITIES | | | | | | |
| Total Interest-Bearing Deposits | \$ 130,022 | 6,038 | 4.64% | \$ 130,613 | 6,291 | 4.82% |
| Total Short-Term and Other Borrowings | 76,549 | 4,630 | 6.05% | 63,425 | 4,175 | 6.58% |
| Long-Term Debt | 12,811 | 901 | 7.03% | 13,080 | 942 | 7.20% |
| | ----- | ----- | | ----- | ----- | |
| Total Interest-Bearing Liabilities | 219,382 | 11,569 | 5.27% | 207,118 | 11,408 | 5.51% |
| | ----- | ----- | | ----- | ----- | |
| Noninterest-Bearing Deposits | 39,562 | | | 37,698 | | |
| Other Noninterest-Bearing Liabilities | 41,523 | | | 42,926 | | |
| | ----- | | | ----- | | |
| Total Liabilities | 300,467 | | | 287,742 | | |
| | ----- | | | ----- | | |
| PREFERRED STOCK OF SUBSIDIARY | 158 | | | -- | | |
| | ----- | | | ----- | | |
| STOCKHOLDERS' EQUITY | | | | | | |
| Preferred Stock | 2,650 | | | 2,730 | | |
| Common Stockholders' Equity | 17,965 | | | 16,913 | | |
| | ----- | | | ----- | | |
| Total Stockholders' Equity | 20,615 | | | 19,643 | | |
| | ----- | | | ----- | | |
| Total Liabilities and Stockholders' Equity | \$ 321,240 | | | \$ 307,385 | | |
| | ===== | | | ===== | | |
| INTEREST RATE SPREAD | | | 2.37% | | | 2.53% |
| | | | ===== | | | ===== |

NET INTEREST INCOME AND NET YIELD
ON INTEREST-EARNING ASSETS

\$ 8,374
=====

3.21%
=====

\$ 8,247
=====

3.37%
=====

THE CHASE MANHATTAN CORPORATION and Subsidiaries
 Lines of Business Results
 (in millions, except ratios)

| Three Months Ended December 31, | Regional and Nationwide Consumer Bank | | Global Bank | | Global Services | |
|------------------------------------|--|----------|-------------|----------|-----------------|--------|
| | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Revenues | \$ 2,069 | \$ 1,977 | \$ 1,550 | \$ 1,475 | \$ 491 | \$ 487 |
| Operating Net Income (a) | 318 | 333 | 411 | 356 | 60 | 51 |
| Average Common Equity | 6,437 | 6,667 | 8,595 | 8,214 | 1,066 | 1,080 |
| Average Assets | 113,474 | 109,172 | 217,910 | 203,140 | 10,590 | 7,430 |
| Return on Common Equity | 18.5% | 18.5% | 17.9% | 15.8% | 21.3% | 17.1% |
| Efficiency Ratio | 56% | 58% | 53% | 58% | 81% | 83% |

| Three Months Ended December 31, | Corporate | | Total | |
|------------------------------------|-----------|-------|----------|----------|
| | 1996 | 1995 | 1996 | 1995 |
| Revenues | NM | NM | \$ 3,938 | \$ 3,847 |
| Operating Net Income (a) | \$ 112 | \$ 61 | 901 | 801 |
| Average Common Equity | 2,474 | 1,734 | 18,572 | 17,695 |
| Average Assets | NM | NM | 331,416 | 314,757 |
| Return on Common Equity | NM | NM | 18.1% | 16.8% |
| Efficiency Ratio | NM | NM | 59% | 62% |

| Year Ended December 31, | Regional and Nationwide Consumer Bank | | Global Bank | | Global Services | |
|--------------------------|--|----------|-------------|----------|-----------------|----------|
| | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Revenues | \$ 8,099 | \$ 7,726 | \$ 6,615 | \$ 5,679 | \$ 1,930 | \$ 1,735 |
| Operating Net Income (a) | 1,343 | 1,164 | 1,911 | 1,423 | 255 | 220 |
| Average Common Equity | 6,415 | 6,698 | 8,598 | 8,207 | 1,065 | 1,058 |
| Average Assets | 111,914 | 106,906 | 213,824 | 196,787 | 7,856 | 6,909 |
| Return on Common Equity | 19.7% | 16.1% | 21.0% | 15.9% | 22.7% | 19.1% |
| Efficiency Ratio | 55% | 61% | 49% | 56% | 79% | 80% |

| Year Ended December 31, | Corporate | | Total | |
|--------------------------|-----------|-------|----------|----------|
| | 1996 | 1995 | 1996 | 1995 |
| Revenues | NM | NM | \$15,860 | \$14,879 |
| Operating Net Income (a) | \$ 7 | \$ 96 | 3,516 | 2,903 |
| Average Common Equity | 1,887 | 950 | 17,965 | 16,913 |
| Average Assets | NM | NM | 321,240 | 307,385 |
| Return on Common Equity | NM | NM | 18.4% | 15.8% |
| Efficiency Ratio | NM | NM | 59% | 64% |

(a) Operating net income excludes restructuring charges/expenses and special items.
 NM - Not meaningful

Investor Contact: John Borden
212-270-7318

Press Contact: John Stefans
212-270-7438

Senior Vice Chairman Miller to Retire in April

NEW YORK, January 21, 1997 -- The Chase Manhattan Corporation announced today that Edward D. Miller, senior vice chairman, will retire from the company on April 1 to pursue a second career.

In announcing Mr. Miller's plans, Walter V. Shipley, chairman and chief executive officer, said:

"Ed Miller has been an invaluable employee of this company and its predecessor institutions for more than 35 years. He was central in implementing both the Chemical-Manufacturers Hanover and Chase-Chemical mergers. He built our regional and national consumer bank into a true powerhouse and positioned us in the forefront of technological advances. I obviously want him to stay, but I have to respect his wish, expressed to me over time, to choose a second career while he was still in his mid fifties. Our highest regard and our warm good wishes go with him in that endeavor."

Mr. Miller said:

"I've long had a desire to run something, either in another facet of financial services, the public sector or in the non-profit area. I didn't feel comfortable exploring those possibilities while still at the bank, so I decided to call it a career in one field and consider my options while I'm relatively young and in good health. With the merger completed, an exceptionally strong management team in place and a very positive outlook for the future of the bank, this is a particularly appropriate time for me to retire. At Walter's request, I will be continuing my association with Chase as chairman of its Regional Advisory Board."

Mr. Shipley said that Thomas G. Labrecque, in addition to his current responsibilities as president and chief operating officer, would assume day-to-day leadership of Chase's regional banking and nationwide consumer businesses as well as information technology, operations and administration.

Mr. Miller, 56, began his banking career at Manufacturers Hanover in 1959. Following service in the U.S. Marine Corps, he returned to the bank in 1963 as a management trainee. After building and developing numerous and diverse business units, including credit cards, consumer credit and the bank's branch system, he was named executive vice president for retail banking in 1982.

In 1988, he was elected vice chairman and a director, adding responsibilities for operations, technology, and information and transaction services. Following the Chemical-Manufacturers Hanover merger in 1991, Mr. Miller assumed identical titles at Chemical Banking Corporation. He was named president of the bank in 1994, serving in that post until the Chemical-Chase merger was completed and he undertook his present responsibilities.

A graduate of Pace University, Mr. Miller is a director of Brooklyn Union Gas Company and a member of the Bankers Roundtable, currently serving as vice chairman of its Bankers Information Technology Secretariat (BITS). He is also on the Board of Directors of Phoenix House Foundation and a member of the Executive Council of the Inner-City Scholarship Fund. In addition, he is past president and a current member of the Board of Directors and Governing Council of the New York State Bankers Association, a trustee of Pace University and of the New York Blood Center.

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