SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 1999 — Commission file number 1-5805

THE CHASE MANHATTAN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-2624428
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
270 Park Avenue, New York, New York	10017
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes |X| No |_|

Common Stock, $1 Par Value	845,268,072

Number of shares outstanding of each of the issuer's classes of common stock on April 30, 1999.

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Part I
Item 1.

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED BALANCE SHEET
(in millions, except share data)

	March 31, 1999	December 31, 1998
ASSETS		
Cash and Due from Banks	$ 18,306	$ 17,068
Deposits with Banks	3,437	7,212
Federal Funds Sold and Securities Purchased Under Resale Agreements	24,867	18,487
Trading Assets:		
Debt and Equity Instruments	27,572	24,844
Risk Management Instruments (Net of Allowance for Credit Losses of $150 in 1999 and 1998)	28,362	32,848
Securities:		
Available-for-Sale	55,297	62,803
Held-to-Maturity (Market Value: $1,330 at March 31,1999 and $1,703 at December 31, 1998)	1,316	1,687
Loans (Net of Allowance for Loan Losses of $3,552 in 1999 and 1998)	169,297	169,202
Premises and Equipment	4,114	4,055
Due from Customers on Acceptances	987	1,223
Accrued Interest Receivable	2,243	2,316
Other Assets	25,460	24,130
TOTAL ASSETS	$ 361,258	$ 365,875
LIABILITIES		
Deposits:		
Domestic:		
Noninterest-Bearing	$ 47,380	$ 47,541
Interest-Bearing	81,885	85,886
Foreign:		
Noninterest-Bearing	4,221	4,082
Interest-Bearing	74,155	74,928
Total Deposits	207,641	212,437
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	51,116	41,632
Commercial Paper	4,965	7,788
Other Borrowed Funds	5,982	7,239
Acceptances Outstanding	987	1,223
Trading Liabilities	35,675	38,502
Accounts Payable, Accrued Expenses and Other Liabilities, Including the Allowance for Credit Losses of $170 in 1999 and 1998	12,708	14,291
Long-Term Debt	16,178	16,187
Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures	2,188	2,188
TOTAL LIABILITIES	337,440	341,487
COMMITMENTS AND CONTINGENCIES (See Note 9)		
PREFERRED STOCK OF SUBSIDIARY	550	550
STOCKHOLDERS' EQUITY		
Preferred Stock	1,028	1,028
Common Stock (Authorized 1,500,000,000 Shares, Issued 881,857,276 Shares at March 31,1999 and 881,688,611 Shares at December 31,1998)	882	882
Capital Surplus	9,542	9,836
Retained Earnings	14,351	13,544
Accumulated Other Comprehensive Income	(99)	392
Treasury Stock, at Cost (36,810,934 Shares at March 31, 1999 and 33,703,249 Shares at December 31, 1998)	(2,436)	(1,844)
TOTAL STOCKHOLDERS' EQUITY	23,268	23,838
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	$ 361,258	$ 365,875

The Notes to Consolidated Financial Statements are an integral part of these Statements.

Part I
Item 1. (continued)

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
Three Months Ended March 31,
(in millions, except per share data)

	1999	1998
INTEREST INCOME		
Loans	$ 3,209	$ 3,405
Securities	835	889
Trading Assets	418	676
Federal Funds Sold and Securities Purchased Under Resale Agreements	381	671
Deposits with Banks	184	152
Total Interest Income	5,027	5,793
INTEREST EXPENSE		
Deposits	1,598	1,815
Short-Term and Other Borrowings	914	1,509
Long-Term Debt	311	305
Total Interest Expense	2,823	3,629
NET INTEREST INCOME	2,204	2,164
Provision for Loan Losses	381	332
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,823	1,832
NONINTEREST REVENUE		
Investment Banking Fees	317	361
Trust, Custody and Investment Management Fees	414	348
Credit Card Revenue	379	300
Fees for Other Financial Services	553	510
Trading Revenue	618	480
Provision for Risk Management Instrument Credit Losses	--	(12)
Securities Gains	156	83
Private Equity Gains	325	293
Other Revenue	178	96
Total Noninterest Revenue	2,940	2,459
NONINTEREST EXPENSE		
Salaries	1,384	1,254
Employee Benefits	255	224
Occupancy Expense	218	189
Equipment Expense	243	209
Restructuring Costs	--	521
Other Expense	845	744
Total Noninterest Expense	2,945	3,141
INCOME BEFORE INCOME TAX EXPENSE	1,818	1,150
Income Tax Expense	645	425
NET INCOME	$ 1,173	$ 725
NET INCOME APPLICABLE TO COMMON STOCK	$ 1,155	$ 691
NET INCOME PER COMMON SHARE:		
Basic	$ 1.37	$ 0.82
Diluted	$ 1.32	$ 0.80

The Notes to Consolidated Financial Statements are an integral part of these Statements.

Part I
Item 1. (continued)

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY
Three months Ended March 31,
(in millions)

	1999	1998
PREFERRED STOCK		
Balance at Beginning of Year	$ 1,028	$ 1,740
Redemption of Stock	--	(372)
Balance at End of Period	1,028	1,368
COMMON STOCK		
Balance at Beginning and End of Period	882 (a)	441
CAPITAL SURPLUS		
Balance at Beginning of Year	9,836	10,360
Shares Issued and Commitments to Issue Common Stock for Employee Stock-Based Awards and Related Tax Effects	(294)	(219)
Balance at End of Period	9,542	10,141
RETAINED EARNINGS		
Balance at Beginning of Year	13,544	11,086
Net Income	1,173	725
Cash Dividends Declared:		
Preferred Stock	(18)	(34)
Common Stock	(348)	(306)
Balance at End of Period	14,351	11,471
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance at Beginning of Year	392	112
Other Comprehensive Income (Loss)	(491)	22
Balance at End of Period	(99)	134
TREASURY STOCK, AT COST		
Balance at Beginning of Year	(1,844)	(1,997)
Purchase of Treasury Stock	(1,661)	(73)
Reissuance of Treasury Stock	1,069	556
Balance at End of Period	(2,436)	(1,514)
TOTAL STOCKHOLDERS' EQUITY	$ 23,268	$ 22,041
COMPREHENSIVE INCOME		
Net Income	$ 1,173	$ 725
Other Comprehensive Income (Loss)	(491)	22
Comprehensive Income	$ 682	$ 747

(a) Increase reflects shares issued in connection with a two-for-one stock split, effective as of close of business on May 20, 1998.

The Notes to Consolidated Financial Statements are an integral part of these Statements.

Part I
Item 1. (continued)

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Three months Ended March 31,
(in millions)

	1999	1998
OPERATING ACTIVITIES		
Net Income	$ 1,173	$ 725
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	381	332
Provision for Risk Management Instrument Credit Losses	--	12
Restructuring Costs	--	521
Depreciation and Amortization	340	242
Net Change In:		
Trading-Related Assets	3,841	1,379
Accrued Interest Receivable	73	486
Other Assets	(1,984)	(3,301)
Trading-Related Liabilities	(2,743)	(4,300)
Accrued Interest Payable	(176)	(61)
Other Liabilities	(1,742)	485
Other, Net	128	(867)
Net Cash Used by Operating Activities	(709)	(4,347)
INVESTING ACTIVITIES		
Net Change In:		
Deposits with Banks	3,775	(579)
Federal Funds Sold and Securities Purchased Under Resale Agreements	(9,101)	5,966
Loans Due to Sales and Securitizations	10,461	9,320
Other Loans, Net	(12,102)	(9,175)
Other, Net	358	340
Proceeds from the Maturity of Held-to-Maturity Securities	371	286
Purchases of Held-to-Maturity Securities	--	(20)
Proceeds from the Maturity of Available-for-Sale Securities	3,092	6,396
Proceeds from the Sale of Available-for-Sale Securities	36,784	37,873
Purchases of Available-for-Sale Securities	(33,525)	(50,301)
Cash Used in Acquisitions	(49)	(254)
Net Cash Provided (Used) by Investing Activities	64	(148)
FINANCING ACTIVITIES		
Net Change In:		
Noninterest-Bearing Domestic Demand Deposits	(161)	(1,512)
Domestic Time and Savings Deposits	(4,001)	5,797
Foreign Deposits	(634)	(1,877)
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	12,205	812
Other Borrowed Funds	(4,080)	23
Other, Net	(39)	(147)
Proceeds from the Issuance of Long-Term Debt and Capital Securities	1,075	1,831
Maturity and Redemption of Long-Term Debt	(1,077)	(662)
Proceeds from the Issuance of Stock	571	158
Redemption of Preferred Stock	--	(372)
Treasury Stock Purchased	(1,661)	(73)
Cash Dividends Paid	(323)	(295)
Net Cash Provided by Financing Activities	1,875	3,683
Effect of Exchange Rate Changes on Cash and Due from Banks	8	14
Net Increase (Decrease) in Cash and Due from Banks	1,238	(798)
Cash and Due from Banks at January 1,	17,068	15,704
Cash and Due from Banks at March 31,	$ 18,306	$ 14,906
Cash Interest Paid	$ 2,999	$ 3,690
Taxes Paid	$ 134	$ 159

The Notes to Consolidated Financial Statements are an integral part of these Statements.

Part I
Item 1. (continued)

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See Glossary of Terms on page 37 for definition of terms used throughout the Notes to Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accounting and financial reporting policies of The Chase Manhattan Corporation ("Chase") conform to generally accepted accounting principles ("GAAP") and prevailing industry practices for interim reporting. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. The unaudited consolidated financial statements prepared in conformity with GAAP require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense and disclosure of contingent assets and liabilities. In the opinion of management, all necessary adjustments have been included for a fair presentation of this interim financial information. Certain amounts in prior periods have been reclassified to conform to the current presentation.

NOTE 2 - SECURITIES

For a discussion of the accounting policies relating to securities, see Note One of Chase's 1998 Annual Report.

Net gains from available-for-sale securities sold in the first quarters of 1999 and 1998 amounted to $156 million (gross gains of $211 million and gross losses of $55 million) and to $83 million (gross gains of $134 million and gross losses of $51 million), respectively. There were no sales of held-to-maturity securities in the periods presented.

The amortized cost and estimated fair value of securities, including the impact of related derivatives, were as follows for the dates indicated:

	March 31, 1999		December 31, 1998	
(in millions) Available-for-Sale Securities:	Amortized Cost	Fair Value (a)	Amortized Cost	Fair Value (a)
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$32,486	$32,215	$42,916	$42,994
Collateralized Mortgage Obligations	188	189	260	260
U.S. Treasuries	10,800	10,627	8,844	9,116
Obligations of State and Political Subdivisions	204	205	226	227
Debt Securities Issued by Foreign Governments	10,123	10,122	8,176	8,226
Corporate Debt Securities	305	295	261	255
Equity Securities	811	1,028	832	1,058
Other, primarily Asset-Backed Securities (b)	580	616	628	667
Total Available-for-Sale Securities (c)	$55,497	$55,297	$62,143	$62,803
Held-to-Maturity Securities:				
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 816	$ 829	$ 898	$ 914
Collateralized Mortgage Obligations	431	432	720	720
U.S. Treasuries	66	66	65	65
Other, primarily Asset-Backed Securities (b)	3	3	4	4
Total Held-to-Maturity Securities	$ 1,316	$ 1,330	$ 1,687	$ 1,703

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(a) Gross unrealized gains and losses on available-for-sale securities were $409 million and $609 million, respectively, at March 31, 1999 and $771 million and $111 million, respectively, at December 31, 1998. Gross unrealized gains on held-to-maturity securities were $14 million (there were no gross unrealized losses), at March 31, 1999. Gross unrealized gains and losses were $17 million and $1 million, respectively, at December 31, 1998.

(b) Includes collateralized mortgage obligations of private issuers, which generally have underlying collateral consisting of obligations of U.S. Government and Federal agencies and corporations.

(c) Excludes securities classified as loans, which are subject to the provisions of SFAS 115. The amortized cost and fair value of these loans were $403 million and $377 million, respectively, at March 31, 1999. This compares with $623 million and $569 million, respectively, at December 31, 1998.

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Part I
Item 1. (continued)

NOTE 3 - GUARANTEED PREFERRED BENEFICIAL INTERESTS IN CORPORATION'S JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURES

There have been no changes related to the statutory business trusts during the 1999 first quarter. For a discussion of these business trusts, see page 57 of Chase's 1998 Annual Report.

NOTE 4 - RESTRUCTURING COSTS

For a discussion of Chase's restructuring costs, refer to Note Twelve and page 28 of Chase's 1998 Annual Report.

During the 1998 first quarter, Chase incurred a pre-tax charge of $510 million taken in connection with initiatives to streamline support functions and realign certain business activities. As of March 31, 1999, the reserve balance was $300 million, of which $183 million related to staff reductions, $102 million related to dispositions of certain premises and equipment and $15 million related to other expenses.

NOTE 5 - COMPREHENSIVE INCOME

Comprehensive income for Chase includes net income as well as the change in unrealized gains and losses on available-for-sale securities and foreign currency translation (each of which includes the impact of related derivatives). Chase has presented these items net of tax in the Statement of Changes in Stockholders' Equity.

Three months Ended March 31,
(in millions)

	1999			1998		
	Accumulated Translation Adjustment	Net Unrealized Gain(Loss) on Securities Available-for-Sale	Accumulated Other Comprehensive Income	Accumulated Translation Adjustment	Net Unrealized Gain(Loss) on Securities Available-for-Sale	Accumulated Other Comprehensive Income
Beginning Balance	$ 17	$ 375	$ 392	$ 17	$ 95	$ 112
Change During Period	--	(491)	(491)	--	22	22
Ending Balance	$ 17	$(116) (a)	$ (99)	$ 17	$ 117 (a)	$ 134

(a) Represents the after-tax difference between the fair value and amortized cost of the available-for-sale securities portfolio including securities classified as loans, which are subject to the provisions of SFAS 115. See Note Two.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

For a discussion of Chase's fair value methodologies, see Note Twenty-Two of the 1998 Annual Report. The following table presents the financial assets and liabilities valued under SFAS 107.

	March 31, 1999			December 31, 1998		
(in millions)	Carrying Value	Estimated Fair Value	Appreciation/ (Depreciation)	Carrying Value	Estimated Fair Value	Appreciation/ (Depreciation)
Total Financial Assets	$350,781	$352,985	$ 2,204	$355,738	$358,559	$ 2,821
Total Financial Liabilities	$336,592	$336,435	157	$340,643	$340,519	124
Estimated Fair Value in Excess of Carrying Value			$ 2,361			$ 2,945

Derivative contracts used in connection with Chase's ALM activities had an unrecognized net gain of $11 million and $110 million at March 31, 1999 and December 31, 1998, respectively, both of which are included in the above amounts.

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Item 1. (continued)

NOTE 7 - CAPITAL

For a discussion of the calculation of risk-based capital ratios, see Note Eighteen of Chase's 1998 Annual Report.

The following table presents the risk-based capital ratios for Chase and its significant banking subsidiaries. At March 31,1999, Chase and each of its depository institutions, including those listed in the table below, were "well capitalized" as defined by banking regulators.

March 31, 1999 (in millions, except ratios)	Chase (a)	The Chase Manhattan Bank	Chase Texas	Chase USA
Tier 1 Capital (d)	$ 23,980	$ 18,225	$ 1,454	$ 2,812
Total Capital	34,943	26,377	2,110	3,968
Risk-Weighted Assets (b)	287,073	229,131	19,698	32,864
Adjusted Average Assets	364,637	294,036	22,943	32,558
Tier 1 Capital Ratio (b)(d)	8.35%	7.95%	7.38%	8.56%
Total Capital Ratio (b)(d)	12.17%	11.51%	10.71%	12.07%
Tier 1 Leverage Ratio (c)(d)	6.58%	6.20%	6.34%	8.64%

(a) Assets and capital amounts for Chase's banking subsidiaries reflect intercompany transactions, whereas the respective amounts for Chase reflect the elimination of intercompany transactions.

(b) Tier 1 capital or Total capital, as applicable, divided by risk-weighted assets. Risk-weighted assets include off-balance sheet risk-weighted assets in the amounts of $92,719 million, $84,242 million, $4,029 million and $3,844 million.

(c) Tier 1 capital divided by adjusted average assets (net of allowance for credit losses, goodwill and certain intangible assets).

(d) The provisions of SFAS 115 do not apply to the calculation of the Tier 1 capital and Tier 1 leverage ratios.

NOTE 8 - DERIVATIVE AND FOREIGN EXCHANGE CONTRACTS

Chase utilizes various derivative and foreign exchange contracts for trading purposes and for purposes other than trading, such as asset/liability management ("ALM"). For a discussion of the various financial instruments used and the credit and market risks involved, see Note Nineteen of Chase's 1998 Annual Report.

The following table summarizes the aggregate notional amounts of derivative and foreign exchange contracts as well as the credit exposure related to these instruments (after taking into account the effects of legally enforceable master netting agreements).

	Notional Amounts (a)		Credit Exposure	
(in billions)	March 31, 1999	December 31, 1998	March 31, 1999	December 31, 1998
Interest Rate Contracts	$8,751.6	$8,171.9	$ 14.0	$ 13.0
Foreign Exchange Contracts	1,773.5	2,040.6	10.9	16.0
Debt, Equity, Commodity and Other Contracts	152.9	140.5	4.0	4.3
Total Credit Exposure Recorded on the Balance Sheet			$ 28.9	$ 33.3

(a) The notional amounts of exchange-traded interest rate contracts, foreign exchange contracts, and debt, equity, commodity and other contracts were $981.9 billion, $1.5 billion and $9.0 billion, respectively, at March 31, 1999, compared with $699.3 billion, $3.3 billion and $3.9 billion, respectively, at December 31,1998. The credit risk for these contracts was minimal as exchange-traded contracts principally settle daily in cash.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

For a discussion of legal proceedings, see Part II, Item 1 of this Form 10-Q.

Part I
Item 1. (continued)

NOTE 10 - SEGMENT INFORMATION

Effective December 31, 1998, Chase adopted SFAS 131 which defines the criteria by which management determines the number and nature of its "operating segments" and sets forth the financial information that is required to be disclosed about these operating segments.

Chase's businesses are organized into three major franchises (segments): Global Bank, National Consumer Services ("NCS") and Chase Technology Solutions ("CTS"), which includes Global Services. These franchises are based on the nature of the products and services provided, the type or class of customer, and Chase's management organization.

Chase uses SVA, Operating Earnings and Cash Operating Earnings as its measures of franchise profitability. For a discussion of these measurements, see Management Performance Measurements in the Management's Discussion and Analysis ("MD&A") on page 19 and Note Twenty-three of the 1998 Annual Report. The following table provides Chase's segment results.

(in millions)	Global Bank	National Consumer Services	Global Services (within CTS)	Corporate/ Reconciling Items (a)	Total
First Quarter 1999					
Operating Revenue (b)	$ 2,587	$ 2,161	$ 728	$ (63)	$ 5,413
Intersegment Revenue (b)	(25)	(3)	19	9	--
Operating Earnings	834	309	99	(69)	1,173
Cash Operating Earnings (c)	844	350	114	(62)	1,246
Average Managed Assets	248,813	112,176	15,507	8,400	384,896
SVA	393	134	23	(49)	501
First Quarter 1998					
Operating Revenue (b)	$ 2,385	$ 1,931	$ 670	$ (71)	$ 4,915
Intersegment Revenue (b)	(26)	(1)	19	8	--
Operating Earnings	751	247	114	(59)	1,053
Cash Operating Earnings (c)	761	287	119	(53)	1,114
Average Managed Assets	271,779	105,095	12,771	5,214	394,859
SVA	318	72	52	(14)	428

(a) Corporate/Reconciling Items includes the non-global services portion of Chase Technology Solutions, Chase's Global Asset Management and Mutual Funds business, corporate staff areas and the net effect of management accounting policies.

(b) Operating Revenue includes Intersegment Revenue, which includes revenue and revenue sharing agreements between segments, net of intersegment expenses. Transactions between business segments are primarily conducted at fair value.

(c) Cash Operating Earnings excludes the impact of credit card securitizations, restructuring costs, special items, and amortization of goodwill and certain intangibles.

The table below presents a reconciliation of the combined segment information to Chase's consolidated net income as included in the Consolidated Statement of Income. For a further discussion concerning Chase's business franchise (segments) results, see Lines of Business Results in the MD&A on pages 12-16.

(in millions)	First Quarter 1999	First Quarter 1998
Segments' Cash Operating Earnings	$ 1,308	$ 1,167
Corporate/Reconciling Items	(62)	(53)
Consolidated Cash Operating Earnings	1,246	1,114
Amortization of Goodwill and Certain Intangibles	(73)	(61)
Consolidated Operating Earnings	1,173	1,053
Special Items and Restructuring Costs	--	(328)
Consolidated Net Income	$ 1,173	$ 725

Part I
Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

(in millions, except per share and ratio data)	1999 First Quarter	1998 First Quarter	Over(Under) 1Qtr98
Operating Basis (a)			
Operating Revenue	$5,413	$4,915	10%
Operating Earnings	1,173	1,053	11%
Diluted Earnings Per Share	1.32	1.17	13%
Return on Average Common Equity	20.6%	20.3%	30 bp
Efficiency Ratio	54	53	100 bp
Shareholder Value Added	$ 501	$ 428	17%
Reported Basis			
Net Income	$1,173	$ 725	62%
Diluted Net Income Per Share	1.32	0.80	65%
Return on Average Common Equity	20.6%	13.8%	680 bp

(a) Operating basis excludes the impact of credit card securitizations, restructuring costs and special items. For a further discussion, see page 19 of Chase's 1998 Annual Report.

bp - Denotes basis points; 100 bp equals 1%.

Operating diluted earnings per share were $1.32 in the first quarter of 1999, compared to $1.17 per share in the first quarter of 1998. Reported diluted earnings per share were $1.32 in the 1999 first quarter and $.80 in the first quarter of 1998. Operating earnings and reported net income were each $1.17 billion in the first quarter of 1999, compared with $1.05 billion and $725 million, respectively, in the first quarter of 1998.

Operating highlights for first quarter of 1999 included:

- Operating revenue increased 10% to $5.4 billion.
- Operating EPS increased by 13% to $1.32.
- Shareholder Value Added ("SVA") increased 17% to $501 million.
- Return on common equity was 21%.
- Chase repurchased approximately $885 million of common stock, on a net basis, in the quarter. Even so, the Tier 1 capital ratio rose to 8.4%.

Chase's first quarter results reflected double-digit growth in revenues, earnings per share and shareholder value. Driving these results were the strength and diversity of Chase's businesses and a disciplined approach to risk and capital management. Chase's management continues to reaffirm its belief in the strength and sustainability of earnings from Chase's diverse business mix. Each of Chase's major business franchises is at scale, and maintains leadership positions in its line of business. As a result, Chase's operating revenues increased 10% in the 1999 first quarter, despite lower investment banking fees and weaker results in Global Services. Trading-related revenue reached a record high of $837 million. Credit costs remained stable in the first quarter: credit card net charge-offs improved from the 1998 fourth quarter, and financial conditions in Asia and Latin America have stabilized since the 1998 year-end. At March 31, 1999, total assets on Chase's balance sheet declined by $4.6 billion from the 1998 year-end, and Tier 1 capital and Total capital ratios increased to 8.4% and 12.2%, respectively, reflecting Chase's continued focus on SVA and capital management.

This Management's Discussion and Analysis contains certain forward-looking statements, including without limitation, statements related to credit, market and operating risk. These forward-looking statements are subject to risks and uncertainties and Chase's actual results may differ materially from those included in these statements. Reference is made to Chase's reports filed with the Securities and Exchange Commission, in particular the 1998 Annual Report, for a discussion of factors that may cause such differences to occur. See Glossary of Terms on page 37 for a definition of terms used throughout this Form 10-Q.

LINES OF BUSINESS RESULTS

Management measures Chase's financial performance and that of its business units based on operating earnings, cash operating earnings, and SVA. For a description of these concepts and the basis of presentation that management uses to measure and evaluate business unit profitability, see page 19 of the 1998 Annual Report

Prior periods may be restated to reflect refinements in management reporting policies or changes to the management organization.

The table below provides summary financial information on an operating basis for Chase's three major business franchises. The discussion that follows the table focuses on business unit performance within these franchises. See Note Ten of this Form 10-Q for a further discussion of Chase's business segments.

First Quarter	Global Bank			National Consumer Services		
Ended March 31,	1999	Over/(Under)	1998	1999	Over/(Under)	1998
(in millions, except ratios)						
Operating Revenue	$ 2,587	$ 202	8%	$ 2,161	$ 230	12%
Operating Earnings	834	83	11	309	62	25
Cash Operating Earnings (a)	844	83	11	350	63	22
Average Common Equity	13,736	537	4	6,577	158	2
Average Managed Assets	248,813	(22,966)	(8)	112,176	7,081	7
Shareholder Value Added	393	75	24	134	62	86
Cash Return on Common Equity	24.6%	--	180 bp	21.3%	--	370 bp
Cash Efficiency Ratio	45	--	(100)	48	--	(100)

First Quarter	Global Services			Total (b)		
Ended March 31,	1999	Over/(Under)	1998	1999	Over/(Under)	1998
(in millions, except ratios)						
Operating Revenue	$ 728	$ 58	9%	$ 5,413	$ 498	10%
Operating Earnings	99	(15)	(13)	1,173	120	11
Cash Operating Earnings (a)	114	(5)	(4)	1,246	132	12
Average Common Equity	2,794	795	40	22,692	2,343	12
Average Managed Assets	15,507	2,736	21	384,896	(9,963)	(3)
Shareholder Value Added	23	(29)	(56)	501	73	17
Cash Return on Common Equity	16.3%	--	(730) bp	21.9%	--	40 bp
Cash Efficiency Ratio	76	--	500	53	--	100

(a) Cash Operating Earnings represent operating earnings excluding the amortization of goodwill and certain intangibles.

(b) Total column includes Corporate results. See description of Corporate results on page 16.

bp - Denotes basis points; 100bp equals 1%.

GLOBAL BANK

Global Bank combines the strengths of a leading commercial bank and a leading investment bank to meet the needs of corporations, institutions, governments and wealthy individuals around the world. With operations in approximately 50 countries, including major operations in all key international financial centers, Global Bank integrates a broad range of leading product capabilities, industry knowledge and geographic reach to produce superior customer solutions.

Global Bank first quarter 1999 operating revenues rose $202 million, an increase of 8% from first quarter 1998, due to increases in trading-related revenue, securities gains and private equity gains. Cash operating earnings and SVA for the first quarter 1999 increased $83 million and $75 million, respectively, over the first quarter 1998.

The following table sets forth certain key financial performance measures of the businesses within Global Bank.

First Quarter Ended March 31, (in millions, except ratios)	1999 Operating Revenues	1999 Cash Operating Earnings	1999 Cash Efficiency Ratio	Over/(Under) 1998 Operating Revenues	Over/(Under) 1998 Cash Operating Earnings	Over/(Under) 1998 Cash Efficiency Ratio
Global Markets	$ 1,278	$ 490	40%	29%	46%	(800) bp
Global Investment Banking	220	5	98	(37)	(94)	4,000
Corporate Lending	397	146	26	8	24	(400)
Chase Capital Partners	271	151	12	--	1	100
Global Private Bank	215	43	66	4	--	100
Middle Markets	247	55	57	(1)	(4)	300
Other Global Bank	(41)	(46)	NM	NM	NM	NM
Totals (a)	$ 2,587	$ 844	45%	8%	11%	(100) bp

(a) All product revenues and expenses for Chase Texas have been allocated to the appropriate business units.

NM - Not meaningful

bp - Denotes basis points; 100 bp equals 1%.

Global Markets

Global Markets' activities are diverse, by product and geography, and encompass the trading and sale of foreign exchange, derivatives, fixed income securities and commodities. Chase operates 24 hours a day covering the major international cross-border financial markets, as well as many local markets. Also included within Global Markets are Chase's domestic and international treasury units, which have the primary responsibility for managing Chase's interest rate risk exposures and investment securities activities. Treasury results are managed on a total return basis with one of the primary objectives being the creation of economic value over time. Total return combines reported revenues (net interest income and securities gains/losses) and the change in the net unrealized appreciation/depreciation of all financial instruments and underlying balance sheet items.

Trading-related revenue for the first quarter of 1999 was a record $837 million, an increase of 21% from the 1998 first quarter. Results reflect a strong performance in traditional products, including interest rate derivatives, and newer products, such as equity derivatives. Securities gains realized during the first quarter were $156 million, an 88% increase over first quarter 1998 results. The total return (pretax before expenses) from interest rate risk management activities amounted to $251 million for the first quarter of 1999, compared with $86 million in the first quarter of 1998.

Global Investment Banking

Global Investment Banking advises corporations, financial institutions, financial sponsors and governments by providing integrated one-stop financial solutions and industry expertise to clients globally. Chase's corporate finance client base is extensive and is managed through global client industry groups. Product offerings encompass syndicated finance, high yield securities, mergers and acquisitions advisory, project finance, real estate advisory and placement, restructuring and private placements. Chase is the largest provider of U.S. corporate debt, with a major presence in both the public and private debt markets, and has built a strong presence in the advisory area by leveraging its debt market leadership.

Global Investment Banking operating revenues for the first three months of 1999 decreased by $130 million, or 37%, to $220 million when compared with the same quarter in 1998. The revenue decrease reflects lower investment banking fees due to an overall market decline in leveraged financings and lower trading results on high yield securities.

Corporate Lending

Corporate Lending provides credit and lending services to clients globally within a strategy that emphasizes origination for distribution. An active portfolio management effort is an integral part of corporate lending activities and is focused on managing concentrations by product, borrower, risk grade, industry and geography. The use of SVA for product and customer decisions resulted in higher spreads on retained assets and the disposition of less-SVA-attractive loans. Management expects to continue to manage commercial loans for shareholder value rather than revenue growth. Revenues and cash operating earnings increased 8% and 24%, respectively, for the 1999 first quarter when compared with the same 1998 period.

Chase Capital Partners

Chase Capital Partners ("CCP") is one of the largest global private equity organizations with approximately $7.1 billion under management, including $4.3 billion in direct equity and equity-related investments and $1.4 billion in fund investments. CCP provides equity and mezzanine financing for a wide variety of investment opportunities in the United States and, to a lesser extent, abroad. For the first three months of 1999, CCP's direct investments totaled approximately $312 million in 15 venture capital, management buyout, recapitalization, growth equity and mezzanine transactions, compared with approximately $371 million in 34 direct investments for the first quarter of 1998. Earnings reflected continued strength in the equity markets, a favorable environment for technology initial public offerings (IPOs) and the positive impact of maturing investments within the portfolio, partially offset by higher costs to support a higher level of investments.

Global Private Bank

The Global Private Bank serves a global client base of high net worth individuals and families, offering a full range of private banking services as well as access to the broad product capabilities of the Global Bank. Services include investment management, global capital market products and services, risk management, alternative investments such as private equity funds, trust and estate planning, global custody, mutual funds, credit and banking, and philanthropic advisory services. Revenues increased 4% from the 1998 first quarter reflecting double digit growth in the U.S., particularly in investment management and trust fees, offset by lower revenues in selected international markets.

Middle Markets

Chase is the premier provider of financial services to middle-market companies (companies with sales ranging from $10 million to $500 million) regionally, with a national focus in selected industries. It is the market leader in the New York metropolitan tri-state area. Cash operating earnings decreased slightly in the 1999 first quarter, reflecting lower spreads and an increase in expenses.

NATIONAL CONSUMER SERVICES

National Consumer Services ("NCS") serves more than 30 million customers nationwide offering a wide variety of financial products and services through a diverse array of channels. Characterized by significant scale, and operating under the strong Chase brand, NCS combines nationwide presence with a leading consumer and small business banking franchise in the New York metropolitan tri-state region and key Texas markets. NCS's strategy is driven by information technology, which provides insights into customer behavior, requirements and preferences, and enables the franchise to develop financial solutions that best meet customer needs.

Cash operating earnings for the first quarter of 1999 increased $63 million, or 22%, over the same period in 1998. Revenue growth of 12% contributed to the increase in cash operating earnings and reflects higher revenues and volumes across all of NCS's businesses. SVA increased $62 million, or 86%, in the first three months of 1999 from the same period in 1998.

The following table sets forth certain key financial performance measures of the businesses within NCS.

First Quarter Ended March 31, (in millions, except ratios)	1999 Operating Revenues	1999 Cash Operating Earnings	1999 Cash Efficiency Ratio	Over/(Under) 1998 Operating Revenues	Over/(Under) 1998 Cash Operating Earnings	Over/(Under) 1998 Cash Efficiency Ratio
Chase Cardmember Services	$ 1,001	$ 117	34%	8%	3%	100 bp
Regional Consumer Banking	577	101	70	7	25	(400)
Chase Home Finance	272	64	58	13	(2)	900
Diversified Consumer Services	291	58	48	41	205	(1,000)
Other NCS	20	10	NM	NM	NM	NM
Totals (a)	$ 2,161	$ 350	48%	12%	22%	(100) bp

(a) All product revenues and expenses for Chase Texas have been allocated to the appropriate business units.

NM - Not meaningful

bp - Denotes basis points; 100 bp equals 1%.

Chase Cardmember Services

Chase Cardmember Services ("CCS") ranks as the fourth-largest bank card issuer in the United States. CCS also reflects the results of Chase's international consumer business, which includes Chase Manhattan Card Company Limited, the third largest credit card issuer in Hong Kong, as well as consumer banking activities in Hong Kong, Panama and the Eastern Caribbean. CCS's operating revenues for the three months ended March 31, 1999 were $1.0 billion, representing an 8% increase from the first quarter 1998, reflecting increased purchase volume and the positive impact of pricing initiatives starting in the 1998 second quarter. Cash operating earnings reflect a higher level of marketing expense.

Regional Consumer Banking

Regional Consumer Banking has a leading share of primary bank relationships among consumers and small businesses in the New York metropolitan tri-state area. It is also a leading retail institution in key Texas markets. Regional Consumer Banking offers customers convenient access to financial services through their choice of distribution channels, including the largest branch and proprietary ATM networks in the New York metropolitan region, plus state-of-the-art telephone, PC and Internet services. For the first quarter 1999, cash operating earnings increased 25% to $101 million, compared with the same period in 1998, benefiting from higher net interest income and increased fee income as a result of strong performance of the Chase debit banking card.

Chase Home Finance

Chase Home Finance serves more than 2 million customers nationwide and is the largest originator and third-largest servicer of residential mortgage loans in the U.S. It is also a leading provider of home-equity secured lending and manufactured housing financing. During the first three months of 1999, $28 billion in residential first-mortgage loans, home-equity and manufactured housing financing were originated, a 73% increase over the same period last year. Chase Home Finance's servicing portfolio increased 27% from first quarter 1998 and totaled $226 billion at March 31, 1999. Operating revenues rose 13% in the first quarter of 1999 compared with the first quarter of 1998 due to higher origination volume and servicing balances. Partially offsetting this increase in operating revenue was lower net interest income as a result of higher funding costs associated with the increase in servicing balances. Cash operating earnings decreased 2% in the first three months of 1999, reflecting higher expenses stemming from greater business volume and technology investments.

Diversified Consumer Services

Diversified Consumer Services ("DCS") is the largest bank originator of auto loans and leases in the United States and a leading provider of student loans and unsecured consumer lending. In addition to its financing activities, DCS offers brokerage services and investment products nationwide and is one of the most diversified bank insurance providers in the U.S. During the first quarter 1999, auto finance originations were strong, increasing 14% when compared to the same period in 1998. At March 31, 1999, Chase Auto Finance had $23 billion in managed loans and $18 billion in balance sheet receivables. Cash operating earnings for DCS in the first quarter of 1999, were driven by the strong growth in auto finance and by higher revenues in Chase's investment and insurance businesses. Also included in revenues was a gain on a sale of a student loan portfolio.

CHASE TECHNOLOGY SOLUTIONS

Chase Technology Solutions ("CTS") is composed of Chase's Global Services businesses, Information Technology and Operations, and Electronic Commerce initiatives. Global Services is a leading provider of information and transaction services globally and includes custody and other investor services, treasury and cash management, trade finance, debt, agency and other fiduciary services. As the world's largest provider of global custody and a leader in trust and agency services, Global Services was custodian for over $5.0 trillion in assets and serviced over $3.0 trillion in outstanding debt at March 31, 1999. Global Services also operates the largest U.S. dollar funds transfer business in the world and is a market leader in FedWire, ACH and CHIPS volume.

For the three months ended March 31, 1999, cash operating earnings and SVA for Global Services decreased $5 million and $29 million, respectively, when compared with the same period in 1998. Revenue growth increased 9% in the first quarter 1999, driven by acquisitions and growth in core custody products. Revenue growth was negatively affected by a decline in balance-related revenues, the revaluation and reallocation of investment portfolios from emerging to developed markets, and by a reduction in structured financings. Expenses in the quarter grew more than revenues, reflecting ongoing investment spending and costs related to Year 2000. Management anticipates that over the remainder of 1999, Global Services operating results should improve when compared to the current quarter, primarily as a result of expense discipline and increasing revenues from rebounding financial markets.

CORPORATE

Corporate includes Chase's Global Asset Management and Mutual Funds business, which provides investment management for institutional investors globally and manages the Chase Global Mutual Funds. Total assets under management amounted to $208 billion at March 31, 1999. Corporate also includes Chase Business Services, the shared services company created in 1998, and the effects remaining at the Corporate level after the implementation of management accounting policies such as credit provision and tax expense. For the three months ended March 31, 1999, Corporate had a cash operating loss (including the non-Global Services portion of CTS) of $62 million compared with a cash operating loss of $53 million in the first quarter of 1998.

RESULTS OF OPERATIONS

The following section provides a discussion of Chase's results of operations as reported under generally accepted accounting principles as well as on the operating basis that is used by management in measuring Chase's financial performance.

To further facilitate its analysis of Chase's financial results, management categorizes Chase's revenue components as market-sensitive revenues or as less-market-sensitive revenues. Market-sensitive revenues include trading revenues (including trading-related net interest income), investment banking fees, securities gains and private equity gains. The remaining revenue components of the income statement are categorized as less-market-sensitive revenue.

The following table provides a reconciliation between Chase's results as reported in its Consolidated Financial Statements and as presented on an operating basis.

(in millions, except per share data)	Reported Results (a)	Credit Costs (b)	Credit Card (c)	Special Items (d)	Operating Basis
First Quarter 1999					
Market-Sensitive Revenue	$1,635	$ --	$ --	$ --	$1,635
Less-Market-Sensitive Revenue	3,509	--	269	--	3,778
Total Revenue	5,144		269	--	5,413
Noninterest Expense	2,945	(5)	--	--	2,940
Operating Margin	2,199	5	269	--	2,473
Credit Costs	381	5	269	--	655
Income Before Restructuring Costs	1,818	--	--	--	1,818
Restructuring Costs	--	--	--	--	--
Income Before Taxes	1,818	--	--	--	1,818
Tax Expense	645	--	--	--	645
Net Income	$1,173	$ --	$ --	$ --	$1,173
NET INCOME PER COMMON SHARE					
Basic	$ 1.37				$ 1.37
Diluted	$ 1.32				$ 1.32

(in millions, except per share data)	Reported Results (a)	Credit Costs (b)	Credit Card (c)	Special Items (d)	Operating Basis
First Quarter 1998					
Market-Sensitive Revenue	$1,417	$ 12	$ --	$ --	$1,429
Less-Market-Sensitive Revenue	3,206	--	280	--	3,486
Total Revenue	4,623	12	280	--	4,915
Noninterest Expense	2,620	(4)	--	--	2,616
Operating Margin	2,003	16	280	--	2,299
Credit Costs	332	16	280	--	628
Income Before Restructuring Costs	1,671	--	--	--	1,671
Restructuring Costs	521	--	--	(521)	--
Income Before Taxes	1,150	--	--	521	1,671
Tax Expense	425	--	--	193	618
Net Income	$ 725	$ --	$ --	$ 328	$1,053
NET INCOME PER COMMON SHARE					
Basic	$ 0.82				$ 1.21
Diluted	$ 0.80				$ 1.17

(a) Represents results as reported in Chase's financial statements, except that revenues are categorized between market-sensitive revenues and less-market-sensitive revenues and restructuring costs have been separately displayed.

(b) For purposes of operating basis presentation, the provision for risk management instrument credit losses is reclassified from noninterest revenue to credit costs and foreclosed property expense is reclassified from noninterest expense to credit costs.

(c) This column excludes the impact of credit card securitizations. For securitized receivables, amounts that would previously have been reported as net interest income and as provision for loan losses are instead reported as components of noninterest revenue (credit card revenue and other revenue).

(d) Includes restructuring costs and special items. For a description of special items, see Glossary of Terms on page 37.

MARKET-SENSITIVE REVENUE

Market-sensitive revenues are, in management's view, typically more sensitive to changes in general market conditions than those revenue components management considers as less-market-sensitive. While components of market-sensitive revenues experience volatility (particularly on a quarter-to-quarter basis), over the past ten years total market-sensitive revenue has increased at a compound annual growth rate ("CAGR") of 14% and has exhibited limited annual volatility around the regression trendline.

For the first quarter, market-sensitive revenues in 1999 increased 14% over 1998, reflecting increases in trading-related revenues and securities gains. A discussion of the components within market-sensitive revenue is presented below.

Investment Banking Fees

Investment banking fees were $317 million, 12 percent lower than in the same 1998 quarter, reflecting the overall market decline in leveraged financings, offset in part by stronger fees in mergers and acquisitions advisory activity and investment grade bond underwriting. Chase continues to be a leading provider of corporate debt, ranking first in global loan syndications, while improving its market share in public debt underwriting. Management anticipates that revenues from Investment Banking should rebound next quarter, as a result of increased leveraged financing activities.

Trading-Related Revenue

Trading revenues and related net interest income rose 21 percent to $837 million, a new record, benefiting from strong performance in traditional products, including interest rate derivatives, and newer products, such as equity derivatives.

(in millions)	First Quarter 1999	First Quarter 1998
Trading Revenue - Reported	$618	$480
Net Interest Income Impact (a)	219	212
Total Trading-Related Revenue	$837	$692
Product Diversification:		
Interest Rate Contracts (b)	$322	$141
Foreign Exchange Spot and Option Contracts (c)	199	286
Debt Instruments, Equities and Commodities (d)	316	265
Total Trading-Related Revenue	$837	$692

(a) Trading-related net interest income includes interest recognized on interest-earning and interest-bearing trading-related positions as well as management allocations reflecting the funding cost or benefit associated with trading positions. This amount is included in net interest income on the Consolidated Statement of Income.

(b) Includes interest rate swaps, cross-currency interest rate swaps, foreign exchange forward contracts, interest rate futures and options, forward rate agreements and related hedges.

(c) Includes foreign exchange spot and option contracts.

(d) Includes U.S. and foreign government and government agency securities, corporate debt instruments, emerging markets debt instruments, debt-related derivatives, equity securities, equity derivatives and commodity derivatives.

Interest rate contract revenues increased as a result of Chase having successfully positioned itself for the commencement of the euro and from interest rate movements in the European markets in the 1999 first quarter. Foreign exchange spot and option revenue declined this quarter, due to reduced volume because of lower liquidity in the Asian markets.

The increase in debt instruments, equities and commodities revenue resulted from continued improvement in emerging markets activities and high-grade bonds as well as from increased revenues from Chase's equity derivative products as a result of favorable market conditions in the 1999 first quarter. Equities and commodities revenue was $115 million in the 1999 first quarter compared with $74 million in the prior year quarter.

Securities Gains

Securities gains realized for the 1999 first quarter were $156 million compared with $83 million in the prior year's first quarter. These gains were largely from sales of U.S. Government and agency securities. Unrealized net losses in Chase's available-for-sale securities portfolio were approximately $226 million, before taxes, at March 31, 1999, a decrease from a net unrealized gain of approximately $600 million, before taxes, at year-end 1998, reflecting a rise in interest rates during the current quarter.

Private Equity Gains

Private equity gains include income from a wide variety of investments in the United States and, to a lesser extent, abroad. Private equity gains in the 1999 first quarter were $325 million, 11 percent higher than in the first quarter of 1998, reflecting continued strength in the equity markets and a more favorable environment for technology IPOs, as well as the positive impact of maturing investments within the portfolio.

LESS-MARKET-SENSITIVE REVENUE

The less-market-sensitive revenue captions are generally subject to less market volatility than market-sensitive revenues. However, certain components within less-market-sensitive revenue are subject to market volatility, particularly assets that are held-for-sale and are accounted for on either a mark-to-market basis or lower-of-cost-or-market basis.

Less-market-sensitive revenues increased by 8% in the 1999 first quarter reflecting increases across all categories. A discussion of the components within less-market-sensitive revenue is presented below.

Net Interest Income

Reported net interest income for the 1999 first quarter was $2.20 billion, an increase of 2% from the 1998 first quarter. Reported results include trading-related net interest income of $219 million, an increase of 3% from the prior year. For purposes of internal analysis, management combines trading-related net interest income with trading revenue, as discussed under the Trading-Related Revenue caption in the Market-Sensitive Revenue section.

The following table provides a reconciliation between reported net interest income as presented on the Consolidated Statement of Income and operating net interest income, which excludes trading-related net interest income and the impact of credit card securitizations.

Net Interest Income (in millions)	First Quarter		
	1999	1998	Change
Reported Net Interest Income	$ 2,204	$ 2,164	2%
Less Trading-Related Net Interest Income	(219)	(212)	
Subtotal	1,985	1,952	2%
Add Impact of Credit Card Securitizations	327	348	
Operating Net Interest Income	$ 2,312	$ 2,300	1%
Average Interest-Earning Assets (in billions)			
Reported	$ 290.8	$ 301.5	(4)%
Add Credit Card Securitizations	18.0	17.3	
Less Trading-Related Assets	(49.0)	(69.6)	
Managed	$ 259.8	$ 249.2	4%
Net Yield on Interest-Earning Assets (a)			
Reported	3.08%	2.92%	16 bp
Add Impact of Securitizations	0.25	0.28	(3)
Impact of Trading-Related NII	0.29	0.55	(26)
Managed	3.62%	3.75%	(13) bp

(a) Disclosed on a taxable equivalent basis.

bp - Denotes basis points; 100 bp equals 1%.

Operating net interest income was $2.31 billion in the 1999 first quarter, an increase of 1% from 1998. The increase was primarily due to higher average managed interest earning assets, particularly securities, domestic consumer loans (auto financings and residential mortgages), and domestic commercial loans. This increase was partially offset by a decline in the foreign commercial loan portfolio, as Chase significantly reduced its exposure to emerging markets during 1998. The growth in managed interest-earning assets in 1999 was funded by interest-bearing deposits.

The net yield on a managed basis was 3.62%, a decrease of 13 basis points in comparison with 1998. As a result of decreases in both the volume and rate earned on interest-free funds, interest-free funds contributed 62 basis points to the net yield in the first quarter of 1999, compared to 85 basis points in the first quarter of 1998.

Trust, Custody and Investment Management Fees

Trust, custody and investment management fees continued their strong performance by increasing 19% to $414 million in the 1999 first quarter. These favorable results were largely attributable to portfolio acquisitions of custody and corporate trust businesses in late 1998 and growth in core custody products.

Credit Card Revenue

Credit card revenue on a reported basis rose $79 million, or 26%, in the 1999 first quarter as a result of increased purchase volume and the implementation of pricing initiatives starting in the 1998 second quarter.

The following table provides a reconciliation between reported credit card revenue as presented on the Consolidated Statement of Income and operating credit card revenue, which excludes the impact of credit card securitizations.

(in millions)	First Quarter 1999	First Quarter 1998
Reported Credit Card Revenue	$ 379	$ 300
Less Impact of Credit Card Securitizations	(51)	(66)
Operating Credit Card Revenue	$ 328	$ 234

Fees for Other Financial Services

(in millions)	First Quarter 1999	First Quarter 1998
Service Charges on Deposit Accounts	$ 89	$ 91
Fees in Lieu of Compensating Balances	87	80
Commissions on Letters of Credit and Acceptances	69	74
Mortgage Servicing Fees	65	57
Brokerage and Investment Services	43	32
Insurance Fees (a)	39	31
Loan Commitment Fees	31	38
Other Fees	130	107
Total	$553	$510

(a) Insurance amount excludes certain insurance fees related to credit cards and mortgage products, which are included in those revenue captions.

The rise in fees in lieu of compensating balances reflects, in part, higher fees for services paid by customers, rather than the customer maintaining a higher level of compensating balances. Mortgage servicing fees increased in the 1999 first quarter largely due to a larger servicing balance. The servicing portfolio approximated $226 billion at March 31, 1999, a 27% increase from prior year levels. Brokerage and investment services rose $11 million due to a significant increase in transaction volume as a result of favorable market conditions, as well as a price reduction implemented late in the first quarter of 1998. Higher fees related to insurance products reflected increased volume. Other fees rose 21% for the first quarter 1999, when compared to the same period in 1998, mainly due to increased business volume, ATM fees for non-Chase customers and new cash management products.

Other Revenue

	First Quarter	
(in millions)	1999	1998
Residential Mortgage Origination/Sales Activities	$ 92	$ 52
All Other Revenue	79	42
Operating Other Revenue	171	94
Other Revenue - Credit Card Securitizations	7	2
Reported Other Revenue	$178	$ 96

The 1999 first quarter operating and reported results included higher revenue from residential mortgage originations and sales activities, a reflection of the continued favorable interest-rate environment. All other operating revenue increased by $37 million in the 1999 first quarter as a result of a $25 million gain from the sale of a student loan portfolio. Also contributing to the increase was higher revenues from a portfolio of assets that had been previously transferred into a trust, the shares of which are being sold to institutional investors. This trust was established late in the 1998 first quarter.

NONINTEREST EXPENSE

Total reported noninterest expense was $2.95 billion in the 1999 first quarter, a decrease of 6% from the prior year's first quarter. Operating noninterest expense was $2.94 billion in the first quarter of 1999, 12% above the comparable 1998 quarter, reflecting technology-related costs, incentive costs tied to higher market-sensitive revenues and the impact of a change in the components of the long-term compensation program of the Global Bank. This change in the compensation program (replacing options with restricted stock) contributed 2% to the growth rate of salaries and employee benefits. Management of Chase expects moderating expense growth for the remainder of the year.

	First Quarter	
(in millions, except ratios)	1999	1998
Salaries	$1,384	$1,254
Employee Benefits	255	224
Occupancy Expense	218	189
Equipment Expense	243	209
Other Expense	840	740
Operating Noninterest Expense	2,940	2,616
Restructuring Costs	--	521
Foreclosed Property Expense (a)	5	4
Reported Noninterest Expense	$2,945	$3,141
Efficiency Ratio (b)	57%	56%
Operating Efficiency Ratio (b) (c)	54	53

(a) Included within Other Expense on the Consolidated Statement of Income. For purposes of reviewing the results on an operating basis, these expenses are reflected in Credit Costs.

(b) Excludes restructuring costs, foreclosed property expense, provision for risk management instrument credit losses, costs associated with the REIT and special items.

(c) Excludes the impact of credit card securitizations.

The increase in salaries and employee benefits for the first quarter 1999 was due to higher incentive costs, mainly driven by higher market-sensitive revenues and the aforementioned change in the long-term compensation program of the Global Bank. Also contributing to the increase was the net addition of 3,063 full-time equivalent employees as a result of growth in select businesses and acquisitions (particularly in the mortgage, credit card, and custody and fiduciary services businesses).

Full-Time Equivalent Employees	March 31, 1999	March 31, 1998
Domestic Offices	62,163	59,738
Foreign Offices	11,159	10,521
Total Full-Time Equivalent Employees	73,322	70,259

Occupancy and Equipment Expense

Occupancy expense increased $29 million in the 1999 first quarter, primarily due to increased amortization of leasehold improvements from renovations resulting from business expansions and acquisitions. The higher level of equipment expense during the 1999 first quarter was due to an increase in depreciation expense from the capitalization of costs relating to more advanced hardware systems across all business units. Also contributing to the increase was higher software expenses associated with Year 2000 efforts. For a further discussion of Year 2000 efforts, see Operating Risk Management Section on page 32.

Other Expense

(in millions)	First Quarter 1999	First Quarter 1998
Professional Services	$162	$142
Marketing Expense	114	90
Telecommunications	91	77
Amortization of Intangibles	73	61
Travel and Entertainment	50	52
Minority Interest (a)	13	12
Foreclosed Property Expense	5	4
All Other	337	306
Total	$845	$744

(a) Includes REIT minority interest expense of $11 million in each quarter.

Other expense for the 1999 first quarter increased $101 million when compared with the first quarter of 1998. Professional services costs for the first quarter of 1999 reflects a higher level of contract computer professionals associated with Year 2000 efforts. The $24 million increase in marketing expense in the first three months of 1999 is primarily due to higher marketing costs at Chase Cardmember Services. The $14 million rise in telecommunications costs in the 1999 first quarter covers both installation and usage and reflects the growth in business volume at all of Chase's major business franchises. The purchase of a global custody business during the fourth quarter 1998 contributed to the increase in amortization of intangibles expense. All other expenses increased $31 million, reflecting a growth in business volume at Chase Cardmember Services and the global custody acquisition.

Restructuring Costs

For a discussion of Chase's restructuring costs, see Note Four on page 8 of this Form 10-Q. It is anticipated that savings from the one-time charge of $510 million, taken in the first quarter of 1998 in connection with initiatives to streamline support functions and realign certain business functions, will amount to approximately $460 million annually. Depending on its view of revenue opportunities, Chase may or may not reinvest all or a portion of these savings into its revenue-generating activities.

CREDIT COSTS

Credit costs include provisions for loan losses and for risk management instrument credit losses, foreclosed property expense and credit costs associated with credit card securitizations.

The following table shows the components of credit costs.

(in millions)	First Quarter 1999	First Quarter 1998
Provision for Loan Losses	$381	$332
Provision for Risk Management Instrument Credit Losses (a)	--	12
Total Provision for Credit Losses	381	344
Foreclosed Property Expense (b)	5	4
Credit Costs Associated with Credit Card Securitizations	269	280
Operating Credit Costs	$655	$628

(a) Included in Noninterest Revenue on the Consolidated Statement of Income.

(b) Included in Other Expense on the Consolidated Statement of Income.

Credit costs in the 1999 first quarter were $655 million, an increase of $27 million from the 1998 level, primarily due to higher credit losses in the domestic commercial portfolio and the credit card portfolio. For a discussion of Chase's net charge-offs, see page 25.

INCOME TAXES

Chase recognized income tax expense of $645 million in the first quarter of 1999 compared with $425 million in the first quarter of 1998. The effective tax rates were 35.5% and 37.0%, respectively.

CREDIT RISK MANAGEMENT

The following discussion of Chase's credit risk management focuses primarily on developments since December 31, 1998 and should be read in conjunction with pages 29-35 and 50-51 of Chase's 1998 Annual Report.

The following table presents Chase's credit-related information for the dates indicated.

(in millions)	Credit-Related Assets March 31, 1999	Credit-Related Assets Dec 31, 1998	Nonperforming Assets March 31, 1999	Nonperforming Assets Dec 31, 1998	Past Due 90 Days & Over and Still Accruing March 31, 1999	Past Due 90 Days & Over and Still Accruing Dec 31, 1998
Consumer:						
Domestic Consumer:						
1-4 Family Residential Mortgages	$ 41,822	$ 41,831	$ 314	$ 313	$ 2	$ 3
Credit Card - Reported	13,013	14,229	--	--	253	302
Credit Card Securitizations (a)	18,382	18,033	--	--	363	379
Credit Card - Managed	31,395	32,262	--	--	616	681
Auto Financings	17,575	16,456	51	50	17	20
Other Consumer	7,911	8,375	8	6	50	97
Total Domestic Consumer	98,703	98,924	373	369	685	801
Foreign Consumer	3,933	3,807	26	23	13	10
Total Consumer	102,636	102,731	399	392	698	811
Commercial:						
Domestic Commercial:						
Commercial and Industrial	43,736	43,123	344	331	22	42
Commercial Real Estate	4,019	3,984	59	41	18	1
Financial Institutions	6,667	6,583	39	1	--	--
Total Domestic Commercial	54,422	53,690	442	373	40	43
Foreign Commercial:						
Commercial and Industrial	24,331	24,664	601	603	3	7
Commercial Real Estate	353	367	--	--	--	--
Financial Institutions	5,015	4,537	31	22	20	24
Foreign Governments	4,474	4,798	44	50	--	--
Total Foreign Commercial	34,173	34,366	676	675	23	31
Derivative and FX Contracts	28,850	33,255	32	50	--	--
Total Commercial Credit-Related	117,445	121,311	1,150	1,098	63	74
Total Managed Credit-Related	$220,081	$224,042	$ 1,549	$ 1,490	$ 761	$ 885
Assets Acquired as Loan Satisfactions			125	116		
Total Nonperforming Assets			$ 1,674	$ 1,606		

(in millions, except ratios)	Net Charge-offs First Quarter 1999	Net Charge-offs First Quarter 1998	Average Annual Net Charge-off Rate First Quarter 1999	Average Annual Net Charge-off Rate First Quarter 1998
Consumer:				
Domestic Consumer:				
1-4 Family Residential Mortgages	$ 1	$ 10	.01%	.10%
Credit Card - Reported	216	179	6.44	4.93
Credit Card Securitizations (a)	269	280	5.99	6.49
Credit Card-Managed	485	459	6.18	5.77
Auto Financings	19	23	.45	.69
Other Consumer	48	41	2.23	1.80
Total Domestic Consumer	553	533	2.24	2.23
Foreign Consumer	9	3	.99	.30
Total Consumer	562	536	2.20	2.15
Commercial:				
Domestic Commercial:				
Commercial and Industrial	20	9	.19	.09
Commercial Real Estate	(9)	(3)	NM	NM
Financial Institutions	25	--	1.46	--
Total Domestic Commercial	36	6	.27	.05
Foreign Commercial:				
Commercial and Industrial	52	56	.84	.81
Commercial Real Estate	--	--	--	--

Financial Institutions	(1)	15	NM	.95
Foreign Governments	--	(1)	--	NM
Total Foreign Commercial	51	70	.58	.71
Derivative and FX Contracts	--	12	--	.12
Total Commercial Credit-Related	87	88	.29	.27
Total Managed Credit-Related	$ 649	$ 624	1.17%	1.09%

(a) Represents the portion of Chase's credit card receivables that have been securitized.

NM - Not meaningful

Chase's managed credit-related assets totaled $220 billion at March 31, 1999, a decrease of $4 billion, or 2%, compared with year-end 1998. The decrease was primarily due to lower derivative and foreign exchange receivables, while loan balances remained relatively stable.

Chase's nonperforming assets at March 31, 1999 increased $68 million, or 4%, from the 1998 year-end level primarily due to an increase in the nonperforming domestic commercial loan portfolio. The foreign commercial loan portfolio remained stable during the 1999 first quarter.

Total net charge-offs on a retained basis increased by $36 million during the 1999 first quarter. Total net charge-offs on a managed basis were $649 million in the 1999 first quarter, compared with $624 million in the first quarter of 1998. The increases in net charge-offs on both a managed and retained basis are due to increased charge-off levels in the retained credit card portfolio and lower recoveries in the domestic commercial and industrial loan portfolio. These increases were partially offset by lower levels of securitized credit card and foreign commercial net charge-offs.

Management expects that credit costs in 1999, on a managed basis, will remain relatively stable over the remainder of 1999 and will be of a similar magnitude to total credit costs incurred in 1998. For the consumer portfolio, management expects net charge-off rates will be approximately the same as in 1998; however, reported net charge-offs will vary depending on the level of credit card securitizations completed during the year. The commercial charge-off rate varies more than the consumer charge-off rate, and over time Chase expects annual commercial net charge-offs to be in a range of 30-50 bp.

Consumer Loan Portfolio

Residential Mortgage Loans: Residential mortgage loans outstanding remained stable at March 31, 1999, when compared with year-end balances, as did the level of nonperforming domestic residential mortgage loans. The loss rate of .01% for the 1999 first quarter was unusually low due to exceptionally high recoveries. This portfolio's asset quality continues to be strong.

Credit Card Loans: Chase analyzes its credit card portfolio on a managed basis, which includes credit card receivables on the balance sheet as well as credit card receivables that have been securitized.

Average managed credit card receivables for the three months ended March 31, 1999 decreased 1% when compared with the same period in 1998. The increase in the net charge-off percentage rate for the first quarter of 1999 was due to slower growth in credit card outstandings, driven by increased consumer liquidity. While credit costs increased from first quarter 1998, the charge-off rate declined from 1998 fourth quarter level, as a result of lower bankruptcy levels, higher recoveries and improvement in the credit quality of a portfolio acquired in 1998.

Managed Credit Card Portfolio (a)

(in millions, except ratios)	As of or For the Three Months Ended March 31, 1999	1998
Average Credit Card Receivables	$32,093	$32,430
Past Due 90 Days or More and Accruing	$ 627	$ 656
As a Percentage of Average Credit Card Receivables	1.95%	2.02%
Net Charge-offs	$ 490	$ 462
As a Percentage of Average Credit Card Receivables	6.11%	5.70%

(a) Includes domestic and international credit card activity.

Auto Financings: Auto financings outstanding increased 7%, reflecting continued strong consumer demand due to favorable pricing programs. Total originations were $3.4 billion in the first three months of 1999, an increase of 14% when compared with the same 1998 period. The 1999 charge-off rate of .45% is indicative of the selective approach to asset origination.

Commercial Portfolio

The domestic commercial portfolio had net charge-offs of $36 million during the 1999 first quarter, compared with $6 million in the prior year period. While the net charge-off amount did increase during the 1999 first quarter, the net charge-off rate of .27% for the portfolio remained at a low level, indicative of the portfolio's diversification and strong credit quality.

The foreign commercial portfolio totaled $34.2 billion at March 31, 1999 and remained relatively stable when compared with the 1998 year-end. Nonperforming loan levels at March 31, 1999 also remained stable. Net charge-off levels for the 1999 first quarter decreased in comparison with the prior year by $19 million, or 27%, due to stabilizing financial conditions in Asia.

Country Exposure

The following table presents Chase's country exposure to Asia and Latin America. Country disclosure is based on the Federal Financial Institutions Examination Council ("FFIEC") guidelines governing the determination of cross-border risk. For a further discussion of Chase's country exposure, see pages 33-34 of Chase's 1998 Annual Report.

Selected Country Exposure (a)

(in billions)	At March 31, 1999						At Dec 31, 1998	
	Lending-Related (b)	Trading-Related (c)	Gross Local Country Assets	Less Local Funding	Net Cross-Border Exposure (a)	Country Related Resale Agreements (a)	Net Cross-Border Exposure	Country Related Resale Agreements
LATIN AMERICA								
Brazil	$1.4	$0.3	$1.2	$(0.7)	$2.2	$1.0	$2.3	$0.9
Argentina	2.0	0.4	0.3	(0.2)	2.5	0.6	2.3	0.5
Mexico	1.2	0.5	0.4	(0.2)	1.9	0.6	1.8	0.4
Chile	0.9	--	0.2	(0.2)	0.9	--	0.9	--
Colombia	0.8	--	--	--	0.8	--	0.8	--
Venezuela	0.2	0.1	--	--	0.3	--	0.4	--
All Other Latin America (d)	0.1	0.2	0.7	(0.7)	0.3	0.1	1.0	--
Total Latin America	$6.6	$1.5	$2.8	$(2.0)	$8.9	$2.3	$9.5	$1.8
ASIAN IMF COUNTRIES								
South Korea	$0.9	$0.3	$1.1	$(0.4)	$1.9	$0.1	$2.4	$ --
Indonesia	1.0	0.1	0.1	(0.1)	1.1	--	1.2	--
Thailand	0.1	0.1	0.9	(0.2)	0.9	--	0.9	--
Subtotal	2.0	0.5	2.1	(0.7)	3.9	0.1	4.5	--
OTHER EMERGING ASIA								
Hong Kong	0.5	0.2	5.0	(5.0)	0.7	--	0.8	--
Singapore	0.7	0.1	0.4	(0.4)	0.8	--	0.8	--
Philippines	0.2	--	0.3	(0.1)	0.4	--	0.6	--
Malaysia	0.2	--	0.6	(0.1)	0.7	--	0.6	--
China	0.5	0.1	0.3	(0.2)	0.7	--	0.6	--
All Other Asia	0.4	--	0.3	(0.1)	0.6	--	0.5	--
Total Asia excluding Japan, Australia and New Zealand	$4.5	$0.9	$9.0	$(6.6)	$7.8	$0.1	$8.4	$--
Japan	$3.1	$2.4	$2.0	$(2.0)	$5.5	$0.5	$5.2	$1.7
Australia	0.4	0.5	2.3	(1.6)	1.6	--	1.9	--
New Zealand	0.6	--	--	--	0.6	--	0.6	--
Total Japan, Australia and New Zealand	$4.1	$2.9	$4.3	$(3.6)	$7.7	$0.5	$7.7	$1.7

(a) Country exposure is based on the FFIEC guidelines governing the determination of cross-border risk. Under FFIEC guidelines, resale agreements are reported by the country of the issuer of the underlying security. Chase, however, does not consider the cross border risk of resale agreements to depend upon the country of the issuer of the underlying security and as a result, has presented these amounts separately in the above table.

(b) Includes loans and accrued interest, interest-bearing deposits with banks, acceptances, other monetary assets, issued letters of credit and undrawn commitments to extend credit.

(c) Includes cross-border trading debt and equity instruments and the mark-to-market exposure of foreign exchange and derivative contracts. The amounts associated with foreign exchange and derivative contracts are presented after taking into account the impact of legally enforceable master netting agreements.

(d) Excludes Bermuda and Cayman Islands.

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At March 31, 1999, Chase had approximately $97 million in lending and trading related exposure to Russia. Chase also had approximately $83 million in resale agreements with non-Russian counterparties collateralized by non-ruble denominated Russian debt.

Chase significantly reduced its exposure to emerging markets in Asia and Latin America from a year ago (by 35% and 20%, respectively) and further lowered its exposure to Asia from year-end (by 6%). Total nonperforming assets in Asia increased by $27 million from 1998 year-end to $528 million at March 31, 1999. Asian commercial net charge-offs for the 1999 first quarter were $59 million, compared with $92 million, including derivatives, in 1998. There were no charge-offs for Latin American commercial loans during the 1999 first quarter. Chase's management has recently completed a strategic review of its cross-border activities. As a result of that review, management believes that Chase's current levels of cross-border exposure reflect appropriate levels of business, market, credit and capital risk in light of Chase's cross-border business activities and, accordingly, management currently does not expect there will be significant changes in Chase's cross-border exposures over the balance of 1999.

Derivative and Foreign Exchange Contracts

For a discussion of the derivative and foreign exchange contracts utilized in connection with Chase's trading and ALM activities, see pages 34-35 and Notes One and Nineteen of Chase's 1998 Annual Report. Chase's counterparties in derivatives and foreign exchange are primarily investment grade financial institutions, most of which are dealers in these products. The following table provides the remaining maturities of derivative and foreign exchange contracts outstanding at March 31, 1999 and December 31, 1998. The lengthening of the maturity profile since year-end is the result of the improved creditworthiness of Chase over the last several years (as evidenced by credit rating upgrades) and the maturation of the derivatives market where longer maturities are becoming more commonplace.

	At March 31, 1999				At December 31, 1998			
	Interest Rate Contracts	Foreign Exchange Contracts	Equity, Commodity and Other Contracts	Total	Interest Rate Contracts	Foreign Exchange Contracts	Equity, Commodity and Other Contracts	Total
Less than 1 year	15%	92%	27%	32%	15%	93%	38%	37%
1 to 5 years	51	5	70	42	48	5	59	37
Over 5 years	34	3	3	26	37	2	3	26
Total	100%	100%	100%	100%	100%	100%	100%	100%

Chase had no net charge-offs arising from derivative and foreign exchange transactions in the 1999 first quarter compared with $12 million for the same 1998 period. At March 31, 1999, nonperforming derivative contracts were $32 million, compared with $50 million at December 31, 1998. The decreases in both net charge-offs and nonperforming derivative contracts were due to the stabilizing of financial conditions in Asia since the 1998 fourth quarter.

Allowance for Credit Losses

The following discussion of Chase's allowance for credit losses focuses primarily on developments since December 31, 1998 and should be read in conjunction with page 35 and Notes One and Five of Chase's 1998 Annual Report.

(in millions, except ratios)	First Quarter 1999	First Quarter 1998
Allowance for Loan Losses at Beginning of Period	$ 3,552	$ 3,624
Provision for Loan Losses	381	332
Charge-Offs	(452)	(407)
Recoveries	72	75
Net Charge-Offs	(380)	(332)
Other	(1)	(2)
Allowance for Loan Losses at End of Period	$ 3,552	$ 3,622

Allowance for Credit Losses:	March 31, 1999	March 31, 1998
Loans	$ 3,552	$ 3,622
Risk Management Instruments	150(a)	75
Lending-Related Commitments	170	170
Aggregate Allowance	$ 3,872	$ 3,867

Allowance for Loan Losses to:		
Nonperforming Loans	234%	311%
Loans at Period-End	2.05	2.16
Average Loans	2.05	2.12

Aggregate Allowance for Loan Losses and Risk Management Instrument Credit Losses to:		
Nonperforming Credit-Related Assets	239%	307%
Credit-Related Assets at Period-End	1.84	1.82
Average Credit-Related Assets	1.82	1.75

(a) During the third quarter of 1998, as part of the trading valuation process, the allowance for risk management instrument credit losses was increased by $75 million through the provision for credit losses, in response to the adverse market conditions in Asia and Russia.

Chase deems its allowance for credit losses at March 31, 1999 to be adequate (i.e., sufficient to absorb losses that may currently exist for all credit activities, but are not yet identifiable). Estimating losses is inherently uncertain and depends on many factors, including general macroeconomic and political conditions, rating migration, structural changes within industries which alter competitive positions, event risk, unexpected correlations within the portfolio, and other external factors such as legal and regulatory requirements. Chase periodically reviews such factors and reassesses the adequacy of the allowance for credit losses.

MARKET RISK MANAGEMENT

The following discussion of Chase's market risk management focuses primarily on developments since December 31, 1998 and should be read in conjunction with pages 36-39 and Notes One and Nineteen of Chase's 1998 Annual Report.

The total VAR for Chase's trading portfolio, market risk-related ALM portfolio, and aggregate portfolio as of and for the twelve-month period ended March 31, 1999 were as follows:

	Marked-to-Market Trading Portfolio				Market Risk-Related ALM Activities			
	Twelve-Month Period Ended March 31, 1999				Twelve-Month Period Ended March 31, 1999			
(in millions)	Average VAR	Minimum VAR	Maximum VAR	At March 31, 1999 VAR	Average VAR	Minimum VAR	Maximum VAR	At March 31, 1999 VAR
Interest Rate VAR	$21.9	$10.7	$36.8	$15.5	$61.1	$37.3	$94.0	$74.3
Foreign Exchange VAR	8.4	2.2	21.6	9.6	--	--	--	--
Commodities VAR	3.4	1.9	5.0	3.8	--	--	--	--
Equities VAR	4.3	1.9	10.1	8.8	--	--	--	--
Less:								
Portfolio Diversification	(13.2)	NM	NM	(18.9)	--	--	--	--
Total VAR	$24.8	$12.3	$44.9	$18.8	$61.1	$37.3	$94.0	$74.3

	Aggregate Portfolio			
	Average VAR Twelve-Month Period Ended		VAR at	
	March 31, 1999	March 31, 1998	March 31, 1999	March 31, 1998
Marked-to-Market Trading Portfolio	$24.8	$23.1	$18.8	$20.5
Market Risk-Related ALM Activities	61.1	50.6	74.3	46.2
Less: Portfolio Diversification	(21.9)	(17.4)	(16.6)	(18.1)
Aggregate VAR	$64.0	$56.3	$76.5	$48.6

NM: Because the minimum and maximum VARs may occur on different days for different risk components, it is not meaningful to compute a portfolio diversification effect.

Chase's average aggregate VAR (VAR for both trading and ALM activities) for the twelve-month period ended March 31, 1999 was $64.0 million and at March 31, 1999 was $76.5 million. Chase's aggregate average and period-end VARs are less than the sum of the respective trading and ALM VARs shown in the above table (by $21.9 million and $16.6 million, respectively) due to risk offsets, resulting from portfolio diversification which occurs across the trading and ALM portfolios.

Chase conducts daily VAR backtesting for both regulatory compliance with the Basle Committee on Banking Supervision market risk capital rules and for internal evaluation of VAR against trading revenues. For mark-to-market activities, there were 2 days during the twelve months ended March 31, 1999 in which a daily trading loss exceeded that day's VAR. These losses occurred during the third quarter of 1998 and resulted from the adverse market conditions in effect at that time.

The following chart contains a histogram of Chase's daily market risk-related revenue, which is defined as the daily change in value of mark-to-market trading portfolios plus any trading-related net interest income or other revenue. Based on actual trading results for the twelve months ended March 31, 1999, Chase posted positive daily market risk-related revenue for 226 out of 259 business trading days, with 56 business days exceeding positive $20 million. Chase incurred six daily trading losses in excess of negative $20 million over the past twelve months. Five of the six daily trading losses occurred in the 1998 third quarter and resulted from the adverse global market conditions of that period.

[Graphic of Daily Changes in Market Risk-Related Revenue - See Appendix I]

Asset/Liability Management

Measuring Interest Rate Sensitivity: As noted in the 1998 Annual Report, oversight of Chase's ALM interest rate risk and Market Risk Management functions was consolidated under the Market Risk Committee at the beginning of 1999. At that time, Chase began to extend the market risk procedures and measurements utilized for its trading and investment portfolios to its ALM activities.

Chase, as part of its ALM process, employs a variety of instruments, including securities and derivatives in managing its exposure to fluctuations in interest rates. In the past, Chase has presented its market risk exposure in the form of an aggregate net gap position. In net gap analysis, assets, liabilities and derivative instruments are placed in gap intervals based on their repricing dates. For a more complete discussion of gap analysis, see page 38 of the 1998 Annual Report. Although gap analysis is a widely used representation of interest rate risk, it is limited in that it does not include the impact of factors such as basis risk. Basis risk results from the fact that assets may be repriced on a different interest rate index than liabilities (for instance, LIBOR vs. prime rate repricing). In addition, the position risk presented in gap analysis cannot reveal the impact of other factors, such as pricing strategies on consumer and business deposits or changes in balance sheet mix, on Chase's earnings or economic value.

In order to improve its management of interest rate exposure and as part of the convergence of the ALM and market risk management processes, Chase implemented during the first quarter of 1999 a new measure to estimate the potential change in value to Chase's ALM portfolio as a result of changes in interest rates. This new measure is used in conjunction with existing earnings simulation measures. The new measure, which is called "Basis Point Value" (BPV), quantifies the change in the value of Chase's non-trading on- and off- balance sheet positions that would result from a 1 basis point change in interest rates. This same measure is also used to quantify the economic value sensitivity of the non-trading on- and off- balance sheet positions to basis risk.

At March 31, 1999, Chase had a BPV value of $4.0 million (pre-tax), indicating that the economic value of Chase's non-trading on- and off- balance sheet positions would decline $4.0 million for every 1 basis point increase in interest rates, assuming all rates moved in parallel together. This compares with a BPV of $6.4 million at December 31, 1998. The BPV measure is generally "symmetrical"; that is, a 1 basis point decrease in interest rates at March 31, 1999 would result in a $4.0 million (pre-tax) increase in Chase's economic value. The BPV measure includes exposure to U.S. dollar interest rates as well as exposure to non-U.S. dollar interest rates in currency markets in which Chase does business. Since U.S. dollar interest rates and non-U.S. dollar interest rates may not move in tandem, the reported BPV value may not represent the actual change in economic value of Chases' ALM portfolio.

At March 31, 1999, based on Chase's simulation models and applying immediate increases to various market interest rates, earnings at risk over the next twelve months are estimated to be approximately 3% of projected 1999 net income. Chase's earnings at risk to an immediate rise in interest rates was on average less than 4% of projected net income for 1998. The hypothetical rate shocks are used to calculate risk that Chase believes to be reasonably possible of occurring in the near term, but these scenarios do not necessarily represent management's current view of future market interest rate developments.

Impact of ALM Derivative Activity:

The following table reflects the deferred gains/losses on closed derivative contracts and unrecognized gains/losses on open derivative contracts utilized in Chase's ALM activities at March 31, 1999 and December 31, 1998.

(in millions)	March 31, 1999	December 31, 1998	Change
ALM Derivative Contracts:			
Net Deferred Gains	$431	$402	$ 29
Net Unrecognized Gains (a)	11	110	(99)
Net ALM Derivative Gains	$442	$512	$(70)

(a) These net unrecognized gains/(losses) do not include the net unfavorable/(favorable) impact from the assets/liabilities being hedged by these derivative contracts.

LIQUIDITY RISK MANAGEMENT

The following liquidity and capital discussion should be read in conjunction with the Liquidity Risk Management section on pages 40-41 and Note Eighteen of Chase's 1998 Annual Report.

Liquidity

During the first quarter of 1999, Chase issued $1.1 billion of long-term debt, offsetting $950 million of long-term debt that matured and $127 million that was redeemed.

Capital

Chase's capital levels at March 31, 1999 remained strong, with capital ratios well in excess of regulatory guidelines. At March 31, 1999, the Tier 1 and Total Capital ratios were 8.4% and 12.2%, respectively, and the Tier 1 leverage ratio was 6.6%.

Management believes a reasonable long-term growth rate for balance sheet assets is approximately 6% - 7%. However, management anticipates that growth in balance sheet assets in the near term will be below these levels as a result of continued focus on removing non-positive SVA assets from the balance sheet. In the 1999 first quarter, the Tier 1 capital ratio increased from year-end 1998, notwithstanding net equity purchases during the quarter of approximately $885 million. Management intends to continue Chase's disciplined approach to asset growth utilizing SVA. Management's current intention is to target a Tier 1 ratio in the range of 8% to 8.25% over the long term, recognizing that the Tier 1 ratio may be outside that range from time to time, as it was at the end of the first quarter of 1999. Capital generated in excess of this target ratio will be used to purchase Chase common stock or for future reinvestment and acquisition opportunities.

The following table shows the sources and uses of Chase's free cash flow.

	First Quarter	
(in billions)	1999	1998
Sources of Free Cash Flow		
Reported Earnings	$1.2	$0.7
Less: Dividends	(0.4)	(0.3)
Capital for Internal Growth	0.2	0.4
Total Sources of Free Cash Flow	$1.0	$0.8
Uses of Free Cash Flow		
Increases in Capital Ratios	$0.1	$0.4
Acquisitions	--	0.3
Net Repurchases (Issuances)	0.9	(0.3)
Preferred Stock Redemption	--	0.4
Total Uses of Free Cash Flow	$1.0	$0.8

In the first quarter of 1999, Chase raised the cash dividend on its common stock to $.41 per share from $.36 per share. Chase has over the past several years been paying a common stock dividend that has generally been equal to approximately 25% to 35% of Chase's operating net income, less preferred stock dividends. Chase's future dividend policies will be determined by its Board of Directors taking into consideration Chase's earnings and financial condition and applicable governmental regulation and policies.

Under a new repurchase program, effective January 4, 1999, Chase may repurchase up to $3 billion of its common stock in the open market or through negotiated transactions, in addition to any amounts that may need to be purchased to provide for issuances under Chase's dividend reinvestment plan and its various stock-based employee benefit plans. As of March 31, 1999, Chase repurchased net $885 million.

At March 31, 1999, the total capitalization of Chase (the sum of Tier 1 and Tier 2 capital) was $34.9 billion, an increase of $114 million from December 31, 1998. This increase reflects retained earnings (net income less common and preferred dividends) generated during the period and new debt issuances qualifying as Tier 2 capital, partially offset by common stock repurchases.

OPERATING RISK MANAGEMENT

The following discussion of Chase's operating risk management focuses primarily on developments since December 31, 1998.

Year 2000: Chase's Year 2000 efforts, including a description of each of the items listed in the table below, are discussed on pages 41-42 of Chase's 1998 Annual Report. The information below updates Chase's Year 2000 disclosures.

During the 1999 first quarter, Chase continued to make progress on its Year 2000 remediated and testing efforts. The following table sets forth Chase's progress in the first quarter, as compared with its forecast as reported in the 1998 Annual Report, and its forecast of progress for June 30, 1999.

	% Remediated at March 31, 1999		
	Forecasted	Actual	Projected for June 30, 1999
Type of System			
Technical Infrastructure	100%	100% (a)	100% (b)
Business Software Applications	98%	99% (c)	100% (b)
Facility Systems	92%	93%	100% (b)
Desktop Systems	69%	80%	100% (b)

(a) The actual percent remediated is 99.7%.

(b) While activities are scheduled to be completed by the dates indicated, efforts will continue around external testing and certification throughout the year.

(c) For Business Software Applications, of the 99% of the systems remediated, 95% have also been tested to be Year 2000 compliant. For the remaining types of systems listed in the table, the percent remediated also indicates the percent tested to be Year 2000 compliant.

As remediation of systems is completed, attention is being directed to ensuring that those software application systems that have been remediated, tested and certified as Year 2000-compliant remain compliant. This entails continued re-certification of systems throughout the remainder of the year. In addition, Chase is increasing its tracking and risk management of third party providers.

Another major focus of 1999 will be continued customer and "street" (i.e., industry-wide) testing. Chase expects to participate in industry tests as they are scheduled throughout 1999. As just one example, in the second weekend of June, the Federal Reserve Board, The New York Clearing House and the Society for Worldwide Interbank Financial Telecommunication will conduct a cross-border test of the major global payments systems. Testing with third parties is critical, since a failure of a major external interface could have a material adverse effect on Chase's operations.

Chase's Year 2000 testing methods include a technique for future date simulation, testing in the isolated environments of time machines, and the selected use of independent validation and verification. Time machines are computer configurations created to allow systems to be tested in an environment where the system clock has been set to a date in the future. These environments allow the operation of all system components together to confirm they will interact and operate properly before, through, and after the century date change. Independent validation and verification is a means of uncovering potential Year 2000 errors in remediated code that may have been missed in testing. Independent systems analysts, utilizing sophisticated Year 2000 code analytic tools, have been contracted by Chase to identify remaining potential Year 2000 errors for a majority of Chase's internal mission-critical software applications. If any are found, the affected programs will be corrected immediately and retested.

Chase's Business Risk Council, established January 1, 1999, has also been active during the 1999 first quarter in identifying potential business risks and coordinating business planning and readiness efforts related to the Year 2000. The Council's focus this quarter has been on: business continuity and contingency planning; procedures for early identification of any operational, credit, liquidity, market or legal risks that may arise as a result of the Year 2000; and communication plans that will enable appropriate business units to coordinate their contingency efforts.

At March 31, 1999, Chase's cost estimate to remediate its Year 2000 issues remains at approximately $363 million. This includes costs incurred during 1997 and 1998 as well as costs expected to be incurred during 1999. Chase currently estimates that full year 1999 Year 2000 costs will be approximately $127 million. Chase's Year 2000 cost estimate includes remediation, testing, third party assessment, and contingency planning, but do not include approximately $33 million of depreciation costs for Year 2000-compliant equipment that will be expensed beyond December 31, 1999.

SUPERVISION AND REGULATION

The following discussion should be read in conjunction with the Supervision and Regulation section on pages 1-4 of Chase's 1998 Annual Report.

Dividends

Chase's bank subsidiaries could, without the approval of their relevant banking regulators, pay dividends to their respective bank holding companies in amounts up to the limitations imposed upon such banks by regulatory restrictions. These dividend limitations, in the aggregate, totaled approximately $2.9 billion at March 31, 1999.

ACCOUNTING DEVELOPMENTS

Derivatives

In June 1998, the FASB issued SFAS 133, which establishes accounting and reporting standards for all derivative instruments, including certain derivative instruments embedded in other financial instruments (collectively referred to as derivatives), and for hedging activities. SFAS 133 requires that an entity measure all derivatives at fair value and recognize those derivatives as either assets or liabilities in the balance sheet. The change in a derivative's fair value is generally recognized in current period earnings. However, if certain conditions are met, a derivative may be specifically designated as a hedge of an exposure to changes in fair value, variability of cash flows, or certain foreign currency exposures. Based on the hedge designation, special hedge accounting rules allow the derivative's change in value to be recognized either in current period earnings together with the offsetting change in value of the risk being hedged, or, to the extent the hedge is effective, in comprehensive income and subsequently reclassified into earnings when the hedged item affects earnings.

SFAS 133 is effective for all fiscal years beginning after June 15, 1999 (calendar year 2000), with early adoption permitted. Chase already recognizes the derivatives used in its trading activities on its balance sheet at fair value with changes in the fair values of such derivatives included in earnings. This represents the substantial majority of the derivatives utilized by Chase. With respect to those other derivatives used as hedges of its assets, liabilities and commitments, Chase is assessing the impact of the adoption of SFAS 133 on its hedging activities and its effect on its financial condition and operating performance.

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

	1999		1998			
	First Quarter	Over(Under) 1Qtr98	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
AS REPORTED BASIS						
Revenue	$ 5,144	11%	$ 5,060	$ 4,218	$ 4,755	$ 4,623
Noninterest Expense (excluding Restructuring Costs)	2,945	12	2,873	2,647	2,714	2,620
Restructuring Costs	--	NM	--	--	8	521
Provision for Loan Losses	381	15	411	272	328	332
Net Income	$ 1,173	62	$ 1,146	$ 837	$ 1,074	$ 725
Net Income Per Common Share:						
Basic	$ 1.37	67	$ 1.34	$ 0.96	$ 1.24	$ 0.82
Diluted	1.32	65	1.31	0.94	1.20	0.80
Cash Dividends Declared	0.41	14	0.36	0.36	0.36	0.36
Book Value at Period End	26.32	8	26.90	26.24	25.14	24.27
Share Price at Period End	81.38	21	71.00	43.13	75.50	67.44
Performance Ratios:						
Return on Average Common Equity (a)	20.6%	680 bp	20.1%	14.9%	20.1%	13.8%
Return on Average Assets (a)	1.30	52	1.20	0.92	1.15	0.78
OPERATING BASIS (b)						
Operating Revenue	$ 5,413	10%	$ 5,350	$ 4,508	$ 5,051	$ 4,915
Operating Noninterest Expense	2,940	12	2,870	2,614	2,712	2,616
Credit Costs (c)	655	4	704	749	626	628
Operating Earnings	$ 1,173	11	$ 1,146	$ 738	$ 1,079	$ 1,053
Operating Earnings Per Common Share:						
Basic	$ 1.37	13	$ 1.34	$ 0.84	$ 1.24	$ 1.21
Diluted	1.32	13	1.31	0.82	1.21	1.17
Operating Performance Ratios:						
Return on Average Common Equity (a)	20.6%	30 bp	20.1%	13.1%	20.2%	20.3%
Return on Average Managed Assets (a)	1.24	16	1.15	0.77	1.10	1.08
Common Dividend Payout Ratio	30	--	27	42	29	30
Efficiency Ratio	54	100	52	58	53	53
Cash Operating Basis:						
Cash Operating Earnings (d)	$ 1,246	12%	$ 1,219	$ 801	$ 1,143	$ 1,114
Diluted Net Income Per Common Share	1.41	13	1.39	0.89	1.28	1.25
Shareholder Value Added (SVA)	501	17	470	68	440	428
Cash Return on Average Common Equity (a)	21.9%	40 bp	21.4%	14.3%	21.4%	21.5%
Selected Balance Sheet Items: (e)						
Managed Loans	$191,231	3%	$190,787	$185,544	$186,924	$186,067
Total Managed Assets	379,640	(1)	383,908	375,422	385,214	383,838

(a) Based on annualized amounts.

(b) Excludes the impact of credit card securitizations, restructuring costs and special items. See Glossary of Terms on page 37.

(c) Includes provision for loan losses, provision for risk management instrument credit losses, foreclosed property expenses and credit costs related to the securitized credit card portfolio.

(d) Cash Operating Earnings represent operating earnings excluding the amortization of goodwill and certain intangibles.

(e) Excludes the impact of credit card securitizations.

bp - Denotes basis points; 100 bp equals 1%

NM - Not meaningful

The Chase Manhattan Corporation
Average Consolidated Balance Sheet, Interest and Rates
(Taxable-Equivalent Interest and Rates; in millions)

	Three months Ended March 31, 1999			Three months Ended March 31, 1998		
	Average Balance	Interest	Rate (Annualized)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 6,956	$ 184	10.74%	$ 4,180	$ 152	14.78%
Federal Funds Sold and Securities Purchased Under Resale Agreements	27,096	381	5.70%	37,882	671	7.19%
Trading Assets-Debt and Equity Instruments	24,727	418	6.86%	33,310	676	8.24%
Securities:						
Available-for-Sale	57,645	816	5.74% (b)	52,750	848	6.52% (b)
Held-to-Maturity	1,487	23	6.19%	2,837	46	6.63%
Loans	172,918	3,209	7.53%	170,491	3,405	8.10%
Total Interest-Earning Assets	290,829	5,031	7.02%	301,450	5,798	7.80%
Allowance for Loan Losses	(3,489)			(3,558)		
Cash and Due from Banks	15,929			14,173		
Trading Assets Risk Management Instruments	29,459			39,369		
Other Assets	34,201			26,158		
Total Assets	$ 366,929			$ 377,592		
LIABILITIES						
Domestic Retail Deposits	$ 61,220	510	3.38%	$ 58,934	572	3.95%
Domestic Negotiable Certificates of Deposit and Other Deposits	22,442	201	3.63%	15,441	187	4.89%
Deposits in Foreign Offices	79,313	887	4.54%	76,935	1,056	5.56%
Total Time and Savings Deposits	162,975	1,598	3.98%	151,310	1,815	4.86%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	50,945	569	4.53%	68,259	947	5.63%
Commercial Paper	5,264	60	4.65%	4,134	54	5.30%
Other Borrowings (c)	13,352	285	8.65%	17,482	508	11.79%
Total Short-Term and Other Borrowings	69,561	914	5.33%	89,875	1,509	6.81%
Long-Term Debt	18,686	311	6.75%	15,707	305	7.88%
Total Interest-Bearing Liabilities	251,222	2,823	4.56%	256,892	3,629	5.73%
Noninterest-Bearing Deposits	47,980			44,566		
Trading Liabilities Risk Management Instruments	29,187			39,077		
Other Liabilities	14,270			14,478		
Total Liabilities	342,659			355,013		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	1,028			1,680		
Common Stockholders' Equity	22,692			20,349		
Total Stockholders' Equity	23,720			22,029		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 366,929			$ 377,592		
INTEREST RATE SPREAD			2.46%			2.07%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$2,208 (a)	3.08%		$2,169 (a)	2.92%

(a) Reflects a pro forma adjustment to the net interest income amount included in the Statement of Income to permit comparisons of yields on tax-exempt and taxable assets.

(b) For the three months ended March 31, 1999 and March 31, 1998, the annualized rate for available-for-sale securities based on historical cost was 5.76% and 6.55%, respectively.

(c) Includes securities sold but not yet purchased and structured notes.

THE CHASE MANHATTAN CORPORATION
QUARTERLY FINANCIAL INFORMATION
(in millions, except per share data)

	1999	1998			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Interest Income					
Loans	$ 3,209	$ 3,381	$ 3,287	$ 3,316	$ 3,405
Securities	835	964	874	889	889
Trading Assets	418	435	604	716	676
Federal Funds Sold and Securities Purchased Under Resale Agreements	381	469	517	554	671
Deposits with Banks	184	192	150	148	152
Total Interest Income	5,027	5,441	5,432	5,623	5,793
Interest Expense					
Deposits	1,598	1,717	1,524	1,784	1,815
Short-Term and Other Borrowings	914	1,247	1,378	1,478	1,509
Long-Term Debt	311	317	324	325	305
Total Interest Expense	2,823	3,281	3,226	3,587	3,629
Net Interest Income	2,204	2,160	2,206	2,036	2,164
Provision for Loan Losses	381	411	272	328	332
Net Interest Income After Provision For Loan Losses	1,823	1,749	1,934	1,708	1,832
Noninterest Revenue					
Investment Banking Fees	317	381	322	438	361
Trust, Custody and Investment Management Fees	414	414	398	383	348
Credit Card Revenue	379	428	381	365	300
Fees for Other Financial Services	553	552	522	509	510
Trading Revenue	618	522	114	333	480
Provision for Risk Management Instrument Credit Losses	--	(6)	(183)	(10)	(12)
Securities Gains	156	167	261	98	83
Private Equity Gains	325	244	60	370	293
Other Revenue	178	198	137	233	96
Total Noninterest Revenue	2,940	2,900	2,012	2,719	2,459
Noninterest Expense					
Salaries	1,384	1,296	1,205	1,270	1,254
Employee Benefits	255	194	221	215	224
Occupancy Expense	218	220	198	191	189
Equipment Expense	243	250	219	212	209
Restructuring Costs	--	--	--	8	521
Other Expense	845	913	804	826	744
Total Noninterest Expense	2,945	2,873	2,647	2,722	3,141
Income Before Income Tax Expense	1,818	1,776	1,299	1,705	1,150
Income Tax Expense	645	630	462	631	425
Net Income	$ 1,173	$ 1,146	$ 837	$ 1,074	$ 725
Net Income Applicable To Common Stock	$ 1,155	$ 1,128	$ 815	$ 1,050	$ 691
Net Income Per Common Share:					
Basic	$ 1.37	$ 1.34	$ 0.96	$ 1.24	$ 0.82
Diluted	$ 1.32	$ 1.31	$ 0.94	$ 1.20	$ 0.80

GLOSSARY OF TERMS

The page numbers included after each definition represent the pages in this Form 10-Q where the term is primarily used.

1998 Annual Report: Annual Report on Form 10-K for the year ended December 31, 1998. (Pages 7-12, 18, 20, 24, 26-33, 38, 41)

Asset/Liability Management ("ALM"): The management of the sensitivity of Chase's income to changes in market interest rates. (Pages 8, 9, 29-31)

BPV: Basis Point Value. This measurement quantifies the change in the value of Chase's non-trading balance sheet positions (interest rate risk) that would result from a 1 basis point change in interest rates. (Page 30)

Cash Operating Earnings: Operating earnings excluding the impact of amortization of goodwill and certain intangibles. (Pages 10, 12-16, 34)

Chase Texas: Chase Bank of Texas, National Association. (Pages 9, 13, 15)

Chase USA: Chase Manhattan Bank USA, National Association. (Page 9)

Derivative and Foreign Exchange ("FX") Contracts: Interest rate swaps, forward rate agreements, futures, forwards, options, debt, equity, commodity and other contracts used for asset/liability management or trading purposes. The instruments represent contracts with counterparties where payments are made to or from the counterparty based upon specific interest rates, currency levels, other market rates, or on terms predetermined by the contract. (Pages 9, 24-25, 27)

Efficiency Ratio: Noninterest expense as a percentage of the total of net interest income and noninterest revenue (excluding restructuring costs, foreclosed property expense, provision for risk management instrument credit losses, special items and costs associated with the REIT). (Pages 11-13, 15, 21, 34)

FASB: Financial Accounting Standards Board. (Page 33)

Managed Credit Card Receivables or Managed Basis: Consistent with industry practice, Chase uses this terminology to define its credit card receivables on the balance sheet plus securitized credit card receivables. (Page 19, 25, 34)

Net Yield on Interest-Earning Assets: The average rate for interest-earning assets less the average rate paid for all sources of funds. (Pages 19, 35)

Operating Basis or Operating Earnings: Reported results excluding the impact of credit card securitizations, restructuring costs and special items. (Pages 10-12, 16-17, 21, 34)

REIT: A real estate investment trust subsidiary of Chase. (Pages 21, 22)

SFAS: Statement of Financial Accounting Standards.

SFAS 107: "Disclosures about Fair Value of Financial Instruments." (Page 8)

SFAS 115: "Accounting for Certain Investments in Debt and Equity Securities." (Pages 7-9)

SFAS 131: "Disclosure about Segments of an Enterprise and Related Information." (Page 10)

SFAS 133: "Accounting for Derivative Instruments and Hedging Activities." (Page 33)

Shareholder Value Added ("SVA"): Represents operating earnings excluding the amortization of goodwill and certain intangibles (i.e., cash operating earnings) minus preferred dividends and an explicit charge for capital. (Pages 10-16, 31, 34)

Special Items: There were no special items in the 1999 or 1998 first quarter. (Pages 10, 17, 21, 34)

Value-at-Risk ("VAR"): The potential overnight loss from adverse market movements. (Page 29)

Year 2000: The problem of many existing computer programs not being able to recognize properly a year beginning with "20" instead of "19", as these programs only use the last two digits to refer to a year. (Pages 16, 22, 32-33)

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of Legal Proceedings, see Chase's 1998 Annual Report on page 6.

Item 2. Sales of Unregistered Common Stock

During the first quarter of 1999, shares of common stock of Chase were issued in transactions exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. Shares of common stock were issued to retired executive officers who had deferred receipt of such common stock pursuant to the Corporate Performance Incentive Plan as follows: January 4, 1999 - 1,136 shares; and January 6, 1999 - 7,109 shares. Shares of common stock were issued to retired directors who had deferred receipt of such common stock pursuant to the Deferred Compensation Plan for Non-Employee Directors as follows: January 4, 1999 - 1,078 shares.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits:

11 - Computation of earnings per common share.
12(a) - Computation of ratio of earnings to fixed charges.
12(b) - Computation of ratio of earnings to fixed charges and preferred stock dividend requirements.
27 Financial Data Schedule

(B) Reports on Form 8-K:

Chase filed three reports on Form 8-K during the quarter ended March 31, 1999, as follows:

Form 8-K dated January 19, 1999: Chase announced the results of operations for the fourth quarter of 1998.

Form 8-K dated March 16, 1999: Chase announced an increase in its quarterly common stock dividend.

Form 8-K dated March 24, 1999: Chase announced that William B. Harrison Jr., had been elected President and CEO succeeding Walter V. Shipley, 63, who will continue in his capacity as Chairman of the Board, each effective June 1, 1999. Also effective June 1, 1999, Thomas G. Labrecque, 60, President and COO, will retire.

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 thereunto duly authorized.

THE CHASE MANHATTAN CORPORATION
(Registrant)

Date May 17, 1999

By /s/ Joseph L. Sclafani
Joseph L. Sclafani

Executive Vice President and Controller
[Principal Accounting Officer]

INDEX TO EXHIBITS

SEQUENTIALLY NUMBERED

APPENDIX I

NARRATIVE DESCRIPTION OF GRAPHIC IMAGE MATERIAL

Pursuant to Item 304 of Regulation S-T, the following is a description of the graphic image material included in the foregoing Management's Discussion and Analysis of Financial Condition and Results of Operations.

GRAPHIC NUMBER	PAGE	DESCRIPTION
1	30	Bar Graph entitled "Histogram of Daily Changes in Market Risk-Related Revenue for the twelve months ended March 31, 1999" presenting the following information:

Millions of Dollars	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	Over 35
Number of trading days revenue was within the above prescribed positive range	33	47	54	36	29	9	8	10

Millions of Dollars	0 - (5)	(5 - 10)	(10 - 15)	(15 - 20)	(20 - 25)	(25 - 30)	Over (30)
Number of trading days revenue was within the above prescribed negative range	12	8	4	3	1	3	2

EXHIBIT 11
THE CHASE MANHATTAN CORPORATION
Computation of earnings per common share

For a discussion of the computation of basic and diluted earnings per common share, see Note Ten of Chase's 1998 Annual Report.

(in millions, except per share amounts)	Three Months Ended March 31, 1999	1998
Basic Earnings Per Share		
Earnings:		
Net Income	$ 1,173	$ 725
Less: Preferred Stock Dividends	18	34
Net Income Applicable to Common Stock	$ 1,155	$ 691
Shares: (a)		
Basic Average Common Shares Outstanding	843.6	844.8
Net Income Per Share	$ 1.37	$ 0.82
Diluted Earnings Per Share		
Earnings:		
Net Income Applicable to Common Stock	$ 1,155	$ 691
Shares: (a)		
Basic Average Common Shares Outstanding	843.6	844.8
Additional Shares Issuable Upon Exercise of Stock Options for Dilutive Effect	28.3	22.6
Average Common Shares Outstanding Assuming Dilution	871.9	867.4
Net Income Per Share	$ 1.32	$ 0.80

(a) Share-related data for the prior period have been restated to reflect a two-for-one common stock split, effective as of close of business on May 20, 1998.

EXHIBIT 12(a)

THE CHASE MANHATTAN CORPORATION

Computation of ratio of earnings to fixed charges
(in millions, except ratios)

	Three months Ended March 31, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 1,818
Fixed charges:	
Interest expense	1,225
One third of rents, net of income from subleases (a)	32
Total fixed charges	1,257
Less: Equity in undistributed income of affiliates	(29)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 3,046
Fixed charges, as above	$ 1,257
Ratio of earnings to fixed charges	2.42
INCLUDING INTEREST ON DEPOSITS	
Fixed charges, as above	$ 1,257
Add: Interest on deposits	1,598
Total fixed charges and interest on deposits	$ 2,855
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 3,046
Add: Interest on deposits	1,598
Total earnings before taxes, fixed charges, and interest on deposits	$ 4,644
Ratio of earnings to fixed charges	1.63

(a) The proportion deemed representative of the interest factor.

EXHIBIT 12(b)

THE CHASE MANHATTAN CORPORATION

Computation of ratio of earnings to fixed charges
and preferred stock dividend requirements
(in millions, except ratios)

	Three months Ended March 31, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 1,818
Fixed charges:	
Interest expense	1,225
One third of rents, net of income from subleases (a)	32
Total fixed charges	1,257
Less: Equity in undistributed income of affiliates	(29)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 3,046
Fixed charges, as above	$ 1,257
Preferred stock dividends	18
Fixed charges including preferred stock dividends	$ 1,275
Ratio of earnings to fixed charges and preferred stock dividend requirements	2.39
INCLUDING INTEREST ON DEPOSITS	
Fixed charges including preferred stock dividends, as above	$ 1,275
Add: Interest on deposits	1,598
Total fixed charges including preferred stock dividends and interest on deposits	$ 2,873
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 3,046
Add: Interest on deposits	1,598
Total earnings before taxes, fixed charges, and interest on deposits	$ 4,644
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.62

(a) The proportion deemed representative of the interest factor.

This schedule contains selected summary financial information extracted from the
Consolidated Balance Sheet at March 31, 1999 and Consolidated Statement of
Income for the 3 months ended March 31, 1999 and is qualified in its
entirety by reference to such financial statements.

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THE CHASE MANHATTAN CORPORATION
1,000,000
U.S. DOLLARS

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
1
18,306
3,437
24,867
55,934
55,297
1,316
1,330
172,849
3,552
361,258
207,641
62,063
48,383
16,178
0
1,028
882
21,358
361,258
3,209
835
565
5,027
1,598
2,823
2,204
381
156
2,945
1,818
1,173
0
0
1,173
1.37
1.32
3.08
1,118
398
0
0
3,552
452
72
3,552
0
0
0