

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

October 26, 1995
Date of Report (Date of earliest event reported)

CHEMICAL BANKING CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

1-5805
(Commission File Number)

13-2624428
(IRS Employer Identification No.)

270 Park Avenue, New York, New York 10017
(Address of principal executive offices) (Zip Code)
(212) 270-6000
(Registrant's telephone number, including area code)

Item 5. OTHER EVENTS.

As previously announced in the Current Report on Form 8-K of Chemical Banking Corporation, a Delaware corporation (the "registrant" or "Chemical"), filed with the Securities and Exchange Commission on August 29, 1995 (the "Prior Form 8-K"), Chemical and The Chase Manhattan Corporation, a Delaware corporation ("Chase"), entered into an Agreement and Plan of Merger, dated as of August 27, 1995 (the "Merger Agreement"), whereby Chase will merge with and into the registrant (the "Merger") with the registrant as the surviving entity (the "Surviving Corporation"). A copy of the Merger Agreement is attached as an exhibit to, and described in, the Prior Form 8-K. The Merger is expected to qualify as a "pooling of interests" for accounting and financial reporting purposes.

Certain financial information for Chase and pro forma combined financial information for the combined entity giving effect to the Merger is set forth under Item 7 below.

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired

- (1) The audited consolidated statements of condition of Chase and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, cash flows and changes in stockholders' equity for each of the years in the three-year period ended December 31, 1994 (incorporated by reference to pages 51-77 of Chase's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-5945)).
- (2) The unaudited consolidated statement of condition of Chase as of June 30, 1995 and the unaudited consolidated statements of income, cash flows and changes in shareholders' equity of Chase and subsidiaries for the six months ended June 30, 1995 and 1994 (incorporated by reference to pages 3-8 of Chase's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 (File No. 1-5945)).

(b) Pro Forma Financial Information

The Chemical and Chase unaudited pro forma combined statement of income summary, unaudited pro forma combined balance sheet at June 30, 1995, unaudited pro forma combined statements of income for each of the years in the three-year period ended December 31, 1994 and for the six months ended June 30, 1995 and June 30, 1994, and the notes to unaudited pro forma combined financial statements.

PRO FORMA COMBINED FINANCIAL DATA

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME SUMMARY
(IN MILLIONS, EXCEPT PER SHARE DATA)

The following Unaudited Pro Forma Combined Statement of Income Summary combines the historical Consolidated Statements of Income of Chemical and Chase giving effect to the Merger, which will be accounted for as a pooling of interests, as if the Merger had occurred on the dates indicated herein, after giving effect to the pro forma adjustments described in the Notes to the Pro Forma Combined Financial Statements. This information should be read in conjunction with the historical consolidated financial statements of Chase incorporated by reference herein and the historical consolidated financial statements of Chemical included in its Annual Report on Form 10-K for the year ended December 31, 1994 (the "1994 Form 10-K") and its Quarterly Report on Form 10-Q for the six months ended June 30, 1995 (the "June Form 10-Q"). The effect of the estimated \$1.5 billion restructuring charge (\$925 million net of tax) expected to be taken in connection with the Merger has been reflected in the pro forma combined balance sheet; however, since the proposed restructuring charge is nonrecurring, it has not been reflected in the pro forma combined statements of income. The pro forma financial data do not give effect to the anticipated cost savings in connection with the Merger. The pro forma financial data are not necessarily indicative of the results that actually would have occurred had the Merger been consummated on the dates indicated or that may be obtained in the future.

	FOR THE SIX MONTHS ENDED JUNE 30,		FOR THE YEAR ENDED DECEMBER 31,		
	1995	1994	1994	1993	1992
INTEREST INCOME					
Loans.....	\$6,340	\$5,386	\$11,055	\$11,252	\$12,633
Securities.....	1,234	1,247	2,329	2,412	2,332
Trading Assets.....	616	575	1,142	691	735
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	950	1,036	1,827	1,368	1,120
Deposits With Banks.....	443	451	869	985	1,033
Total Interest Income.....	9,583	8,695	17,222	16,708	17,853
INTEREST EXPENSE					
Deposits.....	3,096	2,241	4,704	4,255	5,803
Short-Term and Other Borrowings.....	1,930	1,837	3,307	3,092	2,805
Long-Term Debt.....	472	420	848	1,025	1,083
Total Interest Expense.....	5,498	4,498	8,859	8,372	9,691
NET INTEREST INCOME.....	4,085	4,197	8,363	8,336	8,162
Provision for Credit Losses.....	380	675	1,050	2,254	2,585
Provision for Loans Held for Accelerated Disposition.....	--	--	--	566	--
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES AND PROVISION FOR LOANS HELD FOR ACCELERATED DISPOSITION.....	3,705	3,522	7,313	5,516	5,577

PRO FORMA COMBINED FINANCIAL DATA

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME SUMMARY -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

	FOR THE SIX MONTHS ENDED JUNE 30,		FOR THE YEAR ENDED DECEMBER 31,		
	1995	1994	1994	1993	1992
NONINTEREST REVENUE					
Trust and Investment Management Fees.....	450	500	988	871	768
Corporate Finance and Syndication Fees.....	393	290	638	532	465
Service Charges on Deposit Accounts.....	211	198	408	397	366
Fees for Other Financial Services.....	1,068	1,044	2,116	2,008	1,954
Trading Revenue.....	406	719	1,196	1,789	1,321
Securities Gains.....	54	60	65	189	66
Other Revenue.....	671	642	1,239	1,350	435
Total Noninterest Revenue.....	3,253	3,453	6,650	7,136	5,375
NONINTEREST EXPENSE					
Salaries.....	2,004	1,893	3,978	3,660	3,482
Employee Benefits.....	508	461	929	869	783
Occupancy Expense.....	446	485	968	991	949
Equipment Expense.....	391	333	724	664	604
Foreclosed Property Expense.....	(53)	97	50	509	413
Provision for Other Real Estate Held for Accelerated Disposition.....	--	--	--	318	--
Restructuring Charge.....	15	48	465	203	--
Other Expense.....	1,383	1,425	2,888	2,614	2,570
Total Noninterest Expense.....	4,694	4,742	10,002	9,828	8,801
Income Before Income Tax Expense and Effect of Accounting Changes.....	2,264	2,233	3,961	2,824	2,151
Income Tax Expense.....	885	890	1,475	798	428
INCOME BEFORE EFFECT OF ACCOUNTING CHANGES.....	\$1,379	\$1,343	\$ 2,486	\$ 2,026	\$ 1,723
Income Applicable to Common Stock.....	\$1,262	\$1,213	\$ 2,221	\$ 1,731	\$ 1,449
Income Per Share (Before Accounting Changes):					
Primary.....	\$ 2.91	\$ 2.71	\$ 5.02	\$ 4.00	\$ 3.65
Assuming Full Dilution.....	\$ 2.85	\$ 2.67	\$ 4.97	\$ 3.96	\$ 3.61
Average Common Shares Outstanding:					
Primary.....	433.5	448.2	442.2	433.1	397.5
Assuming Full Dilution.....	444.7	457.8	450.9	441.7	408.2

See the additional Unaudited Pro Forma Combined Financial Statements and Notes thereto below.

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
(IN MILLIONS)

The following Unaudited Pro Forma Combined Balance Sheet combines the historical Consolidated Balance Sheets of Chemical and Chase giving effect to the Merger, which will be accounted for as a pooling of interests, as if the Merger had been effective on June 30, 1995. This information should be read in conjunction with the historical consolidated financial statements of Chase incorporated by reference herein and the historical consolidated financial statements of Chemical included in its 1994 Form 10-K and its June Form 10-Q. The effect of the estimated \$1.5 billion restructuring charge (\$925 million net of tax) expected to be taken in connection with the Merger has been reflected in the pro forma combined balance sheet; however, since the proposed restructuring charge is nonrecurring, it has not been reflected in the pro forma combined statement of income. The pro forma financial data do not give effect to the anticipated cost savings in connection with the Merger. The pro forma financial data are not necessarily indicative of the actual financial position that would have occurred had the Merger been consummated on June 30, 1995 or that may be obtained in the future.

	AT JUNE 30, 1995			
	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	----- (A, P)	-----
ASSETS				
Cash and Due from Banks.....	\$ 7,756	\$ 4,309	\$ --	\$ 12,065
Deposits with Banks.....	2,903	6,623	--	9,526
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	12,883	8,722	--	21,605
Trading Assets:				
Debt and Equity Instruments.....	12,059	7,257	--	19,316
Risk Management Instruments.....	18,412	9,442	--	27,854
Securities: (b)				
Held-to-Maturity.....	8,287	2,004	--	10,291
Available-for-Sale.....	19,965	5,106	(416)(c)	24,655
Loans.....	84,675	64,239	416(c) 173(d)	149,503
Allowance for Credit Losses.....	(2,430)	(1,416)	--	(3,846)
Premises and Equipment.....	2,138	1,940	(104)(q)	3,974
Due from Customers on Acceptances.....	1,156	960	--	2,116
Accrued Interest Receivable.....	1,197	1,195	--	2,392
Assets Acquired as Loan Satisfactions.....	54	--	93(d)	147
Assets Held for Accelerated Disposition.....	240	--	--	240
Other Assets.....	9,236	8,375	(266)(d) 364(j)	17,709
	-----	-----	-----	-----
TOTAL ASSETS.....	\$ 178,531	\$ 118,756	\$ 260	\$ 297,547
	-----	-----	-----	-----

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED BALANCE SHEET -- (CONTINUED)
(IN MILLIONS)

	AT JUNE 30, 1995			
	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	----- (A, P) -----	-----
LIABILITIES				
Deposits:				
Domestic Noninterest-Bearing.....	\$ 21,387	\$ 11,293	\$ --	\$ 32,680
Domestic Interest-Bearing.....	45,860	20,897	--	66,757
Foreign.....	27,642	36,092	--	63,734
	-----	-----	-----	-----
Total Deposits	94,889	68,282	--	163,171
Federal Funds Purchased and Securities Sold				
Under Repurchase Agreements.....	23,557	12,519	--	36,076
Other Borrowed Funds.....	15,780	4,060	(6,930)(e)	12,910
Acceptances Outstanding.....	1,162	967	--	2,129
Trading Liabilities.....	20,353	11,787	6,930(e)	39,070
Accounts Payable, Accrued Expenses and Other Liabilities.....	4,208	7,004	146(f) 925(g) (40)(q)	12,243
Long-Term Debt.....	7,202	5,568	--	12,770
	-----	-----	-----	-----
TOTAL LIABILITIES	167,151	110,187	1,031	278,369
STOCKHOLDERS' EQUITY				
Preferred Stock.....	1,250	1,400	--	2,650
Common Stock.....	255	374	(199)(h) 13(j)	443
Capital Surplus.....	6,476	3,982	(111)(h) 351(j)	10,698
Retained Earnings.....	3,826	3,309	(146)(f) (925)(g) (179)(h) (64)(q)	5,821
Net Unrealized Loss on Securities				
Available-for-Sale, Net of Taxes.....	(216)	(7)	--	(223)
Treasury Stock, at Cost.....	(211)	(489)	489(h)	(211)
	-----	-----	-----	-----
TOTAL STOCKHOLDERS' EQUITY	11,380	8,569	(771)	19,178
	-----	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY ...	\$ 178,531	\$ 118,756	\$ 260	\$ 297,547
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See Notes to Unaudited Pro Forma Combined Financial Statements

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
(IN MILLIONS, EXCEPT PER SHARE DATA)

The following unaudited Pro Forma Combined Statements of Income combine the Consolidated Statements of Income of Chemical and Chase giving effect to the Merger, which will be accounted for as a pooling of interests, as if the Merger had been effective as of the beginning of the periods indicated after giving effect to the pro forma adjustments described in the Notes to the Pro Forma Combined Financial Statements. This information should be read in conjunction with the historical consolidated financial statements of Chase incorporated by reference herein and the historical consolidated financial statements of Chemical included in its 1994 Form 10-K and its June Form 10-Q. The effect of the estimated \$1.5 billion restructuring charge (\$925 million net of tax) expected to be taken in connection with the Merger has been reflected in the pro forma combined balance sheet; however, since the proposed restructuring charge is nonrecurring, it has not been reflected in the pro forma combined statement of income. The pro forma financial data do not give effect to the anticipated cost savings in connection with the Merger. The pro forma financial data are not necessarily indicative of the results that actually would have occurred had the Merger been consummated on the dates indicated or that may be obtained in the future.

FOR THE SIX MONTHS ENDED JUNE 30, 1995

	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	----- (A, P) -----	-----
INTEREST INCOME				
Loans.....	\$3,431	\$2,883	\$ 26(c)	\$6,340
Securities.....	1,018	242	(26)(c)	1,234
Trading Assets.....	404	212	--	616
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	431	519	--	950
Deposits With Banks.....	149	294	--	443
	-----	-----	---	-----
Total Interest Income.....	5,433	4,150	--	9,583
	-----	-----	---	-----
INTEREST EXPENSE				
Deposits.....	1,782	1,314	--	3,096
Short-term and Other Borrowings.....	1,055	875	--	1,930
Long-Term Debt.....	278	194	--	472
	-----	-----	---	-----
Total Interest Expense.....	3,115	2,383	--	5,498
	-----	-----	---	-----
NET INTEREST INCOME.....	2,318	1,767	--	4,085
Provision for Credit Losses.....	240	140	--	380
	-----	-----	---	-----
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	2,078	1,627	--	3,705
NONINTEREST REVENUE				
Trust and Investment Management Fees.....	188	262	--	450
Corporate Finance and Syndication Fees.....	248	145	--	393
Service Charges on Deposit Accounts.....	150	--	61(k)	211
Fees for Other Financial Services.....	584	545	(61)(k)	1,068
Trading Revenue.....	227	179	--	406
Securities Gains.....	51	26	(23)(c)	54
Other Revenue.....	383	265	23(c)	671
	-----	-----	---	-----
Total Noninterest Revenue.....	1,831	1,422	--	3,253
	-----	-----	---	-----

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

FOR THE SIX MONTHS ENDED JUNE 30, 1995

	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS (A, P)	PRO FORMA COMBINED
NONINTEREST EXPENSE				
Salaries.....	1,103	904	(3)(1)	2,004
Employee Benefits.....	224	291	(7)(f)	508
Occupancy Expense.....	264	182	--	446
Equipment Expense.....	198	168	25(q)	391
Foreclosed Property Expense.....	(21)	--	(32)(m)	(53)
Restructuring Charge.....	--	--	15(1)	15
Other Expense.....	726	637	(12)(1) 32(m)	1,383
	-----	-----	---	-----
Total Noninterest Expense.....	2,494	2,182	18	4,694
	-----	-----	---	-----
Income Before Income Tax Expense and Effect of Accounting Changes.....	1,415	867	(18)	2,264
Income Tax Expense.....	566	326	(7)	885
	-----	-----	---	-----
INCOME BEFORE EFFECT OF ACCOUNTING CHANGES.....	\$ 849	\$ 541	\$(11)	\$1,379
	-----	-----	---	-----
Income Applicable to Common Stock.....	\$ 793	\$ 480	\$(11)	\$1,262
	-----	-----	---	-----
Income Per Share (Before Accounting Changes):				
Primary.....	\$ 3.21	\$ 2.67		\$ 2.91
Assuming Full Dilution.....	\$ 3.12	\$ 2.64		\$ 2.85
Average Common Shares Outstanding:				
Primary.....	246.8	179.5		433.5(h)
Assuming Full Dilution.....	255.8	181.6		444.7(h)

See Notes to Unaudited Pro Forma Combined Financial Statements

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

	FOR THE SIX MONTHS ENDED JUNE 30, 1994			
	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	-----	-----
			(A, P)	
INTEREST INCOME				
Loans.....	\$2,682	\$2,677	\$ 27(c)	\$ 5,386
Securities.....	848	426	(27)(c)	1,247
Trading Assets.....	364	211	--	575
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	221	815	--	1,036
Deposits With Banks.....	194	257	--	451
Total Interest Income.....	4,309	4,386	--	8,695
INTEREST EXPENSE				
Deposits.....	1,063	1,178	--	2,241
Short-Term and Other Borrowings.....	651	1,186	--	1,837
Long-Term Debt.....	267	153	--	420
Total Interest Expense.....	1,981	2,517	--	4,498
NET INTEREST INCOME.....	2,328	1,869	--	4,197
Provision for Credit Losses.....	365	310	--	675
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	1,963	1,559	--	3,522
NONINTEREST REVENUE				
Trust and Investment Management Fees.....	218	282	--	500
Corporate Finance and Syndication Fees.....	175	115	--	290
Service Charges on Deposit Accounts.....	144	--	54(k)	198
Fees for Other Financial Services.....	569	529	(54)(k)	1,044
Trading Revenue.....	388	331	--	719
Securities Gains.....	59	80	(79)(c)	60
Other Revenue.....	245	318	79(c)	642
Total Noninterest Revenue.....	1,798	1,655	--	3,453
NONINTEREST EXPENSE				
Salaries.....	1,060	833	--	1,893
Employee Benefits.....	221	247	(7)(f)	461
Occupancy Expense.....	286	199	--	485
Equipment Expense.....	175	145	13(q)	333
Foreclosed Property Expense.....	37	--	60(m)	97
Restructuring Charge.....	48	--	--	48
Other Expense.....	778	707	(60)(m)	1,425
Total Noninterest Expense.....	2,605	2,131	6	4,742
Income Before Income Tax Expense.....	1,156	1,083	(6)	2,233
Income Tax Expense.....	480	412	(2)	890
NET INCOME.....	\$ 676	\$ 671	\$ (4)	\$ 1,343
Income Applicable to Common Stock.....	\$ 611	\$ 606	\$ (4)	\$ 1,213
Income Per Share:				
Primary.....	\$ 2.39	\$ 3.27		\$ 2.71
Assuming Full Dilution.....	\$ 2.36	\$ 3.24		\$ 2.67
Average Common Shares Outstanding:				
Primary.....	255.2	185.6		448.2(h)
Assuming Full Dilution.....	263.0	187.3		457.8(h)

See Notes to Unaudited Pro Forma Combined Financial Statements

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

FOR THE YEAR ENDED DECEMBER 31, 1994

	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
			(A, P)	
INTEREST INCOME				
Loans.....	\$5,730	\$5,270	\$ 55(c)	\$11,055
Securities.....	1,715	669	(55)(c)	2,329
Trading Assets.....	722	420	--	1,142
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	550	1,277	--	1,827
Deposits With Banks.....	371	498	--	869
Total Interest Income.....	9,088	8,134	--	17,222
INTEREST EXPENSE				
Deposits.....	2,378	2,326	--	4,704
Short-Term and Other Borrowings.....	1,500	1,807	--	3,307
Long-Term Debt.....	536	312	--	848
Total Interest Expense.....	4,414	4,445	--	8,859
NET INTEREST INCOME.....	4,674	3,689	--	8,363
Provision for Credit Losses.....	550	500	--	1,050
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	4,124	3,189	--	7,313
NONINTEREST REVENUE				
Trust and Investment Management Fees.....	421	567	--	988
Corporate Finance and Syndication Fees.....	405	233	--	638
Service Charges on Deposit Accounts.....	300	--	108(k)	408
Fees for Other Financial Services.....	1,148	1,076	(108)(k)	2,116
Trading Revenue.....	645	551	--	1,196
Securities Gains.....	66	105	(106)(c)	65
Other Revenue.....	612	521	106(c)	1,239
Total Noninterest Revenue.....	3,597	3,053	--	6,650
NONINTEREST EXPENSE				
Salaries.....	2,205	1,773	--	3,978
Employee Benefits.....	439	649	(145)(l) (14)(f)	929
Occupancy Expense.....	573	395	--	968
Equipment Expense.....	382	307	35(q)	724
Foreclosed Property Expense.....	41	--	9(m)	50
Restructuring Charge.....	308	--	157(l)	465
Other Expense.....	1,561	1,348	(12)(l) (9)(m)	2,888
Total Noninterest Expense.....	5,509	4,472	21	10,002
Income Before Income Tax Expense.....	2,212	1,770	(21)	3,961
Income Tax Expense.....	918	565	(8)	1,475
NET INCOME.....	\$1,294	\$1,205	\$ (13)	\$ 2,486
Income Applicable to Common Stock.....	\$1,156	\$1,078	\$ (13)	\$ 2,221
Income Per Share:				
Primary.....	\$ 4.60	\$ 5.87		\$ 5.02
Assuming Full Dilution.....	\$ 4.54	\$ 5.84		\$ 4.97
Average Common Shares Outstanding:				
Primary.....	251.3	183.6		442.2(h)
Assuming Full Dilution.....	258.9	184.6		450.9(h)

See Notes to Unaudited Pro Forma Combined Financial Statements

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

	FOR THE YEAR ENDED DECEMBER 31, 1993			
	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS (A, P)	PRO FORMA COMBINED
INTEREST INCOME				
Loans.....	\$5,620	\$5,795	\$(163)(n)	\$ 11,252
Securities.....	1,727	685	--	2,412
Trading Assets.....	449	242	--	691
Federal Funds Sold and Securities Purchased Under Resale Agreements.....	339	1,029	--	1,368
Deposits With Banks.....	268	717	--	985
Total Interest Income.....	8,403	8,468	(163)	16,708
INTEREST EXPENSE				
Deposits.....	2,241	2,014	--	4,255
Short-Term and Other Borrowings.....	992	2,100	--	3,092
Long-Term Debt.....	534	491	--	1,025
Total Interest Expense.....	3,767	4,605	--	8,372
NET INTEREST INCOME.....	4,636	3,863	(163)	8,336
Provision for Credit Losses.....	1,259	995	--	2,254
Provision for Loans Held for Accelerated Disposition.....	--	566	--	566
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES AND PROVISION FOR LOANS HELD FOR ACCELERATED DEPOSITION.....	3,377	2,302	(163)	5,516
NONINTEREST REVENUE				
Trust and Investment Management Fees.....	406	465	--	871
Corporate Finance and Syndication Fees.....	338	194	--	532
Service Charges on Deposit Accounts.....	288	--	109(k)	397
Fees for Other Financial Services.....	1,067	903	(109)(k) 147(o)	2,008
Trading Revenue.....	1,073	716	--	1,789
Securities Gains.....	142	47	--	189
Other Revenue.....	710	624	163(n) (147)(o)	1,350
Total Noninterest Revenue.....	4,024	2,949	163	7,136
NONINTEREST EXPENSE				
Salaries.....	2,070	1,590	--	3,660
Employee Benefits.....	396	487	(14)(f)	869
Occupancy Expense.....	587	404	--	991
Equipment Expense.....	337	298	29(q)	664
Foreclosed Property Expense.....	287	--	222(m)	509
Provision for Other Real Estate Held for Accelerated Disposition.....	--	318	--	318
Restructuring Charge.....	158	--	45(l)	203
Other Expense.....	1,458	1,423	(45)(l) (222)(m)	2,614
Total Noninterest Expense.....	5,293	4,520	15	9,828
Income Before Income Tax Expense and Effect of Accounting Changes.....	2,108	731	(15)	2,824
Income Tax Expense.....	539	265	(6)	798
INCOME BEFORE EFFECT OF ACCOUNTING CHANGES.....	\$1,569	\$ 466	\$ (9)	\$ 2,026
Income Applicable to Common Stock.....	\$1,414	\$ 326	\$ (9)	\$ 1,731
Income Per Share (Before Accounting Changes):				
Primary.....	\$ 5.57	\$ 1.89		\$ 4.00
Assuming Full Dilution.....	\$ 5.48	\$ 1.88		\$ 3.96
Average Common Shares Outstanding:				
Primary.....	253.9	172.3		433.1(h)
Assuming Full Dilution.....	261.6	173.2		441.7(h)

CHEMICAL BANKING CORPORATION
AND THE CHASE MANHATTAN CORPORATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

FOR THE YEAR ENDED DECEMBER 31, 1992

	CHEMICAL HISTORICAL	CHASE HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
			(A, P)	
INTEREST INCOME				
Loans.....	\$6,353	\$6,280	\$ --	\$12,633
Securities.....	1,753	579	--	2,332
Trading Assets.....	419	316	--	735
Federal Funds Sold and Securities Purchased				
Under Resale Agreements.....	349	771	--	1,120
Deposits With Banks.....	274	759	--	1,033
Total Interest Income.....	9,148	8,705	--	17,853
INTEREST EXPENSE				
Deposits.....	2,868	2,935	--	5,803
Short-Term and Other Borrowings.....	1,228	1,577	--	2,805
Long-Term Debt.....	454	629	--	1,083
Total Interest Expense.....	4,550	5,141	--	9,691
NET INTEREST INCOME.....	4,598	3,564	--	8,162
Provision for Credit Losses.....	1,365	1,220	--	2,585
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	3,233	2,344	--	5,577
NONINTEREST REVENUE				
Trust and Investment Management Fees.....	361	407	--	768
Corporate Finance and Syndication Fees.....	265	200	--	465
Service Charges on Deposit Accounts.....	264	--	102(k)	366
Fees for Other Financial Services.....	1,040	975	(102)(k) 41(o)	1,954
Trading Revenue.....	853	468	--	1,321
Securities Gains.....	53	13	--	66
Other Revenue.....	190	286	(41)(o)	435
Total Noninterest Revenue.....	3,026	2,349	--	5,375
NONINTEREST EXPENSE				
Salaries.....	1,977	1,505	--	3,482
Employee Benefits.....	372	411	--	783
Occupancy Expense.....	566	383	--	949
Equipment Expense.....	316	285	3(q)	604
Foreclosed Property Expense.....	283	--	130(m)	413
Other Expense.....	1,416	1,284	(130)(m)	2,570
Total Noninterest Expense.....	4,930	3,868	3	8,801
Income Before Income Tax Expense.....	1,329	825	(3)	2,151
Income Tax Expense.....	243	186	(1)	428
NET INCOME.....	\$1,086	\$ 639	\$ (2)	\$ 1,723
Income Applicable to Common Stock.....	\$ 936	\$ 515	\$ (2)	\$ 1,449
Income Per Share:				
Primary.....	\$ 3.85	\$ 3.46		\$ 3.65
Assuming Full Dilution.....	\$ 3.81	\$ 3.41		\$ 3.61
Average Common Shares Outstanding:				
Primary.....	242.9	148.7		397.5(h)
Assuming Full Dilution.....	251.6	150.6		408.2(h)

See Notes to Unaudited Pro Forma Combined Financial Statements

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

- (a) Chemical and Chase are in the process of reviewing their accounting policies and as a result of this review, it may be necessary to restate either Chemical's or Chase's financial statements to conform to those accounting policies that are determined to be most appropriate by the Surviving Corporation. While some restatements of prior periods have been included in the pro forma combined financial statements, further restatements may be necessary upon the completion of this review process.
- (b) Chemical and Chase intend to review their combined securities portfolio to determine the classification of such securities as either available-for-sale or held-to-maturity in connection with the combined company's anticipated interest rate risk position. As a result of this review, certain reclassifications of the combined company's securities might take place. No such adjustments have been made to existing securities classifications in the pro forma condensed combined balance sheet. Any such reclassifications will be accounted for in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."
- (c) Chase's historical financial data includes within available-for-sale securities certain securities issued by foreign governments (such as Mexico) to financial institutions as part of a debt renegotiation (i.e., "Brady Bonds"). To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect such securities as a component of loans. Both Chemical and Chase have accounted for Brady Bonds in accordance with the provisions of SFAS 115.

Chase's historical financial data reflect sales of Brady Bonds as a component of securities gains and interest income from Brady Bonds as a component of interest income from securities. To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect sales of Brady Bonds as a component of other revenue and interest income from Brady Bonds as a component of interest income from loans.

- (d) Chase's historical financial data reflect assets acquired as loan satisfactions as a component of other assets. Effective January 1, 1995, Chase adopted SFAS 114, "Accounting by Creditors for Impairment of a Loan," and prospectively classified in substance foreclosures (ISF's) as nonperforming loans (the ISF balance as of the January 1, 1995 adoption remained in other assets). To conform to Chemical's classification, Chase's June 30, 1995 historical financial data have been reclassified on a pro forma basis to reflect the remaining \$173 million balance of ISF's as nonperforming loans. To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect assets acquired as loan satisfactions (excluding ISF's) as a separate balance sheet caption.
- (e) Chemical's historical financial data reflect securities sold but not yet purchased as a component of other borrowed funds. To conform to Chase's classification, Chemical's historical financial data have been reclassified on a pro forma basis to reflect its securities sold but not yet purchased as a component of trading liabilities.
- (f) Chase elected at the time of its adoption of SFAS No. 106 (effective January 1, 1993) to amortize the transition liability for accumulated postretirement benefits over 20 years, while Chemical upon its adoption of SFAS No. 106 (effective January 1, 1993) elected to expense its entire transition liability. To conform with Chemical's adoption of SFAS No. 106, Chase's historical financial data have been adjusted on a pro forma basis to reverse the amortization of Chase's transition liability reflected as a component of OPEB expense under SFAS 106. Chase's transition liability of approximately \$270 million (\$167 million after-tax), net of the \$35 million (\$21 million after-tax) reversal of amortization expense, has been reflected in retained earnings on the pro forma consolidated balance sheet. Both the pre-tax and tax effect are included in the caption "Accounts Payable, Accrued Expenses and Other Liabilities" on the pro forma balance sheet.
- (g) In connection with the Merger, it is expected that a one-time restructuring charge of approximately \$1.5 billion (\$925 million after-tax) will be incurred at the time of the consummation of the Merger. The restructuring charge is the result of severance expenses to be incurred in connection with anticipated staff reductions, costs incurred in connection with planned office eliminations and other merger-related expenses, including costs to eliminate redundant back office and other operations of Chemical and Chase.

The restructuring charge is assumed to have the following components for the purpose of the pro forma financial statements:

(IN MILLIONS)	
Severance.....	\$ 550
Real Estate Costs.....	550
Other.....	400

	\$ 1,500

The effect of the proposed restructuring charge has been reflected in the pro forma combined balance sheet; however, since the proposed restructuring charge is nonrecurring, it has not been reflected in the pro forma combined statement of income. Both the pre-tax and tax effect are included in the caption "Accounts Payable, Accrued Expenses and Other Liabilities" on the pro forma balance sheet.

- (h) It is assumed that the Merger will be accounted for on a pooling of interests accounting basis and, accordingly, the related pro forma adjustments to the common stock, capital surplus and retained earnings accounts at June 30, 1995 reflect (i) an exchange of 188.4 million shares of Common Stock, par value \$1.00 per share, of Chemical ("Chemical Common Stock") (using the Exchange Ratio of 1.04) for the 174.5 million outstanding shares of Common Stock, par value \$2.00 per share, of Chase ("Chase Common Stock") at June 30, 1995 plus 6.6 million shares of Chase Common Stock issued to acquire the securities processing businesses of U.S. Trust Corporation (as discussed further in note (j) below); (ii) the exchange of each outstanding share of preferred stock of Chase into one share of preferred stock of Chemical; and (iii) the cancellation and retirement of all remaining shares of Chase Common Stock held in Chase's treasury.

For the income per share calculations, the pro forma combined average common shares outstanding (primary and assuming full dilution) reflects the exchange of Chemical Common Stock (using the Exchange Ratio of 1.04) for the outstanding shares of Chase Common Stock.

- (i) The pro forma financial information presented does not give effect to the planned net repurchase of up to a maximum of 9 million shares in the aggregate of Chemical Common Stock and Chase Common Stock (after giving effect to the issuance of shares by both Chemical and Chase subsequent to June 30, 1995, under various employee benefit plans) prior to the consummation of the Merger pursuant to their respective previously announced buyback programs.
- (j) On September 2, 1995, Chase acquired the securities processing businesses of U.S. Trust Corporation which will be merged into Chase and accounted for under the purchase method. Although when compared with Chase's historical financial statements, the securities processing businesses of U.S. Trust Corporation do not qualify as a "significant subsidiary", a pro forma adjustment has been made since Chase's investment in the securities processing businesses of U.S. Trust Corporation involved the issuance of 6.6 million shares of Chase Common Stock (which had a fair value on the date of issuance of \$364 million). The net assets acquired (which are largely intangible assets) are disclosed net in other assets on the pro forma combined balance sheet.

Chemical's disposition of approximately 60% of Chemical Bank New Jersey, National Association in the 1995 fourth quarter is not considered significant to the pro forma combined financial statements and, therefore, its impact is not included in these statements.

- (k) Chase's historical financial data reflect service charges on deposit accounts as a component of fees for other financial services. To conform to Chemical's classification, such charges have been reclassified under a separate caption.

- (l) Chase's historical financial statements reflect the components of restructuring charges within various noninterest expense categories. To conform to Chemical's classification, all such charges have been reclassified to restructuring charge. The following costs have been reclassified:

	SIX MONTHS ENDED JUNE 1995	FULL YEAR 1994	FULL YEAR 1993
	-----	-----	-----
	(IN MILLIONS)		
Salaries.....	\$ 3	\$ --	\$--
Employee Benefits.....	--	145	--
Other Expense.....	12	12	45
	---	----	---
Costs reclassified to Restructuring Charge...	\$15	\$ 157	\$45
	===	====	===

- (m) Chase's historical financial data reflect foreclosed property expense as a component of other expense. To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect foreclosed property expense as a separate income statement caption.
- (n) Chase's historical financial data reflect the sale of Brazilian and Argentine past due interest (PDI) bonds as a component of net interest income. To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect these bond sales as a component of other revenue.
- (o) Chase's historical financial data reflect accelerated mortgage servicing writedowns as a component of fees for other financial services. To conform to Chemical's classification, Chase's historical financial data have been reclassified on a pro forma basis to reflect such writedowns as a component of other revenue.
- (p) Transactions between Chemical and Chase are not material in relation to the pro forma combined financial statements and therefore intercompany balances have not been eliminated from the pro forma combined amounts.
- (q) Chase's historical financial data reflect the capitalization of computer software costs. To conform to Chemical's accounting policy, Chase's historical financial data have been adjusted on a pro forma basis to immediately recognize as expense those computer software costs that are capitalized.

The pro forma adjustment to the balance sheet reflects the unamortized capitalized computer software costs of \$104 million (\$64 million net of tax) as of June 30, 1995. The pro forma adjustment to the statement of income for each period reflects the net impact of (i) charging to expense computer software costs that were capitalized during each respective period less (ii) the elimination of the previously recorded amortization of capitalized computer software costs.

- (c) Exhibits

The following exhibits are filed with this report:

EXHIBIT NUMBER	DESCRIPTION
-----	-----
99	Report of Price Waterhouse LLP dated January 17, 1995

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.

CHEMICAL BANKING CORPORATION

By: /s/ JOHN B. WYNNE
 Name: John B. Wynne
 Title: Secretary

Dated: October 26, 1995.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE
99	Report of Price Waterhouse LLP dated January 17, 1995	18

REPORT OF INDEPENDENT ACCOUNTANTS

Price Waterhouse LLP
1177 Avenue of the Americas
New York, New York 10036

To the Board of Directors and
Stockholders of The Chase Manhattan Corporation

In our opinion, the consolidated statement of condition of The Chase Manhattan Corporation and Subsidiaries and the related consolidated statements of income, of changes in stockholders' equity and of cash flows and the consolidated statement of condition of The Chase Manhattan Bank, N.A. and Subsidiaries appearing on pages 51 through 77 of the Annual Report on Form 10-K for the fiscal year ended December 31, 1994 of The Chase Manhattan Corporation, present fairly, in all material respects, the financial position of The Chase Manhattan Corporation and Subsidiaries at December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 and the financial position of The Chase Manhattan Bank, N.A. and Subsidiaries at December 31, 1994 and 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the management of The Chase Manhattan Corporation and The Chase Manhattan Bank, N.A.; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes 1, 10 and 11 to the consolidated financial statements, The Chase Manhattan Corporation and Subsidiaries changed their method of accounting for the offsetting of amounts related to certain derivative contracts in 1994, and their method of accounting for investments in debt and equity securities, postretirement benefit plans and income taxes in 1993.

/s/ PRICE WATERHOUSE LLP

January 17, 1995