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 JUNE 30, 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	832,389,214

NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK ON JULY 31, 1999.

FORM 10-Q INDEX

PART I - FINANCIAL INFORMATION		Page
Item 1	Financial Statements - The Chase Manhattan Corporation:	
	Consolidated Balance Sheet at June 30, 1999 and December 31, 1998.	3
	Consolidated Statement of Income for three and six months ended June 30, 1999 and June 30, 1998.	4
	Consolidated Statement of Changes in Stockholders' Equity for the six months ended June 30, 1999 and June 30, 1998.	5
	Consolidated Statement of Cash Flows for the six months ended June 30, 1999 and June 30, 1998.	6
	Notes to Consolidated Financial Statements.	7-11
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations.	12-39
	Glossary of Terms.	40
PART II - OTHER INFORMATION		
Item 1	Legal Proceedings.	41
Item 2	Sales of Unregistered Common Stock.	41
Item 4	Submission of Matters to a Vote of Security Holders	42
Item 6	Exhibits and Reports on Form 8-K.	43

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED BALANCE SHEET
(IN MILLIONS, EXCEPT SHARE DATA)

	JUNE 30, 1999	December 31, 1998
ASSETS		
Cash and Due from Banks	$ 16,037	$ 17,068
Deposits with Banks	5,851	7,212
Federal Funds Sold and Securities Purchased Under Resale Agreements	28,052	18,487
Trading Assets:		
Debt and Equity Instruments	26,232	24,844
Risk Management Instruments	25,115	32,848
Securities:		
Available-for-Sale	48,098	62,803
Held-to-Maturity (Market Value: $1,093 at June 30, 1999 and $1,703 at December 31, 1998)	1,092	1,687
Loans (Net of Allowance for Loan Losses of $3,554 in 1999 and $3,552 in 1998)	171,487	169,202
Premises and Equipment	4,185	4,055
Due from Customers on Acceptances	914	1,223
Accrued Interest Receivable	2,103	2,316
Other Assets	27,702	24,130
TOTAL ASSETS	$ 356,868	$ 365,875
LIABILITIES		
Deposits:		
Domestic:		
Noninterest-Bearing	$ 49,874	$ 47,541
Interest-Bearing	81,068	85,886
Foreign:		
Noninterest-Bearing	4,645	4,082
Interest-Bearing	73,915	74,928
Total Deposits	209,502	212,437
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	40,899	41,632
Commercial Paper	5,047	7,788
Other Borrowed Funds	6,613	7,239
Acceptances Outstanding	914	1,223
Trading Liabilities	36,835	38,502
Accounts Payable, Accrued Expenses and Other Liabilities, Including the Allowance for Credit Losses of $170 in 1999 and 1998	14,231	14,291
Long-Term Debt	17,031	16,187
Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures	2,538	2,188
TOTAL LIABILITIES	333,610	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 881,860,876 Shares at June 30, 1999 and 881,688,611 Shares at December 31, 1998)	882	882
Capital Surplus	9,628	9,836
Retained Earnings	15,381	13,544
Accumulated Other Comprehensive Income (Loss)	(722)	392
Treasury Stock, at Cost (49,397,932 Shares at June 30, 1999 and 33,703,249 Shares at December 31, 1998)	(3,489)	(1,844)
TOTAL STOCKHOLDERS' EQUITY	22,708	23,838
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	$ 356,868	$ 365,875

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

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(IN MILLIONS, EXCEPT PER SHARE DATA)

	SECOND QUARTER		SIX MONTHS	
	1999	1998	1999	1998
INTEREST INCOME				
Loans	$ 3,165	$ 3,316	$ 6,374	$ 6,721
Securities	747	889	1,582	1,778
Trading Assets	411	716	829	1,392
Federal Funds Sold and Securities Purchased Under Resale Agreements	389	554	770	1,225
Deposits with Banks	161	148	345	300
Total Interest Income	4,873	5,623	9,900	11,416
INTEREST EXPENSE				
Deposits	1,558	1,784	3,156	3,599
Short-Term and Other Borrowings	851	1,478	1,765	2,987
Long-Term Debt	319	325	630	630
Total Interest Expense	2,728	3,587	5,551	7,216
NET INTEREST INCOME	2,145	2,036	4,349	4,200
Provision for Loan Losses	388	328	769	660
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,757	1,708	3,580	3,540
NONINTEREST REVENUE				
Investment Banking Fees	585	438	902	799
Trust, Custody and Investment Management Fees	461	383	875	731
Credit Card Revenue	438	365	817	665
Fees for Other Financial Services	587	509	1,140	1,019
Trading Revenue	526	323	1,144	791
Securities Gains	5	98	161	181
Private Equity Gains	513	370	838	663
Other Revenue	356	233	534	329
Total Noninterest Revenue	3,471	2,719	6,411	5,178
NONINTEREST EXPENSE				
Salaries	1,416	1,270	2,800	2,524
Employee Benefits	238	215	493	439
Occupancy Expense	206	191	424	380
Equipment Expense	239	212	482	421
Restructuring Costs	--	8	--	529
Other Expense	969	826	1,814	1,570
Total Noninterest Expense	3,068	2,722	6,013	5,863
INCOME BEFORE INCOME TAX EXPENSE	2,160	1,705	3,978	2,855
Income Tax Expense	767	631	1,412	1,056
NET INCOME	$ 1,393	$ 1,074	$ 2,566	$ 1,799
NET INCOME APPLICABLE TO COMMON STOCK	$ 1,375	$ 1,050	$ 2,530	$ 1,741
NET INCOME PER COMMON SHARE:				
Basic	$ 1.65	$ 1.24	$ 3.02	$ 2.06
Diluted	$ 1.60	$ 1.20	$ 2.92	$ 2.00

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

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30,
(IN MILLIONS)

	1999	1998
PREFERRED STOCK		
Balance at Beginning of Year	$ 1,028	$ 1,740
Issuance of Stock	--	200
Redemption of Stock	--	(772)
Balance at End of Period	$ 1,028	$ 1,168
COMMON STOCK		
Balance at Beginning of Year	$ 882	$ 441
Issuance of Common Stock for a Two-for-One Stock Split	--	441
Balance at End of Period	$ 882	$ 882
CAPITAL SURPLUS		
Balance at Beginning of Year	$ 9,836	$ 10,360
Issuance of Common Stock for a Two-for-One Split	--	(441)
Shares Issued and Commitments to Issue Common Stock for Employee Stock-Based Awards and Related Tax Effects	(208)	(181)
Balance at End of Period	$ 9,628	$ 9,738
RETAINED EARNINGS		
Balance at Beginning of Year	$ 13,544	$ 11,086
Net Income	2,566	1,799
Cash Dividends Declared:		
Preferred Stock	(36)	(58)
Common Stock	(693)	(616)
Balance at End of Period	$ 15,381	$ 12,211
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance at Beginning of Year	$ 392	$ 112
Other Comprehensive Income (Loss)	(1,114)	1
Balance at End of Period	$ (722)	$ 113
COMMON STOCK IN TREASURY, AT COST		
Balance at Beginning of Year	$ (1,844)	$ (1,997)
Purchase of Treasury Stock	(3,057)	(268)
Reissuance of Treasury Stock	1,412	763
Balance at End of Period	$ (3,489)	$ (1,502)
TOTAL STOCKHOLDERS' EQUITY	$ 22,708	$ 22,610
COMPREHENSIVE INCOME		
Net Income	$ 2,566	$ 1,799
Other Comprehensive Income (Loss)	(1,114)	1
Comprehensive Income	$ 1,452	$ 1,800

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

THE CHASE MANHATTAN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(IN MILLIONS)

	1999	1998
OPERATING ACTIVITIES		
Net Income	$ 2,566	$ 1,799
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Provision for Loan Losses	769	660
Restructuring Costs	--	529
Depreciation and Amortization	692	558
Net Change In:		
Trading-Related Assets	6,592	756
Accrued Interest Receivable	213	492
Other Assets	(3,559)	(2,854)
Trading-Related Liabilities	(1,340)	(6,202)
Accrued Interest Payable	(285)	16
Other Liabilities	774	1,568
Other, Net	(63)	(897)
Net Cash Provided (Used) by Operating Activities	6,359	(3,575)
INVESTING ACTIVITIES		
Net Change In:		
Deposits with Banks	1,361	(3,084)
Federal Funds Sold and Securities Purchased Under Resale Agreements	(15,066)	894
Loans Due to Sales and Securitizations	23,528	21,787
Other Loans, Net	(27,250)	(22,735)
Other, Net	(46)	208
Proceeds from the Maturity of Held-to-Maturity Securities	595	706
Purchases of Held-to-Maturity Securities	--	(54)
Proceeds from the Maturity of Available-for-Sale Securities	4,937	12,727
Proceeds from the Sale of Available-for-Sale Securities	59,120	78,887
Purchases of Available-for-Sale Securities	(51,517)	(94,334)
Proceeds from Sales of Nonstrategic Assets	182	--
Cash Used in Acquisitions	(52)	(254)
Net Cash (Used) by Investing Activities	(4,208)	(5,252)
FINANCING ACTIVITIES		
Net Change In:		
Noninterest-Bearing Domestic Demand Deposits	2,333	1,363
Domestic Time and Savings Deposits	(4,818)	3,842
Foreign Deposits	(450)	8,198
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	4,768	(5,548)
Other Borrowed Funds	(3,367)	1,048
Other, Net	(340)	(461)
Proceeds from the Issuance of Long-Term Debt and Capital Securities	3,260	2,257
Maturity and Redemption of Long-Term Debt	(2,035)	(994)
Proceeds from the Issuance of Stock	1,204	782
Redemption of Preferred Stock	--	(772)
Treasury Stock Purchased	(3,057)	(268)
Cash Dividends Paid	(688)	(625)
Net Cash Provided (Used) by Financing Activities	(3,190)	8,822
Effect of Exchange Rate Changes on Cash and Due from Banks	8	(8)
Net (Decrease) in Cash and Due from Banks	(1,031)	(13)
Cash and Due from Banks at January 1,	17,068	15,704
Cash and Due from Banks at June 30,	$ 16,037	$ 15,691
Cash Interest Paid	$ 5,836	$ 7,200
Taxes Paid	$ 290	$ 822

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

See Glossary of Terms on page 40 for definition of terms used throughout the Notes to Consolidated Financial Statements.

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.

The provision for risk management instrument credit losses, previously included in credit costs, is now netted against trading revenue. All prior periods have been restated.

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 ("AFS") securities sold in the second quarter of 1999 amounted to $5 million (gross gains of $73 million and gross losses of $68 million) and for the first six months of 1999 amounted to $161 million (gross gains of $284 million and gross losses of $123 million). Net gains on sales of these types of securities for the same periods in 1998 amounted to $98 million (gross gains of $144 million and gross losses of $46 million), and $181 million (gross gains of $278 million and gross losses of $97 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:

	JUNE 30, 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	$27,451	$26,541	$42,916	$42,994
CMOs & U.S. Treasuries	11,302	10,794	9,104	9,376
Debt Securities Issued by Foreign Governments	8,898	8,795	8,176	8,226
Corporate Debt and Equity Securities	989	1,210	1,093	1,313
Other, primarily Asset-Backed Securities (b)	727	758	854	894
Total Available-for-Sale Securities (c)	$49,367	$48,098	$62,143	$62,803
HELD-TO-MATURITY SECURITIES (d)	$ 1,092	$ 1,093	$ 1,687	$ 1,703

(a) Gross unrealized gains and losses on available-for-sale securities were $829 million and $2,098 million, respectively, at June 30, 1999 and $771 million and $111 million, respectively, at December 31, 1998. Gross unrealized gains and losses on held-to-maturity securities were $4 million and $3 million, respectively, at June 30, 1999 and $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 and obligations of State and Political Subdivisions.

(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 $306 million and $276 million, respectively, at June 30, 1999. This compares with $623 million and $569 million, respectively, at December 31, 1998.

(d) Primarily U.S. Government and Federal Agency/Corporation Obligations.

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

For a discussion of Chase's wholly owned business trusts, see page 57 of Chase's 1998 Annual Report.

At June 30, 1999, seven separate wholly-owned Delaware statutory business trusts established by Chase had issued an aggregate $2,538 million in capital securities, net of discount. During the 1999 second quarter, Chase Capital VII Trust issued $350 million of capital securities having a stated maturity of May 15, 2029 and bearing an interest rate of 7.00%, payable quarterly commencing on July 31, 1999. There were no issuances or redemptions of capital securities in the first quarter of 1999.

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 June 30, 1999, the reserve balance was $261 million, of which $154 million related to staff reductions, $95 million related to dispositions of certain premises and equipment and $12 million related to other expenses. Chase expects that the remaining reserve related to staff reductions will be largely used during the next six to nine months.

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.

For Six Months Ended June 30,
(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	--	(1,114)(a)	(1,114)	--	1	1
Ending Balance	$ 17	$ (739)(b)	$ (722)	$ 17	$ 96(b)	$ 113

(a) The increase in net unrealized loss on securities available-for-sale is due to the rise in interest rates during the 1999 first half.
(b) 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.

	JUNE 30, 1999			December 31, 1998		
(in millions)	CARRYING VALUE	ESTIMATED FAIR VALUE	APPRECIATION/ (DEPRECIATION)	Carrying Value	Estimated Fair Value	Appreciation/ (Depreciation)
Total Financial Assets	$ 342,296	$ 345,605	$ 3,309	$ 355,738	$ 358,559	$ 2,821
Total Financial Liabilities	$ 332,748	$ 332,555	193	$ 340,643	$ 340,519	124
Estimated Fair Value in Excess of Carrying Value			$ 3,502			$ 2,945

Derivative contracts used in connection with Chase's ALM activities had an unrecognized net loss of $492 million at June 30, 1999 and an unrecognized net gain of $110 million at December 31, 1998, both of which are included in the above amounts.

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 June 30, 1999, Chase and each of its depository institutions were "well capitalized" as defined by banking regulators.

JUNE 30, 1999 (in millions, except ratios)	Chase (a)	The Chase Manhattan Bank	Chase Texas	Chase USA
Tier 1 Capital(d)	$ 24,395	$ 18,496	$ 1,572	$ 2,707
Total Capital	35,006	26,484	2,231	3,876
Risk-Weighted Assets (b)	291,700	232,834	18,880	33,805
Adjusted Average Assets	359,195	284,170	21,993	34,813
Tier 1 Capital Ratio (b)(d)	8.36%	7.94%	8.33%	8.01%
Total Capital Ratio (b)(d)	12.00%	11.37%	11.82%	11.47%
Tier 1 Leverage Ratio (c)(d)	6.79%	6.51%	7.15%	7.78%

(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 $92,419 million, $84,763 million, $3,959 million and $2,254 million.
(c) Tier 1 capital divided by adjusted average assets (net of allowance for loan 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 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)	JUNE 30, 1999	December 31, 1998	JUNE 30, 1999	December 31, 1998
Interest Rate Contracts	$ 9,371.6	$ 8,171.9	$ 10.8	$ 13.0
Foreign Exchange Contracts	1,697.9	2,040.6	10.1	16.0
Debt, Equity, Commodity and Other Contracts	158.1	140.5	4.7	4.3
Total Credit Exposure Recorded on the Balance Sheet			$ 25.6	$ 33.3

(a) Includes notional amount relating to ALM activities totaling $263.0 billion at June 30, 1999, of which $248.8 billion relates to interest rate contracts and $14.2 billion relates to foreign exchange contracts. These amounts compare with $310.7 billion, $252.5 billion and $58.2 billion, respectively, at December 31, 1998.

NOTE 9 - COMMITMENTS AND CONTINGENCIES
For a discussion of legal proceedings, see Part II, Item 1 of this Form 10-Q.

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 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. For recent organizational changes to Chase's franchises, see page 18.

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 on an operating basis.

(in millions)	GLOBAL BANK	NATIONAL CONSUMER SERVICES	GLOBAL SERVICES	CORPORATE/ RECONCILING ITEMS (a)	TOTAL
FOR THREE MONTHS ENDED JUNE 30, 1999					
Operating Revenue (b)	$ 2,722	$ 2,209	$ 777	$ (12)	$ 5,696
Intersegment Revenue (b)	(27)	(6)	19	14	--
Operating Earnings	929	319	124	(21)	1,351
Cash Operating Earnings (c)	940	361	140	(14)	1,427
Average Managed Assets	240,536	114,989	15,437	7,774	378,736
SVA	491	144	47	14	696
For Three Months Ended June 30, 1998					
Operating Revenue (b)	$ 2,409	$ 1,998	$ 684	$ (50)	$ 5,041
Intersegment Revenue (b)	(11)	(1)	13	(1)	--
Operating Earnings	770	243	110	(44)	1,079
Cash Operating Earnings (c)	780	287	115	(39)	1,143
Average Managed Assets	265,840	106,471	12,764	7,199	392,274
SVA	341	68	49	(18)	440

(in millions)	GLOBAL BANK	NATIONAL CONSUMER SERVICES	GLOBAL SERVICES	CORPORATE/ RECONCILING ITEMS (a)	TOTAL
FOR SIX MONTHS ENDED JUNE 30, 1999					
Operating Revenue (b)	$ 5,296	$ 4,366	$ 1,505	$ (58)	$ 11,109
Intersegment Revenue (b)	(53)	(9)	38	24	--
Operating Earnings	1,765	624	221	(86)	2,524
Cash Operating Earnings (c)	1,787	707	252	(73)	2,673
Average Managed Assets	244,057	113,542	15,670	8,534	381,803
SVA	889	276	65	(33)	1,197
For Six Months Ended June 30, 1998					
Operating Revenue (b)	$ 4,768	$ 3,924	$ 1,351	$ (99)	$ 9,944
Intersegment Revenue (b)	(37)	(2)	32	7	--
Operating Earnings	1,527	486	221	(102)	2,132
Cash Operating Earnings (c)	1,548	571	231	(93)	2,257
Average Managed Assets	268,710	105,759	12,771	6,320	393,560
SVA	668	136	97	(33)	868

(a) Corporate/Reconciling Items includes Chase's Global Asset Management and Mutual Funds business and the effects remaining at the Corporate level after the implementation 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 the results of Chase's business franchises (segments), see Lines of Business Results in the MD&A on pages 13-18.

	SECOND QUARTER		SIX MONTHS	
	1999	1998	1999	1998
(in millions)				
SEGMENTS' CASH OPERATING EARNINGS	$ 1,441	$ 1,182	$ 2,746	$ 2,350
Corporate/Reconciling Items	(14)	(39)	(73)	(93)
CONSOLIDATED CASH OPERATING EARNINGS	1,427	1,143	2,673	2,257
Amortization of Goodwill and Certain Intangibles	(76)	(64)	(149)	(125)
CONSOLIDATED OPERATING EARNINGS	1,351	1,079	2,524	2,132
Special Items and Restructuring Costs	42	(5)	42	(333)
CONSOLIDATED NET INCOME	$ 1,393	$ 1,074	$ 2,566	$ 1,799

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

OVERVIEW

(in millions, except per share and ratio data)	Second Quarter 1999	Second Quarter 1998	Second Quarter Over(Under) 1998	For Six Months Ended June 30, 1999	For Six Months Ended June 30, 1998	For Six Months Ended June 30, Over(Under) 1998
OPERATING BASIS (a)						
Operating Revenue	$5,696	$5,041	13%	$11,109	$9,944	12%
Operating Earnings	1,351	1,079	25%	2,524	2,132	18%
Diluted Earnings Per Share	1.55	1.21	28%	2.87	2.38	21%
Shareholder Value Added	696	440	58%	1,197	868	38%
Cash Operating Earnings	1,427	1,143	25%	2,673	2,257	18%
Return on Average Common Equity	24.3%	20.2%	410bp	22.5%	20.3%	220bp
Efficiency Ratio	52	54	(200)bp	53	53	--
REPORTED BASIS						
Net Income	$1,393	$1,074	30%	$ 2,566	$1,799	43%
Diluted Earnings Per Share	1.60	1.20	33%	2.92	2.00	46%
Return on Average Common Equity	25.1%	20.1%	500bp	22.8%	17.0%	580bp

(a) Operating basis excludes the impact of credit card securitizations, restructuring costs and special items. For a further discussion, see Glossary of Terms on page 40.
bp - Denotes basis points; 100 bp equals 1%.

Chase's 1999 second quarter operating earnings of $1.35 billion, operating diluted earnings per share of $1.55 and return on equity of 24% were record results for Chase. Operating earnings and diluted earnings per share increased 25% and 28%, respectively, from the second quarter of 1998. For the first six months of 1999, operating earnings and diluted earnings per share rose 18% and 21%, respectively, from the first six months of 1998.

Reported diluted earnings per share were $1.60 in the 1999 second quarter, up 33% from the same period in 1998. For the first half of 1999, reported diluted earnings per share were $2.92, up 46% from the same prior year period. Reported net income in the 1999 second quarter increased 30% and for the first six months of 1999 increased 43% from the same 1998 periods.

Operating highlights for the second quarter of 1999 included:

- Operating revenues increased by 13%.
- Operating earnings per share rose 28%.
- Return on common stockholders' equity was 24% with Shareholder Value Added (SVA) up 58%.
- Common stock repurchases were $968 million, on a net basis, while the Tier 1 capital ratio of 8.4% remained above Chase's target.

The strong 1999 second quarter results were driven by Chase's growing business franchises and continued financial discipline and demonstrated Chase's continued strategic focus.

Business Franchises: Each of Chase's three business franchises, Global Banking, National Consumer Services and Global Services, posted double-digit revenue growth and more than 20% growth in cash operating earnings during the quarter. Chase's businesses continued to gain market share and improve its rankings in league tables. For the first half of 1999 in the U.S., Chase ranked #1 in loan syndications, #3 in both high yield and investment grade corporate debt securities, and #8 in merger and acquisition advisory. Market-sensitive revenues for the second quarter were exceptional, increasing 30% over the prior year. Chase anticipates that the financial markets in the 1999 fourth quarter may slow down, as corporations and customers prepare for the Year 2000 implementation.

Financial Discipline: Expense, credit and capital discipline also contributed to the results. Total operating noninterest expense for the second quarter was almost flat when compared to the 1999 first quarter, credit costs remained stable, and the capital discipline imposed by the Shareholder Value Added methodology ("SVA") enabled Chase to purchase $968 million of common stock on a net basis while maintaining the Tier 1 capital ratio at 8.4%.

Strategic Focus: Finally, the quarter demonstrated Chase's strategic focus: its commitment to use its resources to strengthen its competitive positions where it has leadership positions and, at the same time, exit businesses where this is not the case. During the 1999 second quarter, Chase established Chase.com to enable Chase to initiate and respond to opportunities on the internet; at the same time, Chase has completed or announced sales of non-strategic businesses in Beaumont, Texas, the Virgin Islands and selected upstate-New York retail markets.

Chase has targeted its financial performance goals over time as: average return on common equity of 18% or higher, growth in operating revenues accelerating to 10% per year and double-digit growth in operating earnings per share. These goals were achieved in the 1999 second quarter.

This Management's Discussion and Analysis contains certain forward-looking statements, including without limitation, statements related to credit, market, liquidity 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 40 for a definition of terms used throughout this Form 10-Q.

LINES OF BUSINESS RESULTS

For a description of the basis of presentation that management uses to measure and evaluate business unit profitability, see page 19 of the 1998 Annual Report.

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.

For Three Months Ended June 30, (in millions, except ratios)	GLOBAL BANK 1999	Over/ (Under) 1998		NATIONAL CONSUMER SERVICES 1999	Over/(Under) 1998	
Operating Revenue	$ 2,722	$ 313	13%	$ 2,209	$ 211	11%
Operating Earnings	929	159	21	319	76	31
Cash Operating Earnings (a)	940	160	21	361	74	26
Average Common Equity	13,543	427	3	6,542	(14)	--
Average Managed Assets	240,536	(25,304)	(10)	114,989	8,518	8
Shareholder Value Added	491	150	44	144	76	112
Cash Return on Common Equity	27.5%	--	410 bp	21.8%	--	470 bp
Cash Efficiency Ratio	43	--	(200)	49	--	(100)

For Three Months Ended June 30, (in millions, except ratios)	GLOBAL SERVICES 1999	Over/ (Under) 1998		TOTAL (b) 1999	Over/(Under) 1998	
Operating Revenue	$ 777	$ 93	14%	$ 5,696	$ 655	13%
Operating Earnings	124	14	13	1,351	272	25
Cash Operating Earnings (a)	140	25	22	1,427	284	25
Average Common Equity	2,782	807	41	21,986	1,032	5
Average Managed Assets	15,437	2,673	21	378,736	(13,538)	(3)
Shareholder Value Added	47	(2)	(4)	696	256	58
Cash Return on Common Equity	19.8%	--	(310) bp	25.7%	--	430 bp
Cash Efficiency Ratio	72	--	(100)	51	--	(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 18.

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

For Six Months Ended June 30, (in millions, except ratios)	GLOBAL BANK 1999	Over/ (Under) 1998		NATIONAL CONSUMER SERVICES 1999	Over/(Under) 1998	
Operating Revenue	$ 5,296	$ 528	11%	$ 4,366	$ 442	11%
Operating Earnings	1,765	238	16	624	138	28
Cash Operating Earnings (a)	1,787	239	15	707	136	24
Average Common Equity	13,604	475	4	6,525	37	1
Average Managed Assets	244,057	(24,653)	(9)	113,542	7,783	7
Shareholder Value Added	889	221	33	276	140	103
Cash Return on Common Equity	26.2%	--	290 bp	21.5%	--	430 bp
Cash Efficiency Ratio	44	--	(100)	49	--	(100)

For Six Months Ended June 30, (in millions, except ratios)	GLOBAL SERVICES 1999	Over/ (Under) 1998		TOTAL (b) 1999	Over/(Under) 1998	
Operating Revenue	$ 1,505	$ 154	11%	$ 11,109	$ 1,165	12%
Operating Earnings	221	--	--	2,524	392	18
Cash Operating Earnings (a)	252	21	9	2,673	416	18
Average Common Equity	2,823	832	42	22,337	1,685	8
Average Managed Assets	15,670	2,899	23	381,803	(11,757)	(3)
Shareholder Value Added	65	(32)	(33)	1,197	329	38
Cash Return on Common Equity	17.7%	--	(520) bp	23.8%	--	230 bp
Cash Efficiency Ratio	74	--	200	52	--	--

(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 18.

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 operating revenues rose $313 million (or 13%) and $528 million (or 11%) for the 1999 second quarter and six months, respectively. SVA increased by 44% to $491 million in the 1999 second quarter and by 33% to $889 million for the first six months of 1999. These favorable results were driven by strong trading-related revenue, investment banking fees and private equity gains, partially offset by lower securities gains.

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

	1999			Over(Under) 1998		
THREE MONTHS ENDED JUNE 30, (in millions, except ratios)	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH EFFICIENCY RATIO	Operating Revenues	Cash Operating Earnings	Cash Efficiency Ratio
Global Markets	$ 993	$ 333	48%	19%	37%	(500) bp
Global Investment Banking	467	128	57	18	22	200
Corporate Lending	375	123	33	(2)	-	300
Chase Capital Partners	454	267	8	32	33	(100)
Global Private Banking	221	42	68	--	(19)	800
Middle Markets	247	59	55	4	9	100
Other Global Bank	(35)	(12)	NM	NM	NM	NM
Total	$ 2,722	$ 940	43	13%	21%	(200) bp
SIX MONTHS ENDED JUNE 30, (in millions, except ratios)						
Global Markets	$ 2,262	$ 816	44%	25%	43%	(600) bp
Global Investment Banking	689	137	69	(8)	(28)	1,200
Corporate Lending	763	263	30	2	10	--
Chase Capital Partners	733	423	9	20	21	(100)
Global Private Banking	433	85	67	2	(10)	500
Middle Markets	481	111	56	1	2	200
Other Global Bank	(65)	(48)	NM	NM	NM	NM
Total	$ 5,296	$ 1,787	44%	11%	15%	(100) bp

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 trades 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.

Chase's trading-related revenues for the second quarter and first half of 1999 were $733 million (a 45% increase) and $1,570 million (a 32% increase), respectively. The results reflect strong performance in traditional products, including interest rate derivatives, and in newer products such as equity derivatives. The total return (pretax before expenses) from interest rate risk management activities amounted to $(11) million and $240 million for the second quarter and first half of 1999, respectively. The total return of $(11) million in the second quarter of 1999 was due to a rise in interest rates domestically and in Europe. The total return for the second quarter and first six months of 1998 was $92 million and $178 million, respectively.

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 arranger 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.

Cash operating earnings for Global Investment Banking rose 22% in the second quarter of 1999 to $128 million, when compared with the same quarter in 1998, reflecting continued growth in market share in mergers and acquisitions advisory, corporate bond underwriting, and loan syndications. For the first six months of 1999, cash operating earnings decreased by 28%, reflecting lower trading results on high yield securities throughout the first quarter of 1999.

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 the commercial loan portfolio for shareholder value rather than revenue growth. Revenues and cash operating earnings in the second quarter of 1999 remained flat when compared with the 1998 second quarter. For the first six months of 1999, revenues increased 2%, while cash operating earnings increased 10%, reflecting lower credit costs.

CHASE CAPITAL PARTNERS

Chase Capital Partners ("CCP") is one of the largest global private equity organizations with approximately $7.9 billion under management, including $5.2 billion in direct equity and equity-related investments and $1.5 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. During the first half of 1999, CCP's direct investments totaled approximately $900 million in 59 venture capital, management buyout, recapitalization, growth equity and mezzanine transactions, compared with approximately $870 million in 62 direct investments for the first half of 1998. Earnings reflected continued strength in the equity markets, a favorable environment for technology and internet initial public offerings (IPOs) (particularly in the second quarter of 1999), 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 for the second quarter and the first half of 1999 remained flat, when compared with the same 1998 periods. Double-digit revenue growth in the U.S. was offset by lower revenues in Europe and Asia as a result of a strategic change in the product mix offered by Chase in Europe and Asia. Revenues from managed investment products, including discretionary portfolio management, grew at double-digit rates for the 1999 first half. Cash operating earnings decreased 19% and 10% for the second quarter and first six months of 1999, respectively, from comparable 1998 periods, reflecting an increase in expenses due primarily to on-going technology and productivity initiatives.

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 increased slightly in the second quarter and first six months of 1999, compared with the respective 1998 periods reflecting lower credit costs.

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.

For the second quarter and first six months of 1999, NCS's cash operating earnings increased $74 million and $136 million, respectively, over the same 1998 periods. These increases in cash operating earnings are attributable to growth in origination and servicing volume of residential mortgages and auto loans, higher deposit and managed funds levels and higher fees and increased level of customer activity through Brown & Company, Chase's discount brokerage firm.

Management expects the rate of growth in NCS revenues for the second half of 1999 (in comparison to revenues in the second half of 1998) to be somewhat lower than the corresponding growth rate for the first half of 1999. This anticipated moderation in growth rate would be due, in part, to pricing initiatives in the latter part of 1998.

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

THREE MONTHS ENDED JUNE 30,	1999			Over(Under) 1998		
(in millions, except ratios)	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH EFFICIENCY RATIO	Operating Revenues	Cash Operating Earnings	Cash Efficiency Ratio
Chase Cardmember Services	$ 1,016	$ 132	35%	5%	15%	--
Regional Consumer Banking	593	101	70	9	19	(300) bp
Chase Home Finance	291	70	55	19	21	(100)
Diversified Consumer Services	292	54	50	35	145	(800)
Other NCS	17	4	NM	NM	NM	NM
Total	$ 2,209	$ 361	49%	11%	26%	(100) bp
SIX MONTHS ENDED JUNE 30, (in millions, except ratios)						
Chase Cardmember Services	$ 2,017	$ 250	35%	6%	10%	100bp
Regional Consumer Banking	1,167	200	70	8	22	(400)
Chase Home Finance	563	132	57	16	13	200
Diversified Consumer Services	582	112	49	36	143	(700)
Other NCS	37	13	NM	NM	NM	NM
Total	$ 4,366	$ 707	49%	11%	24%	(100) bp

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 primarily in Hong Kong. At June 30, 1999, CCS had a $33 billion managed world-wide credit card portfolio. CCS's cash operating earnings for the second quarter of 1999 were $132 million, a 15% increase over 1998. Cash operating earnings for the first six months of 1999 rose 10% to $250 million. The increases in cash operating earnings reflect higher card usage, pricing initiatives started in the 1998 second quarter, and improved credit quality. These favorable results were partially offset by higher marketing costs.

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 also has 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 telephone, PC and Internet services. For the second quarter and first six months of 1999, cash operating earnings increased 19% to $101 million and 22% to $200 million, respectively, compared with the same periods in 1998, benefiting from higher deposit and managed funds balances coupled with growth in consumer banking fees and strong expense discipline.

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 six months of 1999, $56 billion in residential first-mortgage loans, home-equity and manufactured housing financing were originated, a 56% increase over the same period last year. Chase Home Finance's servicing portfolio increased 33% over the past twelve months and totaled $245 billion at June 30, 1999. Cash operating earnings increased 21% to $70 million and 13% to $132 million for the second quarter and first half of 1999, respectively. The increases were fueled by growth in originations and servicing, partially offset by lower net interest income as a result of higher funding costs associated with the increase in servicing balances and 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 half of 1999, auto finance originations were strong, increasing 14% when compared to the same period in 1998. At June 30, 1999, Chase Auto Finance had $24 billion in managed receivables and $20 billion in balance sheet receivables. Increases in cash operating earnings of 145% and 143% for DCS in the second quarter and first half of 1999, respectively, were driven by the strong growth in auto finance and by higher revenues in Chase's investment and insurance businesses. Also included in revenues for the first half of 1999 were $49 million of gains on sales of student loans, which reflects a shift to a loan origination and sale strategy.

GLOBAL SERVICES

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 June 30, 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 second quarter and six months ended June 30, 1999, cash operating earnings for Global Services increased $25 million and $21 million, respectively, when compared with the same periods in 1998. Revenue growth was 14% in the second quarter and 11% for the first six months of 1999, driven by acquisitions completed in 1998 and internally generated growth in investor services and structured finance activities. These increases were offset partially by a decline in excess deposit balances in cash management services. Expenses for the first six months of 1999 were higher than the same period in 1998, reflecting ongoing investment spending and costs related to Year 2000 initiatives.

Management anticipates that results for Global Services for the 1999 third quarter will be generally consistent with that of the 1999 second quarter; however, the 1999 fourth quarter revenue growth rate (in comparison to the fourth quarter of 1998) might be lower than the corresponding revenue growth rate in the current quarter, as business transaction volume is expected to slow in light of customer concerns involving the Year 2000.

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 $213 billion at June 30, 1999. Corporate also includes the effects remaining at the Corporate level after the implementation of management accounting policies. For the second quarter and six months ended June 30, 1999, Corporate had a cash operating loss of $14 million and $73 million, respectively, compared with a cash operating loss of $39 million and $93 million for the same periods in 1998. Prior periods have been restated to reflect refinements in management reporting policies or changes to the management organization.

ORGANIZATIONAL CHANGES

In the 1999 second quarter, Chase announced a reorganization within each of its three major franchises. For example, the Middle Markets business will report into the National Consumer Services franchise. These changes will be reflected in the lines of business results for the 1999 third quarter.

In June 1999, Chase created a new organization called Chase.com. This organization will have direct management responsibility for new internet related ventures and for working with Chase's lines of businesses to capitalize on internet opportunities. The Chase.com organization has recently created an alliance with Shopnow.com, which will provide customers a convenient way to make internet purchases across the United States. Also, Chase.com has formed a joint venture with Wells Fargo & Company and First Union Corporation called "Spectrum EBP, LLC", which will permit the payment of bills electronically.

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 revenue components as market-sensitive 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 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. Charge-offs for risk management instruments, previously included in credit costs, are now netted against trading revenue. All prior periods have been restated.

(in millions, except per share data)

	SECOND QUARTER 1999				Second Quarter 1998			
Revenue:	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	Reported Results (a)	Credit Card (b)	Special Items (c)	Operating Basis
Market-Sensitive	$ 1,836	$ --	$ --	$ 1,836	$ 1,413	$ --	$ --	$ 1,413
Less-Market-Sensitive	3,780	246	(166)	3,860	3,342	286	--	3,628
Total Revenue	5,616	246	(166)	5,696	4,755	286	--	5,041
Noninterest Expense	3,065	--	(100)	2,965	2,712	--	--	2,712
Operating Margin	2,551	246	(66)	2,731	2,043	286	--	2,329
Credit Costs	391	246	--	637	330	286	--	616
Income Before Restructuring Costs	2,160	--	(66)	2,094	1,713	--	--	1,713
Restructuring Costs	--	--	--	--	8	--	(8)	--
Income Before Taxes	2,160	--	(66)	2,094	1,705	--	8	1,713
Tax Expense	767	--	(24)	743	631	--	3	634
Net Income	$ 1,393	$ --	$ (42)	$ 1,351	$ 1,074	$ --	$ 5	$ 1,079
NET INCOME PER COMMON SHARE								
Basic	$ 1.65			$ 1.60	$ 1.24			$ 1.24
Diluted	$ 1.60			$ 1.55	$ 1.20			$ 1.21

	SIX MONTHS 1999				Six Months 1998			
Revenue:								
Market-Sensitive	$ 3,471	$ --	$ --	$ 3,471	$ 2,830	$ --	$ --	$ 2,830
Less-Market-Sensitive	7,289	515	(166)	7,638	6,548	566	--	7,114
Total Revenue	10,760	515	(166)	11,109	9,378	566	--	9,944
Noninterest Expense	6,005	--	(100)	5,905	5,328	--	--	5,328
Operating Margin	4,755	515	(66)	5,204	4,050	566	--	4,616
Credit Costs	777	515	--	1,292	666	566	--	1,232
Income Before Restructuring Costs	3,978	--	(66)	3,912	3,384	--	--	3,384
Restructuring Costs	--	--	--	--	529	--	(529)	--
Income Before Taxes	3,978	--	(66)	3,912	2,855	--	529	3,384
Tax Expense	1,412	--	(24)	1,388	1,056	--	196	1,252
Net Income	$ 2,566	$ --	$ (42)	$ 2,524	$ 1,799	$ --	$ 333	$ 2,132
NET INCOME PER COMMON SHARE								
Basic	$ 3.02			$ 2.97	$ 2.06			$ 2.45
Diluted	$ 2.92			$ 2.87	$ 2.00			$ 2.38

(a) Represents results as reported in Chase's financial statements, except that revenues are categorized between market-sensitive and less-market-sensitive revenues, foreclosed property expense is reclassified from noninterest expense to credit costs, and restructuring costs have been separately displayed.

(b) 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).

(c) Includes restructuring costs and special items. For a description of special items, see Glossary of Terms on page 40.

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 revenues have increased at a compound annual growth rate ("CAGR") of approximately 14% and have exhibited limited annual volatility around the regression trendline.

For the second quarter and first six months, market-sensitive revenues in 1999 increased 30% and 23%, respectively, over the same 1998 periods, reflecting increases in trading-related revenues, investment banking fees and private equity gains. A discussion of the components within market-sensitive revenue is presented below.

INVESTMENT BANKING FEES

Investment banking fees of $585 million in the 1999 second quarter were up 34% from Chase's previous record of $438 million in the second quarter of 1998; fees of $902 million for the first six months of 1999 were 13% higher than the first half of 1998. These strong results reflect continued growth in market share in mergers and acquisitions advisory, corporate bond underwriting, and loan syndications, as Chase leverages its broad customer base and leadership positions in attractive markets.

TRADING-RELATED REVENUE

Trading revenues and related net interest income rose 45% to $733 million for the 1999 second quarter and 32% to $1,570 million for the first half of 1999. The results reflect strong performance across the full range of trading products.

	SECOND QUARTER		SIX MONTHS	
(in millions)	1999	1998	1999	1998
Trading Related Revenue by Type				
Trading Revenue (a)	$ 526	$ 323	$ 1,144	$ 791
Trading Related NII (b)	207	184	426	396
Total	$ 733	$ 507	$ 1,570	$ 1,187
Product Diversification				
Interest Rate Contracts (c)	$ 260	$ 95	$ 582	$ 226
Foreign Exchange Spot and Option Contracts	218	260	417	546
Equities and Commodities (d)	91	53	174	105
Debt Instruments and Other (e)	164	99	397	310
Total	$ 733	$ 507	$ 1,570	$ 1,187

(a) Charge-offs for risk management instruments are included in trading revenue. All prior periods have been restated.

(b) 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.

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

(d) Includes equity securities, equity derivatives, commodities and commodity derivatives.

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

Interest rate contract revenue increased in the second quarter and first half of 1999 as a result of interest rate movements in the European markets. Foreign exchange spot and option contract revenue declined in the second quarter and for the first half of 1999, due to reduced volume because of a return to normal volatility in the Asian markets. Equities and commodities revenue increased for both 1999 periods as a result of favorable market conditions for equity derivative products throughout the first half of 1999. The increase in debt instruments and other resulted from continued improvement in emerging markets activities and high-grade bonds.

SECURITIES GAINS

Securities gains realized for the 1999 second quarter were $5 million, compared with $98 million in the prior year's second quarter. Total securities gains for the first half of 1999 were $161 million, an 11% decrease over the same period in 1998. The decline in securities gains was due to a lower level of sales in the current quarter as a result of higher market interest rates, which reduced the market value of these securities. Unrealized net losses in Chase's available-for-sale securities portfolio were approximately $1.3 billion, before taxes, at June 30, 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 1999 first half. The market valuation does not include the favorable impact of changes in interest rates on related funding.

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 second quarter and first half of 1999 were $143 million higher (an increase of 39%) and $175 million higher (an increase of 26%) than the same periods in the prior year. These results reflect gains on investments in several technology and internet companies which completed initial public offerings during the 1999 second quarter, 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 6% in the 1999 second quarter and by 7% for the first half of 1999 reflecting increases across all categories for both periods, with the exception of operating other revenue which declined in the 1999 second quarter. A discussion of less-market-sensitive revenue components is presented below.

NET INTEREST INCOME

Reported net interest income was $2.15 billion for the 1999 second quarter and $4.35 billion for the 1999 first six months, increasing 5% and 4%, respectively, from the comparable 1998 periods. Reported results include trading-related net interest income of $207 million for the 1999 second quarter and $426 million for the first half of 1999, increases of 13% and 8%, respectively, from the same 1998 periods. 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.

	SECOND QUARTER			SIX MONTHS		
NET INTEREST INCOME (in millions)	1999	1998	Change	1999	1998	Change
Reported Net Interest Income	$ 2,145	$ 2,036	5%	$ 4,349	$ 4,200	4%
Less Trading-Related Net Interest Income	(207)	(184)		(426)	(396)	
Subtotal	1,938	1,852	5%	3,923	3,804	3%
Add Impact of Credit Card Securitizations	341	371		668	719	
Operating Net Interest Income	$ 2,279	$ 2,223	3%	$ 4,591	$ 4,523	2%
AVERAGE INTEREST-EARNING ASSETS (in billions)						
Reported	$ 289.0	$ 299.3	(3)%	$ 289.9	$ 300.4	(3)%
Add Credit Card Securitizations	17.7	18.2		17.8	17.7	
Less Trading-Related Assets	(51.5)	(68.2)		(50.2)	(68.8)	
Managed	$ 255.2	$ 249.3	2%	$ 257.5	$ 249.3	3%
NET YIELD ON INTEREST-EARNING ASSETS (a)						
Reported	2.98%	2.74%	24 bp	3.03%	2.83%	20 bp
Add Impact of Securitizations	.28	.31	(3)	.26	.30	(4)
Impact of Trading-Related NII	.33	.54	(21)	.31	.54	(23)
Managed	3.59%	3.59%	-- bp	3.60%	3.67%	(7) bp

(a) Disclosed on a taxable equivalent basis.
bp - Denotes basis points; 100 bp equals 1%.

Operating net interest income was $2.28 billion in the 1999 second quarter, an increase of 3% from the 1998 second quarter, and $4.59 billion for the 1999 first six months, an increase of 2% from the 1998 first six months. The increases were primarily due to higher average managed interest-earning assets, particularly domestic consumer loans (notably auto financings), and domestic commercial loans. These increases were partially offset by a decline in the foreign commercial loan portfolio, as Chase significantly reduced its exposure to emerging markets during the latter part of 1998. The growth in managed interest-earning assets in 1999 was funded by interest-bearing deposits.

The net yield on a managed basis was 3.59% for the 1999 second quarter, stable with the 1998 second quarter. The net yield on a managed basis for the first six months of 1999 was 3.60%, a seven basis point decline from the net yield for the first six months of 1998. A slight improvement in commercial loan spreads was offset by a decline in excess free balances. As a result of decreases in both the volume and rate earned on interest-free funds, interest-free funds contributed 60 basis points to the net yield in the 1999 second quarter, compared to 81 basis points in the 1998 second quarter, and contributed 61 basis points to the net yield in the first six months of 1999, compared to 83 basis points in the first six months of 1998.

TRUST, CUSTODY AND INVESTMENT MANAGEMENT FEES

Trust, custody and investment management fees continued their strong performance in the 1999 second quarter and first half by increasing 20% over the same periods in 1998. These favorable results were largely attributable to portfolio acquisitions of custody and corporate trust businesses in late 1998 and internally generated growth in investor services and structured finance activities.

CREDIT CARD REVENUE

Credit card revenue on a reported basis rose $73 million, or 20%, in the 1999 second quarter and for the 1999 first six months, credit card revenue increased $152 million, or 23%. These increases were the result of increased credit card customer purchase volume and higher late charges.

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.

	SECOND QUARTER		SIX MONTHS	
(in millions)	1999	1998	1999	1998
Reported Credit Card Revenue	$ 438	$ 365	$ 817	$ 665
Less Impact of Credit Card Securitizations	(90)	(87)	(141)	(153)
Operating Credit Card Revenue	$ 348	$ 278	$ 676	$ 512

FEES FOR OTHER FINANCIAL SERVICES

	SECOND QUARTER		SIX MONTHS	
(in millions)	1999	1998	1999	1998
Service Charges on Deposit Accounts	$ 96	$ 92	$ 185	$ 183
Fees in Lieu of Compensating Balances	94	91	181	171
Mortgage Servicing Fees	77	49	142	106
Commissions on Letters of Credit and Acceptances	69	72	138	146
Brokerage and Investment Services	50	35	93	67
Insurance Fees (a)	41	32	80	63
Loan Commitment Fees	36	32	67	70
Other Fees	124	106	254	213
Total	$ 587	$ 509	$ 1,140	$ 1,019

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

Mortgage servicing fees increased by 57% and 34% for the second quarter and first half of 1999, respectively, due to a larger servicing balance. The servicing portfolio increased 33% from prior year levels due to higher origination volume. Brokerage and investment services rose $15 million in the second quarter and $26 million in the first half, due to a significant increase in customer activity through Brown & Company, Chase's discount brokerage firm. In the past year, Brown & Company has tripled its average trades per day to approximately 35,000, two-thirds of which are now on-line. Higher insurance fees in both the 1999 second quarter and first half reflected increased business volume. Other fees rose in both the second quarter and for the first half of 1999 due to ATM fees charged to non-Chase customers, new cash management products and higher business volume across a number of products.

OTHER REVENUE

	SECOND QUARTER		SIX MONTHS	
(in millions)	1999	1998	1999	1998
Residential Mortgage Origination/Sales Activities	$ 88	$ 84	$ 180	$ 136
All Other Revenue	97	151	176	193
Operating Other Revenue	185	235	356	329
Gains on Sales of a Non-strategic Building and Branches	166	--	166	--
Other Revenue - Credit Card Securitizations	5	(2)	12	--
Reported Other Revenue	$ 356	$ 233	$ 534	$ 329

Other revenue on a reported basis increased for both 1999 periods, when compared with the same 1998 periods. The 1999 second quarter results included $166 million in gains from sales of nonstrategic assets, of which $95 million was from the sale of One New York Plaza and $71 million was from the sale of branches in Beaumont, Texas.

Other revenue on an operating basis decreased $50 million in the 1999 second quarter and increased $27 million for the first six months, compared with the same 1998 periods. The 1999 second quarter results included gains from the sale of student loans, while the 1998 second quarter results included gains from the sale of a variety of assets. Contributing to the 1999 six month increase was higher revenue from residential mortgage originations and sales activities, a reflection of the favorable interest-rate environment in early 1999, as well as higher revenues from the Octagon Credit Investment Fund, which was established late in the 1998 first quarter.

NONINTEREST EXPENSE

Total reported noninterest expense was $3.07 billion in the 1999 second quarter and $6.01 billion in the first half of 1999. The second quarter of 1999 included a special contribution to The Chase Manhattan Foundation totaling $100 million. Operating noninterest expense increased 9% and 11% for the second quarter and first half of 1999, respectively, reflecting technology-related costs, incentive costs tied to higher market-sensitive revenues and a change in the long-term compensation program of the Global Bank. Chase continues to manage its operating noninterest expense to support its revenue growth.

(in millions)	SECOND QUARTER		SIX MONTHS	
	1999	1998	1999	1998
Salaries	$ 1,416	$ 1,270	$ 2,800	$ 2,524
Employee Benefits	238	215	493	439
Occupancy Expense	206	191	424	380
Equipment Expense	239	212	482	421
Other Expense	866	824	1,706	1,564
Operating Noninterest Expense	2,965	2,712	5,905	5,328
Special Contribution to the Foundation (a)	100	--	100	--
Restructuring Costs	--	8	--	529
Foreclosed Property Expense (b)	3	2	8	6
Reported Noninterest Expense	$ 3,068	$ 2,722	$ 6,013	$ 5,863
Efficiency Ratio (c)	54%	57%	56%	57%
Operating Efficiency Ratio (c) (d)	52%	54%	53%	53%

(a) Represents a $100 million special contribution to The Chase Manhattan Foundation.

(b) 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.

(c) Excludes restructuring costs, foreclosed property expense, costs associated with the REIT and special items.

(d) Excludes the impact of credit card securitizations.

The increase in salaries and employee benefits for the 1999 second quarter and first half was due to higher incentive costs, mainly driven by higher market-sensitive revenues and a change in the long-term compensation program of the Global Bank. Also contributing to the increase was the net addition of 2,712 full-time equivalent employees as a result of acquisitions (in the mortgage, credit card, and custody and fiduciary services businesses) and growth in certain businesses.

FULL-TIME EQUIVALENT EMPLOYEES	JUNE 30, 1999	June 30, 1998
Domestic Offices	62,300	60,074
Foreign Offices	11,105	10,619
Total Full-Time Equivalent Employees	73,405	70,693

OCCUPANCY AND EQUIPMENT EXPENSE

Occupancy expense increased $15 million in the 1999 second quarter and $44 million during the first six months of 1999 when compared with the second quarter and first six months of 1998. The increases were primarily due to higher rental costs resulting from business expansions and acquisitions occurring during the latter half of 1998. The higher level of equipment expense during the 1999 second quarter and first six months was the result of an increase in depreciation expense from the capitalization of costs related to more advanced hardware systems across all businesses. The increase was also related to higher rental costs for Year 2000 compliant computer equipment. For a further discussion of Year 2000 efforts, see Operating Risk Management section on page 33.

OTHER EXPENSE

(in millions)	SECOND QUARTER 1999	SECOND QUARTER 1998	SIX MONTHS 1999	SIX MONTHS 1998
Professional Services	$ 178	$ 161	$ 340	$ 303
Marketing Expense	114	108	228	198
Telecommunications	97	91	188	168
Amortization of Intangibles	76	64	149	125
Travel and Entertainment	59	67	109	119
Minority Interest (a)	12	12	25	24
Foreclosed Property Expense	3	2	8	6
Special Contribution to the Foundation (b)	100	--	100	--
All Other	330	321	667	627
Total	$ 969	$ 826	$ 1,814	$ 1,570

(a) Includes REIT minority interest expense of $11 million in each quarter.
(b) Represents a $100 million special contribution to The Chase Manhattan Foundation.

Other expenses for the 1999 second quarter and first six months increased $143 million and $244 million, respectively, when compared with the second quarter and first six months of 1998. Professional services costs for both 1999 periods reflected a higher level of contract computer professionals associated with the Year 2000 efforts. The increase in marketing expenses was due to higher costs at Chase Cardmember Services and for the Chase brand campaign. The rise in telecommunications costs primarily reflects both installation and usage stemming from the growth in business volume at all of Chase's major franchises. The purchase of a global custody business during the fourth quarter 1998 contributed to the increase in the amortization of intangibles. All other expenses for the 1999 first six months increased $40 million when compared to the same period of 1998, reflecting a growth in business volume at Chase Cardmember Services and the global custody acquisition. In the second quarter of 1999, a $100 million special contribution was made to The Chase Manhattan Foundation in order to increase the endowment of the foundation. This contribution is treated as a special item.

RESTRUCTURING COSTS

For a discussion of Chase's restructuring costs, see Note Four on page 8 of this Form 10-Q.

CREDIT COSTS

Credit costs include provisions for loan losses, foreclosed property expense and credit costs associated with credit card securitizations. The following table shows the components of credit costs.

(in millions)	SECOND QUARTER 1999	SECOND QUARTER 1998	SIX MONTHS 1999	SIX MONTHS 1998
Provision for Loan Losses	$ 388	$ 328	$ 769	$ 660
Credit Costs Associated with Credit Card Securitizations	246	286	515	566
Foreclosed Property Expense (a)	3	2	8	6
Operating Credit Costs (b)	$ 637	$ 616	$ 1,292	$ 1,232

(a) Included in Other Expense on the Consolidated Statement of Income.
(b) Excludes provision for risk management instrument credit losses of $10 million in the second quarter of 1998 and $22 million for the first six months of 1998, which are netted against trading revenue. Prior periods have been restated.

Credit costs in 1999 increased from the respective 1998 levels, primarily due to higher credit losses and lower recoveries in the domestic commercial portfolio. For a discussion of Chase's net charge-offs, see page 26.

INCOME TAXES

Chase recognized income tax expense of $767 million in the second quarter of 1999 compared with $631 million in the second quarter of 1998. For the first six months, Chase recorded income tax expense of $1.41 billion in 1999, compared with $1.06 billion in 1998. The effective tax rates were 35.5% for both 1999 periods and 37.0% for both 1998 periods.

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 JUNE 30, 1999	CREDIT-RELATED ASSETS Dec 31, 1998	NONPERFORMING ASSETS JUNE 30, 1999	NONPERFORMING ASSETS Dec 31, 1998	PAST DUE 90 DAYS & OVER AND STILL ACCRUING JUNE 30, 1999	PAST DUE 90 DAYS & OVER AND STILL ACCRUING Dec 31, 1998
CONSUMER:						
Domestic Consumer:						
1-4 Family Residential Mortgages	$ 42,003	$ 41,831	$ 303	$ 313	$ 1	$ 3
Credit Card - Reported	15,270	14,229	--	--	270	302
Credit Card Securitizations (a)	16,944	18,033	--	--	301	379
Credit Card - Managed	32,214	32,262	--	--	571	681
Auto Financings	18,301	16,456	59	50	14	20
Other Consumer	6,299	8,375	5	6	52	97
Total Domestic Consumer	98,817	98,924	367	369	638	801
Foreign Consumer	2,860	2,939	27	23	11	10
TOTAL CONSUMER	101,677	101,863	394	392	649	811
COMMERCIAL:						
Domestic Commercial:						
Commercial and Industrial	45,942	43,123	381	331	15	42
Commercial Real Estate	3,733	3,984	52	41	7	1
Financial Institutions	6,095	6,583	24	1	2	--
Total Domestic Commercial	55,770	53,690	457	373	24	43
Foreign Commercial:						
Commercial and Industrial	25,894	25,532	556	603	13	7
Commercial Real Estate	293	367	--	--	--	--
Financial Institutions	4,263	4,537	31	22	20	24
Foreign Governments	4,088	4,798	54	50	--	--
Total Foreign Commercial	34,538	35,234	641	675	33	31
Derivative and FX Contracts	25,558	33,255	36	50	--	--
TOTAL COMMERCIAL CREDIT-RELATED	115,866	122,179	1,134	1,098	57	74
Total Managed Credit-Related	$ 217,543	$ 224,042	1,528	1,490	$ 706	$ 885
Assets Acquired as Loan Satisfactions			105	116		
TOTAL NONPERFORMING ASSETS			$ 1,633	$ 1,606		

(in millions)	NET CHARGE-OFFS Second Quarter 1999	NET CHARGE-OFFS Second Quarter 1998	NET CHARGE-OFFS Six Months 1999	NET CHARGE-OFFS Six Months 1998
CONSUMER:				
Domestic Consumer:				
1-4 Family Residential Mortgages	$ 9	$ 6	$ 10	$ 16
Credit Card - Reported	218	184	434	363
Credit Card Securitizations (a)	246	286	515	566
Credit Card-Managed	464	470	949	929
Auto Financings	19	18	38	41
Other Consumer	47	43	95	84
Total Domestic Consumer	539	537	1,092	1,070
Foreign Consumer	9	5	18	8
TOTAL CONSUMER	548	542	1,110	1,078
COMMERCIAL:				
Domestic Commercial:				
Commercial and Industrial	29	(26)	49	(17)
Commercial Real Estate	(2)	(3)	(11)	(6)
Financial Institutions	3	(1)	28	(1)
Total Domestic Commercial	30	(30)	66	(24)
Foreign Commercial:				
Commercial and Industrial	58	108	110	164
Commercial Real Estate	--	--	--	--
Financial Institutions	(1)	(5)	(2)	10
Foreign Governments	(1)	(1)	(1)	(2)

Total Foreign Commercial	56	102	107	172
TOTAL COMMERCIAL	86	72	173	148
TOTAL MANAGED LOANS (b)	$ 634	$ 614	$ 1,283	$ 1,226

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

(b) Excludes charge-offs for risk management instruments of $10 million in the second quarter of 1998 and $22 million for the first six months of 1998, which are netted against trading revenues.

Chase's managed credit-related assets totaled $218 billion at June 30, 1999, a decrease of $6 billion, or 3%, during the first six months of 1999. The decrease was primarily due to lower derivative and foreign exchange receivables, as loan balances remained relatively stable.

Chase's nonperforming assets at June 30, 1999 increased $27 million, or 2%, from the 1998 year-end level. This increase occurred primarily in the domestic commercial loan portfolio and was partially offset by a decrease in the foreign commercial loan portfolio.

Total net charge-offs on a retained basis increased by $60 million during the 1999 second quarter and by $108 million for the first six months of 1999, when compared to the same periods in 1998. Managed net charge-offs increased in both 1999 periods by $20 million and $57 million, respectively. The increase in net charge-offs on both a managed and retained basis is primarily 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 net charge-offs in the securitized credit card and foreign commercial loan portfolios.

Management expects that credit costs, on a managed basis, will remain relatively stable over the remainder of 1999 and for full year 1999 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.

AVERAGE ANNUAL NET CHARGE-OFF RATES

	SECOND QUARTER		SIX MONTHS	
	1999	1998	1999	1998
Consumer Loans:				
1-4 Family Residential Mortgages	.08%	.06%	.05%	.08%
Credit Card-Managed (a)	5.80	5.94	5.95	5.82
Auto Financings	.42	.53	.43	.60
Other Consumer (b)	2.01	1.47	1.95	1.41
Total Consumer Loans	2.13	2.18	2.16	2.17
Total Commercial Loans (b)	.39	.33	.39	.34
Total Managed Loans	1.33	1.32	1.34	1.31

(a) Includes domestic and foreign credit card activity.
(b) Includes foreign loans.

CONSUMER LOAN PORTFOLIO

Residential Mortgage Loans: Residential mortgage loans outstanding remained stable at June 30, 1999, when compared with year-end balances, while the level of nonperforming domestic residential mortgage loans decreased by 3%. The loss rate of .08% for the 1999 second quarter was up slightly from the previous year. However, for the first six months of 1999, net charge-offs decreased by $6 million when compared to the same period in 1998. 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 increased slightly for the three and six month periods ended June 30, 1999, compared with the same periods last year. The decrease in the net charge-off percentage rate for the second quarter of 1999 was a result of lower customer bankruptcy levels.

MANAGED CREDIT CARD PORTFOLIO (a)

	As of or for the Three Months Ended June 30,		As of or for the Six months Ended June 30,	
(in millions, except ratios)	1999	1998	1999	1998
Average Credit Card Receivables	$ 32,553	$ 31,906	$ 32,323	$ 32,155
Past Due 90 Days or More and Accruing	$ 587	$ 658	$ 587	$ 658
As a Percentage of Average Credit Card Receivables	1.80%	2.06%	1.82%	2.05%
Net Charge-offs	$ 472	$ 474	$ 962	$ 936
As a Percentage of Average Credit Card Receivables	5.80%	5.94%	5.95%	5.82%

(a) Includes domestic and foreign credit card activity.

Auto Financings: Auto financings outstanding increased 11%, reflecting continued strong consumer demand due to favorable pricing programs. Total originations were $6.7 billion in the first six months of 1999, an increase of 14% when compared with the same 1998 period. The charge-off rates of .42% for the second quarter and .43% for the first six months of 1999 are indicative of the selective approach to asset origination.

Other Consumer: Other consumer loans decreased 25% from the year-end level due to the sale of student loans during the first six months of 1999.

COMMERCIAL PORTFOLIO

The domestic commercial portfolio at June 30, 1999 increased $2.1 billion from the year-end level. Net charge-offs were $30 million during the 1999 second quarter and $66 million for the first half of 1999, compared with net recoveries in the same prior year periods. The net charge-offs for the portfolio remained at a low level, indicative of the portfolio's diversification and strong credit quality.

The foreign commercial portfolio totaled $34.5 billion at June 30, 1999 and outstandings and nonperforming loan levels both declined slightly from 1998 year-end levels. Net charge-off levels for the 1999 second quarter and first half decreased in comparison with the prior year by $46 million, or 45%, and $65 million, or 38%, respectively, due to stabilizing financial conditions in Asia.

COUNTRY EXPOSURE

The following table presents Chase's country exposure to Asia and Latin America. Country exposure 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 JUNE 30, 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	$ 1.5	$ 0.3	$ 0.8	$ (0.7)	$ 1.9	$ 1.0	$ 2.3	$ 0.9
Argentina	1.8	0.3	0.3	(0.3)	2.1	0.7	2.3	0.5
Mexico	1.1	0.6	0.3	(0.3)	1.7	0.4	1.8	0.4
Chile	1.0	--	0.2	(0.2)	1.0	--	0.9	--
Colombia	0.7	--	--	--	0.7	--	0.8	--
Venezuela	0.2	0.1	--	--	0.3	0.2	0.4	--
All Other Latin America (d)	0.4	0.3	0.8	(0.8)	0.7	0.1	1.0	--
Total Latin America	$ 6.7	$ 1.6	$ 2.4	$ (2.3)	$ 8.4	$ 2.4	$ 9.5	$ 1.8
ASIAN IMF COUNTRIES								
South Korea	$ 0.9	$ 0.2	$ 0.9	$ (0.5)	$ 1.5	$ 0.1	$ 2.4	$ --
Indonesia	1.0	0.1	0.1	(0.1)	1.1	--	1.2	--
Thailand	0.2	0.1	0.8	(0.1)	1.0	--	0.9	--
Subtotal	2.1	0.4	1.8	(0.7)	3.6	0.1	4.5	--
OTHER EMERGING ASIA								
Hong Kong	0.6	0.1	4.7	(4.7)	0.7	--	0.8	--
Singapore	0.6	0.1	0.3	(0.3)	0.7	--	0.8	--
Philippines	0.2	0.1	0.2	(0.2)	0.3	--	0.6	--
Malaysia	0.2	--	0.6	(0.1)	0.7	--	0.6	--
China	0.3	0.4	0.2	(0.1)	0.8	--	0.6	--
All Other Asia	0.4	0.1	0.3	(0.3)	0.5	--	0.5	--
Total Asia excluding Japan, Australia and New Zealand	$ 4.4	$ 1.2	$ 8.1	$ (6.4)	$ 7.3	$ 0.1	$ 8.4	$ --
Japan	$ 2.8	$ 2.3	$ 1.8	$ (1.8)	$ 5.1	$ 1.3	$ 5.2	$ 1.7
Australia	0.4	0.4	2.5	(2.1)	1.2	--	1.9	--
New Zealand	0.1	0.2	--	--	0.3	--	0.6	--
Total Japan, Australia and New Zealand	$ 3.3	$ 2.9	$ 4.3	$ (3.9)	$ 6.6	$ 1.3	$ 7.7	$ 1.7

(a) Country exposure is based on 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.

At June 30, 1999, Chase had approximately $64 million in lending and trading related exposure to Russia, a decrease of $32 million from December 31, 1998. Chase also had at June 30, 1999 approximately $30 million in resale agreements with non-Russian counterparties collateralized by non-ruble denominated Russian debt, a decrease of $57 million from the 1998 year-end.

Chase significantly reduced its exposure to emerging markets in Asia and Latin America from a year ago (by 30% and 19%, respectively) and further lowered its exposure to Asia from year-end (by 12%). Total nonperforming assets in Asia increased by $21 million from 1998 year-end to $522 million at June 30, 1999. Asian commercial loan net charge-offs for the 1999 second quarter and first six months were $71 million and $130 million, respectively, compared with $112 million and $192 million, respectively, in the same 1998 periods. There were no charge-offs for Latin American commercial loans during the first six months of 1999.

Management completed a strategic review of its cross-border activities during the first quarter of 1999. 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 June 30, 1999 and December 31, 1998.

	AT JUNE 30, 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	16%	92%	30%	33%	15%	93%	38%	37%
1 to 5 years	51	6	67	42	48	5	59	37
Over 5 years	33	2	3	25	37	2	3	26
Total	100%	100%	100%	100%	100%	100%	100%	100%

At June 30, 1999, nonperforming derivative contracts were $36 million, compared with $50 million at December 31, 1998. The decrease in nonperforming derivative contracts was due to stabilizing financial conditions in Asia since the 1998 fourth quarter.

ALLOWANCES FOR CREDIT LOSSES

The following discussion of Chase's allowances 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)

Allowances for Credit Losses: (a)	JUNE 30, 1999	June 30, 1998
Loans	$ 3,554	$ 3,629
Lending-Related Commitments	170	170

	SECOND QUARTER		SIX MONTHS	
	1999	1998	1999	1998
Allowance for Loan Losses at Beginning of Period	$ 3,552	$ 3,622	$ 3,552	$ 3,624
Provision for Loan Losses	388	328	769	660
Charge-Offs	(449)	(427)	(901)	(834)
Recoveries	61	99	133	174
Net Charge-Offs	(388)	(328)	(768)	(660)
Other	2	7	1	5
Allowance for Loan Losses at End of Period	$ 3,554	$ 3,629	$ 3,554	$ 3,629

Allowance for Loan Losses to:

Nonperforming Loans	238%	297%
Loans at Period-End	2.03	2.15
Average Loans (Six Months)	2.05	2.15

(a) During the second quarter of 1999, Chase reclassified the Allowance for Credit Losses on Risk Management Instruments to be included as part of the valuation of its Trading Assets: Risk Management Instruments.

Chase deems its allowances for credit losses at June 30, 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 allowances 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 June 30, 1999 were as follows:

	Mark-to-Market Trading Portfolio				Market Risk-Related ALM Activities			
	Twelve-Month Period Ended June 30, 1999			At June 30, 1999	Twelve-Month Period Ended June 30, 1999			At June 30, 1999
(in millions)	Average VAR	Minimum VAR	Maximum VAR	VAR	Average VAR	Minimum VAR	Maximum VAR	VAR
Interest Rate	$ 20.7	$ 10.7	$ 36.8	$ 20.7	$ 69.5	$ 41.5	$ 94.0	$ 79.6
Foreign Exchange	8.5	2.2	21.6	11.0	---	---	---	---
Commodities	3.2	1.9	5.0	2.6	---	---	---	---
Equities	5.3	1.9	10.1	4.9	---	---	---	---
Fund Investments (a)	4.2	4.1	4.4	4.4	15.0	14.6	15.4	14.6
Less: Portfolio Diversification	(18.0)	(8.5)	(33.0)	(19.8)	(14.9)	(14.6)	(15.4)	(13.3)
Total VAR	$ 23.9	$ 12.3	$ 44.9	$ 23.8	$ 69.6	$ 41.5	$ 94.0	$ 80.9

	Aggregate Portfolio			
	Average VAR Twelve-Month Period Ended		VAR at	
	June 30, 1999	June 30, 1998	June 30, 1999	June 30, 1998
Marked-to-Market Trading Portfolio	$ 23.9	$ 24.4	$ 23.8	$ 28.9
Market Risk-Related ALM Activities	69.6	47.6	80.9	45.0
Less: Portfolio Diversification	(21.7)	(18.2)	(20.7)	(22.6)
Aggregate VAR	$ 71.8	$ 53.8	$ 84.0	$ 51.3

(a) Fund Investments represent Chase's exposure to hedge fund activities.

Chase's average aggregate VAR (VAR for both trading and ALM activities) for the twelve-month period ended June 30, 1999 was $71.8 million and at June 30, 1999 was $84.0 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 $21.7 million and $20.7 million, respectively) due to risk offsets, resulting from portfolio diversification which occurs across the trading and ALM portfolios. The increases in the aggregate VAR levels for 1999 were primarily the result of the adverse market conditions that existed in the 1998 third quarter.

Chase conducts daily VAR backtesting for both regulatory compliance with the Basle Committee on Banking Supervision market risk capital rules and internal evaluation of VAR against trading revenues. For mark-to-market activities, there were 2 days during the twelve months ended June 30, 1999 in which a daily trading loss exceeded that day's VAR. This compares to an expected number of approximately 3 days under Chase's VAR model. 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. Chase posted positive daily market risk-related revenue for 231 out of 259 business trading days, with 60 business days exceeding positive $20 million. Chase incurred five daily trading losses in excess of negative $20 million over the past twelve months. All five daily trading losses occurred in the 1998 third quarter and resulted from the adverse global market conditions of that period.

[Graphic of Daily 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. At year end, Chase 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 economic value of Chase's ALM portfolio (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 ALM positions to basis risk.

At June 30, 1999, Chase had a BPV value of $5.0 million (pre-tax), indicating that the economic value of Chase's ALM positions would decline $5.0 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 June 30, 1999 would result in a $5.0 million (pre-tax) increase in 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 June 30, 1999, based on Chase's simulation models and applying immediate increases to various market interest rates (100 bp increase for US dollar - denominated positions and a range from 100 bp to 1500 bp increases for non-US dollar - denominated positions), earnings at risk over the next twelve months are estimated to be approximately 3% of projected 1999 net income. During 1998, Chase's earnings at risk to an immediate rise in interest rates averaged less than 4% of 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 June 30, 1999 and December 31, 1998.

(in millions)	JUNE 30, 1999	December 31, 1998	Change
ALM Derivative Contracts:			
Net Deferred Gains	$ 486	$ 402	$ 84
Net Unrecognized Gains (Losses) (a)	(492)	110	(602)
Net ALM Derivative Gains (Losses)	$ (6)	$ 512	$ (518)

(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 six months of 1999, Chase issued $3.3 billion of long-term debt and capital securities of subsidiaries, more than offsetting $1.8 billion of long-term debt that matured and $277 million that was redeemed.

For a discussion of liquidity risk related to Year 2000, see the Operating Risk Management section of this Form 10-Q on pages 33 and 34, and pages 41-42 of Chase's 1998 Annual Report.

CAPITAL
Chase's capital levels at June 30, 1999 remained strong, with capital ratios well in excess of regulatory guidelines. At June 30, 1999, the Tier 1 and Total Capital ratios were 8.4% and 12.0%, respectively, and the Tier 1 leverage ratio was 6.8%.

Management believes a reasonable long-term growth rate for balance sheet assets is approximately 6% - 7%. However, during the first half of 1999, Chase's balance sheet assets decreased by 2%, primarily as a result of continued focus on removing non-positive SVA assets from the balance sheet. The following table shows the impact this disciplined approach has had on the growth in Chase's risk-weighted assets.

	JUNE 30, 1999	Increase During 18 Month Period	Dec 31, 1997	Increase During 18 Month Period	June 30, 1996
($ in billions)					
Risk-Weighted Assets	$ 292	2%	$ 286	20%	$ 238

At June 30, 1999, the Tier 1 capital ratio was the same as at March 31, 1999, and had increased from year-end 1998, notwithstanding net equity purchases during the second quarter of approximately $968 million and for the first six months of approximately $1.8 billion. These results were due to strong income growth, with minimal growth in risk-weighted assets, during the first six months of 1999.

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 both quarters 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 for the periods indicated.

(in billions)	SIX MONTHS 1999	FULL YEAR 1998	FULL YEAR 1997
SOURCES OF FREE CASH FLOW			
Operating Earnings Less Dividends	$ 1.8	$ 2.7	$ 2.5
Plus: Preferred Stock and Equivalents / Special Items	0.4	(0.4)	1.0
Less: Capital for Internal Growth	(0.2)	(0.3)	(2.5)
Total Sources of Free Cash Flow	$ 2.0	$ 2.0	$ 1.0
USES OF FREE CASH FLOW			
Increases (Decreases) in Capital Ratios	$ 0.2	$ 1.3	$ (0.6)
Acquisitions	--	0.8	0.4
Net Repurchases (Issuances)	1.8	(0.1)	1.2
Total Uses of Free Cash Flow	$ 2.0	$ 2.0	$ 1.0

During the first six months of 1999, $2.0 billion of free cash flow was generated, the same amount as for full year 1998 and twice that for full year 1997, as less capital was needed for internal growth (as was the case in 1997), or to bolster capital ratios (as was the case in 1998). The excess cash in 1999 was primarily used for equity repurchases.

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 its equity repurchase program, which became 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 June 30, 1999, Chase repurchased approximately net $1.8 billion.

At June 30, 1999, the total capitalization of Chase (the sum of Tier 1 and Tier 2 capital) was $35.0 billion, an increase of $177 million from December 31, 1998. This increase reflects retained earnings (net income less common and preferred dividends) generated during the period and new issuance of capital securities of subsidiaries qualifying as Tier 1 capital, partially offset by common stock repurchases and a net decline in debt issuances qualifying as Tier 2 capital.

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 and on pages 32-33 of Chase's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999 ("First Quarter 10-Q"). The information below updates Chase's Year 2000 disclosures.

Chase achieved near-perfect compliance with the June 30, 1999 milestones for "mission-critical" systems applications established by the federal bank regulatory authorities. The status of Chase's Year 2000 remediation and testing efforts, for both "mission-critical" and "non-mission-critical" systems at June 30, 1999 is set forth below.

	% REMEDIATED AT JUNE 30, 1999 (a)	
	Forecasted	Actual
TYPE OF SYSTEM		
Technical Infrastructure	100%	100% (b)
Business Software Applications	100%	100% (c)
Facility Systems	100%	100% (b)
Desktop Systems	100%	100% (b)

(a) While testing and implementation have been completed, efforts will continue around external testing and certification throughout the year.
(b) Actual percentage remediated is over 99.5%. For each of these types of systems, actual percentage remediated also indicates the percentage tested to be Year 2000 compliant and implemented.
(c) For Business Software Applications, actual percentage remediated is 100%, of which 99.66% have also been tested to be Year 2000 compliant and implemented.

With remediation and testing of systems essentially completed, Chase's information technology teams will continue to manage system changes to ensure that applications remain Year 2000 compliant. In addition, Chase's Independent Validation and Verification (IVV) efforts have proven very successful in confirming the quality of code remediation and testing. IVV 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 examination tools, were contracted by Chase to identify remaining potential Year 2000 errors. Over 80% of Chase's internal mission critical software, representing more than 130 million lines of code, have been processed through IVV. A small number of errors were identified using IVV and were repaired by Chase.

The major focus of the balance of this year is business risk management, contingency planning and event preparation. Under the auspices of Chase's Year 2000 Business Risk Council, contingency plans have been refined and are in the process of being tested. Approximately 250 different risk scenarios have been identified across all geographies and Chase businesses, resulting in the development of approximately 1,400 individual Year 2000 contingency plans. These plans include identification of possible alternative methods by which to provide service, alternative locations for operations, increased staff support to service customers, as well as ways for Chase to maintain critical services in the event of environmental infrastructure outages. In addition, Chase has performed a Year 2000 credit assessment of its loan portfolios. Chase has also developed Year 2000 stress scenarios in order to stress test its market-sensitive portfolios. These scenarios will continue to be updated throughout the year as more information about world-wide Year 2000 readiness evolves. Chase has performed stress testing, and will continue to perform stress testing, on at least a monthly basis through 1999, for its market-sensitive portfolios utilizing these scenarios. Chase is also in the process of making preparations to have appropriate liquidity funding available at year-end, including increased cash reserves for ATM machines.

Event preparation activities also continue. Year 2000 command centers are being created; problem tracking and reporting tools designed; key operational and service performance measures identified for tracking; "wellness checks" of facilities, services, and systems planned; and training of "rapid response teams" scheduled. Dress rehearsals have been scheduled for three weekends during the fourth quarter of 1999 and command centers will become operational in late December.

Chase currently estimates that full year 1999 Year 2000 costs will increase to approximately $158 million (versus the $127 million reported in the First Quarter 10-Q). The largest portion of the $31 million increase is directly related to the cost of IVV. The balance is due to increased levels of testing and additional costs associated with event preparation and contingency planning.

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 $3.4 billion at June 30, 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. During the second quarter of 1999, the FASB issued SFAS 137, which delayed the effective date of SFAS 133 for one year, with early adoption permitted. Chase will, therefore, not be required to adopt SFAS 133 until calendar year 2001. For a further discussion of the requirements of SFAS 133, see the Accounting and Reporting Developments section on page 43 of the 1998 Annual Report.

OTHER EVENTS

On August 2, 1999, Chase announced that Neal S. Garonzik had joined Chase as Vice Chairman, with responsibilities for asset management and strategic initiatives in equities and other areas.

On August 4, 1999, Chase reached an agreement to acquire the residential mortgage business of Mellon Bank, N.A. The proposed acquisition would make Chase the largest U.S. mortgage servicer, with more than 3.1 million customers and a combined servicing portfolio of $292 billion.

THE CHASE MANHATTAN CORPORATION
FINANCIAL HIGHLIGHTS
(IN MILLIONS, EXCEPT PER SHARE DATA AND RATIOS)

	SECOND QUARTER			SIX MONTHS		
	1999	1998	Over(Under) 2Qtr98	1999	1998	Over(Under) 1998
AS REPORTED BASIS						
Revenue	$5,616	$4,755	18%	$ 10,760	$ 9,378	15%
Noninterest Expense						
(excluding Restructuring Costs)	3,068	2,714	13	6,013	5,334	13
Restructuring Costs	--	8	NM	--	529	NM
Provision for Loan Losses	388	328	18	769	660	17
Net Income	1,393	1,074	30	2,566	1,799	43
Net Income Per Common Share:						
Basic	1.65	1.24	33	3.02	2.06	47
Diluted	1.60	1.20	33	2.92	2.00	46
Cash Dividends Declared	0.41	0.36	14	0.82	0.72	14
Book Value at Period End	26.04	25.14	4	26.04	25.14	4
Share Price at Period End	86.50	75.50	15	86.50	75.50	15
Performance Ratios:						
Return on Average Common Equity (a)	25.1%	20.1%	500bp	22.8%	17.0%	580bp
Return on Average Assets (a)	1.55	1.15	40	1.42	0.97	45
OPERATING BASIS (b)						
Operating Revenue	$5,696	$5,041	13%	$ 11,109	$ 9,944	12%
Operating Noninterest Expense	2,965	2,712	9	5,905	5,328	11
Credit Costs (c)	637	616	3	1,292	1,232	5
Operating Earnings	1,351	1,079	25	2,524	2,132	18
Operating Earnings Per Common Share:						
Basic	1.60	1.24	29	2.97	2.45	21
Diluted	1.55	1.21	28	2.87	2.38	21
Operating Performance Ratios:						
Return on Average Common Equity (a)	24.3%	20.2%	410bp	22.5%	20.3%	220bp
Return on Average Managed Assets (a)	1.43	1.10	33	1.33	1.09	24
Common Dividend Payout Ratio	26	29	(300)	28	30	(200)
Efficiency Ratio	52	54	(200)	53	53	--
Cash Operating Basis:						
Cash Operating Earnings (d)	$1,427	$1,143	25%	$ 2,673	$ 2,257	18%
Diluted Net Income Per Common Share	1.64	1.28	28	3.04	2.52	21
Shareholder Value Added (SVA)	696	440	58	1,197	868	38
Cash Return on Average Common Equity (a)	25.7%	21.4%	430bp	23.8%	21.5%	230bp
Selected Balance Sheet Items at Period End:(e)						
Managed Loans				$191,985	$186,924	3%
Total Managed Assets				373,812	385,214	(3)

(a) Based on annualized amounts.
(b) Excludes the impact of credit card securitizations, restructuring costs and special items. See Glossary of Terms on page 40.
(c) Includes provision for loan 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 JUNE 30, 1999			Three months Ended June 30, 1998		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 6,103	$ 161	10.55%	$ 4,611	$ 148	12.88%
Federal Funds Sold and Securities Purchased Under Resale Agreements	32,145	389	4.87%	35,409	554	6.27%
Trading Assets-Debt and Equity Instruments	24,920	411	6.61%	34,442	716	8.34%
Securities:						
Available-for-Sale	51,571	731	5.69%(b)	54,515	855	6.29%(b)
Held-to-Maturity	1,196	18	6.30%	2,518	40	6.37%
Loans	173,067	3,168	7.34%	167,807	3,319	7.93%
Total Interest-Earning Assets	289,002	4,878	6.77%	299,302	5,632	7.55%
Allowance for Loan Losses	(3,493)			(3,548)		
Cash and Due from Banks	14,293			14,907		
Trading Assets - Risk Management Instruments	27,043			33,288		
Other Assets	34,212			30,102		
Total Assets	$ 361,057			$ 374,051		
LIABILITIES						
Domestic Retail Deposits	$ 61,732	530	3.44%	$ 59,554	596	4.01%
Domestic Negotiable Certificates of Deposit and Other Deposits	19,278	169	3.52%	16,780	179	4.30%
Deposits in Foreign Offices	77,646	859	4.44%	75,294	1,009	5.37%
Total Time and Savings Deposits	158,656	1,558	3.94%	151,628	1,784	4.72%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	50,564	548	4.35%	66,835	886	5.32%
Commercial Paper	4,980	57	4.58%	4,568	60	5.25%
Other Borrowings (c)	15,189	246	6.49%	16,610	532	12.84%
Total Short-Term and Other Borrowings	70,733	851	4.82%	88,013	1,478	6.74%
Long-Term Debt	19,783	319	6.46%	16,492	325	7.89%
Total Interest-Bearing Liabilities	249,172	2,728	4.39%	256,133	3,587	5.62%
Noninterest-Bearing Deposits	47,652			45,757		
Trading Liabilities - Risk Management Instruments	26,791			35,032		
Other Liabilities	13,878			14,370		
Total Liabilities	337,493			351,292		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	1,028			1,255		
Common Stockholders' Equity	21,986			20,954		
Total Stockholders' Equity	23,014			22,209		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 361,057			$ 374,051		
INTEREST RATE SPREAD			2.38%			1.93%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$ 2,150(a)	2.98%		$ 2,045(a)	2.74%

(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 June 30, 1999 and June 30, 1998, the annualized rate for available-for-sale securities based on historical cost was 5.61% and 6.31%, respectively.
(c) Includes securities sold but not yet purchased and structured notes.

THE CHASE MANHATTAN CORPORATION
AVERAGE CONSOLIDATED BALANCE SHEET, INTEREST AND RATES
(TAXABLE-EQUIVALENT INTEREST AND RATES; IN MILLIONS)

	SIX MONTHS ENDED JUNE 30, 1999			Six months Ended June 30, 1998		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 6,527	$ 345	10.65%	$ 4,397	$ 300	13.78%
Federal Funds Sold and Securities Purchased Under Resale Agreements	29,635	770	5.24%	36,639	1,225	6.74%
Trading Assets-Debt and Equity Instruments	24,824	829	6.74%	33,879	1,392	8.29%
Securities:						
Available-for-Sale	54,592	1,547	5.72%(b)	53,637	1,703	6.40%(b)
Held-to-Maturity	1,339	41	6.24%	2,676	86	6.47%
Loans	172,993	6,377	7.43%	169,142	6,724	8.02%
Total Interest-Earning Assets	289,910	9,909	6.89%	300,370	11,430	7.67%
Allowance for Loan Losses	(3,491)			(3,553)		
Cash and Due from Banks	15,106			14,542		
Trading Assets - Risk Management Instruments	28,244			36,312		
Other Assets	34,208			28,141		
Total Assets	$ 363,977			$ 375,812		
LIABILITIES						
Domestic Retail Deposits	$ 61,478	1,040	3.41%	$ 59,244	1,168	3.98%
Domestic Negotiable Certificates of Deposit and Other Deposits	20,851	370	3.58%	16,115	366	4.58%
Deposits in Foreign Offices	78,475	1,746	4.49%	76,110	2,065	5.47%
Total Time and Savings Deposits	160,804	3,156	3.96%	151,469	3,599	4.79%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	50,753	1,117	4.44%	67,543	1,833	5.47%
Commercial Paper	5,121	117	4.62%	4,352	114	5.27%
Other Borrowings (c)	14,276	531	7.49%	17,044	1,040	12.30%
Total Short-Term and Other Borrowings	70,150	1,765	5.07%	88,939	2,987	6.77%
Long-Term Debt	19,237	630	6.60%	16,102	630	7.89%
Total Interest-Bearing Liabilities	250,191	5,551	4.47%	256,510	7,216	5.67%
Noninterest-Bearing Deposits	47,815			45,165		
Trading Liabilities - Risk Management Instruments	27,982			37,043		
Other Liabilities	14,074			14,425		
Total Liabilities	340,062			353,143		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	1,028			1,467		
Common Stockholders' Equity	22,337			20,652		
Total Stockholders' Equity	23,365			22,119		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 363,977			$ 375,812		
INTEREST RATE SPREAD			2.42%			2.00%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$ 4,358(a)	3.03%		$ 4,214(a)	2.83%

(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 six months ended June 30, 1999 and June 30, 1998, the annualized rate for available-for-sale securities based on historical cost was 5.69% and 6.43%, 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			
	SECOND QUARTER	FIRST QUARTER	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
INTEREST INCOME						
Loans	$ 3,165	$ 3,209	$ 3,381	$ 3,287	$ 3,316	$ 3,405
Securities	747	835	964	874	889	889
Trading Assets	411	418	435	604	716	676
Federal Funds Sold and Securities Purchased Under Resale Agreements	389	381	469	517	554	671
Deposits with Banks	161	184	192	150	148	152
Total Interest Income	4,873	5,027	5,441	5,432	5,623	5,793
INTEREST EXPENSE						
Deposits	1,558	1,598	1,717	1,524	1,784	1,815
Short-Term and Other Borrowings	851	914	1,247	1,378	1,478	1,509
Long-Term Debt	319	311	317	324	325	305
Total Interest Expense	2,728	2,823	3,281	3,226	3,587	3,629
NET INTEREST INCOME	2,145	2,204	2,160	2,206	2,036	2,164
Provision for Loan Losses	388	381	411	272	328	332
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,757	1,823	1,749	1,934	1,708	1,832
NONINTEREST REVENUE						
Investment Banking Fees	585	317	381	322	438	361
Trust, Custody and Investment Management Fees	461	414	414	398	383	348
Credit Card Revenue	438	379	428	381	365	300
Fees for Other Financial Services	587	553	552	522	509	510
Trading Revenue	526	618	516	(69)	323	468
Securities Gains	5	156	167	261	98	83
Private Equity Gains	513	325	244	60	370	293
Other Revenue	356	178	198	137	233	96
Total Noninterest Revenue	3,471	2,940	2,900	2,012	2,719	2,459
NONINTEREST EXPENSE						
Salaries	1,416	1,384	1,296	1,205	1,270	1,254
Employee Benefits	238	255	194	221	215	224
Occupancy Expense	206	218	220	198	191	189
Equipment Expense	239	243	250	219	212	209
Restructuring Costs	--	--	--	--	8	521
Other Expense	969	845	913	804	826	744
Total Noninterest Expense	3,068	2,945	2,873	2,647	2,722	3,141
INCOME BEFORE INCOME TAX EXPENSE	2,160	1,818	1,776	1,299	1,705	1,150
Income Tax Expense	767	645	630	462	631	425
NET INCOME	$ 1,393	$ 1,173	$ 1,146	$ 837	$ 1,074	$ 725
NET INCOME APPLICABLE TO COMMON STOCK	$ 1,375	$ 1,155	$ 1,128	$ 815	$ 1,050	$ 691
NET INCOME PER COMMON SHARE:						
Basic	$ 1.65	$ 1.37	$ 1.34	$ 0.96	$ 1.24	$ 0.82
Diluted	$ 1.60	$ 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 7-10, 13, 25, 27-33, 35, 41, 46)

Asset/Liability Management ("ALM"): The management of the sensitivity of Chase's income to changes in market interest rates. (Pages 8, 9, 28, 30-32)

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 31)

Cash Operating Earnings: Operating earnings excluding the impact of amortization of goodwill and certain intangibles. (Pages 10-18, 36)

Chase Texas: Chase Bank of Texas, National Association. (Page 9)

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, 25-26, 28)

Efficiency Ratio: Noninterest expense as a percentage of the total of net interest income and noninterest revenue (excluding restructuring costs, foreclosed property expense, special items and costs associated with the REIT). (Pages 12-15, 17, 23, 36)

FASB: Financial Accounting Standards Board. (Page 35)

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. (Pages 25-26, 36)

Net Yield on Interest-Earning Assets: The average rate for interest-earning assets less the average rate paid for all sources of funds. (Pages 21, 37-38)

Operating Basis or Operating Earnings: Reported results excluding the impact of credit card securitizations, restructuring costs and special items. (Pages 10-14, 18-19, 23, 36)

REIT: A real estate investment trust subsidiary of Chase. (Pages 23-24)

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 35)

SFAS 137: "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133, an amendment of FASB Statement No. 133." (Page 35)

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, 12-14, 16, 32, 36)

Special Items: The 1999 second quarter included a gain on the sale of One New York Plaza and on the sale of branches in Beaumont, Texas as well as a special contribution to The Chase Manhattan Foundation. There were no special items in the 1999 first quarter or for the first six months of 1998. (Pages 10, 12, 19, 23, 36)

Value-at-Risk ("VAR"): The potential overnight loss from adverse market movements. (Page 30)

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 18, 23-24, 33-34)

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The following discussion of certain legal proceedings focuses primarily on developments since December 31, 1998 and updates the discussion entitled "Legal Proceedings" appearing on page 6 of Chase's 1998 Annual Report.

As previously reported in the 1998 Annual Report, in 50-Off Stores, Inc. v. Banque Paribas (Suisse) S.A., a lawsuit in the United States District Court for the Western District of Texas alleging conversion of shares of common stock held in a custody account of The Chase Manhattan Bank, judgment was entered against the Bank for $148.6 million in punitive and compensatory damages. On appeal by Chase, the United States Court of Appeals for the Fifth Circuit reversed the punitive damage award of $138 million, resulting in a remaining award of $10.6 million in compensatory damages, plus post-judgment interest. Both the plaintiff and Chase filed petitions for rehearing with the Fifth Circuit, which petitions were denied. Chase does not expect the final outcome of the lawsuit to have a material adverse effect on its consolidated financial position.

In June 1999, Sumitomo Corporation filed a lawsuit against The Chase Manhattan Bank in the United States District Court for the Southern District of New York. The complaint alleges that during the period from 1994 to 1996, the Bank assisted a Sumitomo employee in making copper trades by funding unauthorized loans to the Sumitomo employee. The complaint alleges that the Bank knew the employee did not have authority to enter into the transactions on behalf of Sumitomo. The complaint asserts claims under the Racketeer Influenced and Corrupt Organizations Act ("RICO") and New York common law and alleges damages of $532 million (subject to trebling under RICO), plus punitive damages. Chase believes this action is without merit and intends to contest it vigorously.

Item 2. Sales of Unregistered Common Stock

During the second 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. On April 1, 1999, 317 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.

Item 4. Submission of Matters to a Vote of Security Holders

The following is a summary of matters submitted to vote at the Annual Meeting of Stockholders of the Corporation held on May 18, 1999. A total of 729,565,319 shares, or 86.1% of the 847,163,749 shares entitled to vote at the Annual Meeting, were represented at the meeting.

(A) Election of Directors

The following sixteen (16) directors were elected to hold office until the 2000 Annual Meeting or until their successors are elected and have qualified.

	Votes Received	Votes Withheld
Hans W. Becherer	727,145,073	2,420,246
Frank A. Bennack Jr.	727,022,404	2,542,915
Susan V. Berresford	727,085,088	2,480,231
M. Anthony Burns	727,171,024	2,394,295
H. Laurance Fuller	727,139,015	2,426,304
Melvin R. Goodes	727,108,380	2,456,939
William H. Gray III	726,630,552	2,934,767
William B. Harrison Jr.	727,113,254	2,452,065
Harold S. Hook	726,992,674	2,572,645
Helene L. Kaplan	726,829,476	2,735,843
Thomas G. Labrecque	726,889,833	2,675,486
Henry B. Schacht	726,830,925	2,734,394
Walter V. Shipley	726,928,162	2,637,157
Andrew C. Sigler	726,908,635	2,656,684
John R. Stafford	727,015,601	2,549,718
Marina v. N. Whitman	726,874,385	2,690,934

(B) (1) Ratifying Independent Accountants

A proposal to ratify PricewaterhouseCoopers LLP as independent accountants was approved by 99.84% of the votes cast. There were 727,236,531 votes in favor of the proposal, and 1,192,146 votes opposed. The number of votes abstaining was 1,136,642. There were no broker non-votes.

(2) Reapproving the Key Executive Performance Plan

A proposal to reapprove the Key Executive Performance Plan was approved by 97.03% of the votes cast. There were 704,513,394 votes in favor of the proposal and 21,577,175 votes opposed. The number of votes abstaining was 3,461,973. There were 12,777 broker non-votes.

(3) Stockholder Proposal Re: Annual Reports of Political Contributions

A proposal by Evelyn Y. Davis requiring that management publish annual reports of political contributions made by Chase was rejected by 96.58% of the votes cast. There were 20,414,715 votes in favor of the proposal and 577,131,849 votes opposed. The number of votes abstaining was 35,436,203 and there were 96,582,552 broker non-votes.

(4) Stockholder Proposal Re: Lesser Developed Countries

A proposal by the Sisters of Charity of St. Elizabeth and other church groups that the Board of Directors develop a policy for Chase's lending and services to, and operations in, lesser-developed countries was rejected by 97.29% of the votes cast. There were 16,192,028 votes in favor of the proposal and 580,678,138 votes opposed. The number of votes abstaining was 36,119,807 and there were 96,575,346 broker non-votes.

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 June 30, 1999, as follows:

Form 8-K dated April 20, 1999: Chase announced the results of operations for the first quarter of 1999.

Form 8-K dated May 21, 1999: Chase reported the issuance and sale of 7.00% Capital Securities, Series G, by Chase Capital VII.

Form 8-K dated June 3, 1999: Management of Chase Capital Partners ("CCP"), Chase's equity-investment business, discussed certain investments held in CCP's portfolio, including StarMedia Network, Inc., and stated that, as a result of this and other investments, CCP's private equity gains could be substantially higher in the 1999 second quarter than the 1999 first quarter.

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 August 16, 1999 By /s/ Joseph L. Sclafani

Joseph L. Sclafani

Executive Vice President and Controller
[Principal Accounting Officer]

INDEX TO EXHIBITS

SEQUENTIALLY NUMBERED

EXHIBIT NO.	EXHIBITS	PAGE AT WHICH LOCATED
11	Computation of earnings per common share	46
12(a)	Computation of ratio of earnings to fixed charges	47
12(b)	Computation of ratio of earnings to fixed charges and preferred stock dividend requirements	48
27	Financial Data Schedule	49

APPENDIX 1

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	31	Bar Graph entitled "Histogram of Daily Market Risk-Related Revenue for the twelve months ended June 30, 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	34	49	47	41	28	13	8	11

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	9	8	3	3	0	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 June 30,		Six Months Ended June 30,	
EARNINGS PER SHARE	1999	1998	1999	1998
BASIC EARNINGS PER SHARE				
Earnings:				
Net Income	$ 1,393	$ 1,074	$ 2,566	$ 1,799
Less: Preferred Stock Dividends	18	24	36	58
Net Income Applicable to Common Stock	$ 1,375	$ 1,050	$ 2,530	$ 1,741
Shares:				
Basic Average Common Shares Outstanding	832.9	848.8	838.2	846.8
Net Income Per Share	$ 1.65	$ 1.24	$ 3.02	$ 2.06
DILUTED EARNINGS PER SHARE				
Earnings:				
Net Income Applicable to Common Stock	$ 1,375	$ 1,050	$ 2,530	$ 1,741
Shares:				
Basic Average Common Shares Outstanding	832.9	848.8	838.2	846.8
Additional Shares Issuable Upon Exercise of Stock Options for Dilutive Effect	28.4	26.7	28.4	24.7
Average Common Shares Outstanding Assuming Dilution	861.3	875.5	866.6	871.5
Net Income Per Share	$ 1.60	$ 1.20	$ 2.92	$ 2.00

EXHIBIT 12(A)

THE CHASE MANHATTAN CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN MILLIONS, EXCEPT RATIOS)

	Six months Ended June 30, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 3,978
Fixed charges:	
Interest expense	2,395
One third of rents, net of income from subleases (a)	67
Total fixed charges	2,462
Less: Equity in undistributed income of affiliates	(62)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 6,378
Fixed charges, as above	$ 2,462
Ratio of earnings to fixed charges	2.59
INCLUDING INTEREST ON DEPOSITS	
Fixed charges, as above	$ 2,462
Add: Interest on deposits	3,156
Total fixed charges and interest on deposits	$ 5,618
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 6,378
Add: Interest on deposits	3,156
Total earnings before taxes, fixed charges, and interest on deposits	$ 9,534
Ratio of earnings to fixed charges	1.70

(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)

	Six months Ended June 30, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 3,978
Fixed charges:	
Interest expense	2,395
One third of rents, net of income from subleases (a)	67
Total fixed charges	2,462
Less: Equity in undistributed income of affiliates	(62)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 6,378
Fixed charges, as above	$ 2,462
Preferred stock dividends	36
Fixed charges including preferred stock dividends	$ 2,498
Ratio of earnings to fixed charges and preferred stock dividend requirements	2.55
INCLUDING INTEREST ON DEPOSITS	
Fixed charges including preferred stock dividends, as above	$ 2,498
Add: Interest on deposits	3,156
Total fixed charges including preferred stock dividends and interest on deposits	$ 5,654
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 6,378
Add: Interest on deposits	3,156
Total earnings before taxes, fixed charges, and interest on deposits	$ 9,534
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.69

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

This schedule contains selected summary financial information extracted from the June 30, 1999 Form 10-Q for The Chase Manhattan Corporation and is qualified in its entirety by reference to such financial statements and disclosures.

0000019617
THE CHASE MANHATTAN CORPORATION
1,000,000
U.S. DOLLARS

6-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
1
16,037
5,851
28,052
51,347
48,098
1,092
1,093
175,041
3,554
356,868
209,502
52,559
51,066
17,031
0
1,028
882
20,798
356,868
6,374
1,582
1,115
9,900
3,156
5,551
4,349
769
161
6,013
3,978
2,566
0
0
2,566
3.02
2.92
3.03
1,492
405
0
0
3,552
901
133
3,554
0
0
0