SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarter Ended March 31, 1997 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)	(I.R.S. 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 426,122,218

Number of shares outstanding of each of the issuer's classes of common stock on April 30, 1997.

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Part I
Item 1.

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

	March 31, 1997	December 31, 1996
ASSETS		
Cash and Due from Banks	$ 14,349	$ 14,605
Deposits with Banks	3,298	8,344
Federal Funds Sold and Securities Purchased Under Resale Agreements	34,554	28,966
Trading Assets:		
Debt and Equity Instruments	34,753	30,377
Risk Management Instruments	32,725	29,579
Securities:		
Available-for-Sale	40,372	44,691
Held-to-Maturity (Fair Value: $3,561 and $3,849)	3,603	3,855
Loans (Net of Allowance for Loan Losses of $3,550 and $3,549)	152,332	151,543
Premises and Equipment	3,640	3,642
Due from Customers on Acceptances	2,280	2,276
Accrued Interest Receivable	3,215	3,020
Other Assets	15,217	15,201
TOTAL ASSETS	$ 340,338	$ 336,099
LIABILITIES		
Deposits:		
Domestic:		
Noninterest-Bearing	$ 39,932	$ 42,726
Interest-Bearing	66,685	67,186
Foreign:		
Noninterest-Bearing	4,066	4,331
Interest-Bearing	65,347	66,678
Total Deposits	176,030	180,921
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	55,939	53,868
Commercial Paper	3,780	4,500
Other Borrowed Funds	7,819	9,231
Acceptances Outstanding	2,280	2,276
Trading Liabilities	46,147	38,136
Accounts Payable, Accrued Expenses and Other Liabilities	13,242	12,309
Long-Term Debt	12,419	12,714
Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures	1,390	600
TOTAL LIABILITIES	319,046	314,555
COMMITMENTS AND CONTINGENCIES (See Note 7)		
PREFERRED STOCK OF SUBSIDIARY	550	550
STOCKHOLDERS' EQUITY		
Preferred Stock	2,500	2,650
Common Stock (Issued 440,746,231 and 440,747,317 Shares)	441	441
Capital Surplus	10,299	10,459
Retained Earnings	9,235	8,627
Net Unrealized Loss on Securities Available-for-Sale, Net of Taxes	(559)	(288)
Treasury Stock, at Cost (12,397,918 and 9,936,716 Shares)	(1,174)	(895)
TOTAL STOCKHOLDERS' EQUITY	20,742	20,994
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	$ 340,338	$ 336,099

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

Part I
Item 1. (continued)

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

	1997	1996
INTEREST INCOME		
Loans	$ 3,112	$ 3,241
Securities	722	720
Trading Assets	626	413
Federal Funds Sold and Securities Purchased Under Resale Agreements	559	501
Deposits with Banks	106	172
Total Interest Income	5,125	5,047
INTEREST EXPENSE		
Deposits	1,515	1,644
Short-Term and Other Borrowings	1,302	1,026
Long-Term Debt	257	227
Total Interest Expense	3,074	2,897
NET INTEREST INCOME	2,051	2,150
Provision for Credit Losses	220	245
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	1,831	1,905
NONINTEREST REVENUE		
Corporate Finance and Syndication Fees	168	224
Trust, Custody and Investment Management Fees	310	285
Credit Card Revenue	278	233
Service Charges on Deposit Accounts	91	99
Fees for Other Financial Services	383	378
Trading Revenue	422	355
Securities Gains	101	52
Revenue from Equity-Related Investments	164	223
Other Revenue	182	36
Total Noninterest Revenue	2,099	1,885
NONINTEREST EXPENSE		
Salaries	1,124	1,076
Employee Benefits	222	305
Occupancy Expense	187	221
Equipment Expense	190	184
Foreclosed Property Expense	3	(9)
Restructuring Charge and Expenses	30	1,656
Other Expense	691	660
Total Noninterest Expense	2,447	4,093
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)	1,483	(303)
Income Tax Expense (Benefit)	556	(214)
NET INCOME (LOSS)	$ 927	$ (89)
NET INCOME (LOSS) APPLICABLE TO COMMON STOCK	$ 872	$ (143)
NET INCOME (LOSS) PER COMMON SHARE:		
Primary	$ 1.98	$ (.32)
Assuming Full Dilution	$ 1.97	$ (.32)

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

Part I
Item 1. (continued)

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

	Three Months Ended March 31,	
	1997	1996
Preferred Stock:		
Balance at Beginning of Year	$ 2,650	$ 2,650
Redemption of Stock	(150)	--
Balance at End of Period	$ 2,500	$ 2,650
Common Stock:		
Balance at Beginning of Year	$ 441	$ 458
Retirement of Treasury Stock	--	(20)
Balance at End of Period	$ 441	$ 438
Capital Surplus:		
Balance at Beginning of Year	$ 10,459	$ 11,075
Retirement of Treasury Stock	--	(433)
Shares Issued for Employee Stock-Based Awards and Certain Related Tax Benefits	(160)	(84)
Balance at End of Period	$ 10,299	$ 10,558
Retained Earnings:		
Balance at Beginning of Year	$ 8,627	$ 7,997
Net Income (Loss)	927	(89)
Retirement of Treasury Stock	--	(557)
Cash Dividends Declared:		
Preferred Stock	(55)	(54)
Common Stock	(265)	(328)(a)
Accumulated Translation Adjustment	1	--
Balance at End of Period	$ 9,235	$ 6,969
Net Unrealized Loss on Securities Available-for-Sale:		
Balance at Beginning of Year	$ (288)	$ (237)
Net Change in Fair Value of Securities Available-for-Sale, Net of Taxes	(271)	(373)
Balance at End of Period	$ (559)	$ (610)
Common Stock in Treasury, at Cost:		
Balance at Beginning of Year	$ (895)	$ (1,107)
Retirement of Treasury Stock	--	1,010
Purchase of Treasury Stock	(609)	(708)
Reissuance of Treasury Stock	330	567
Balance at End of Period	$ (1,174)	$ (238)
Total Stockholders' Equity	$ 20,742	$ 19,767

(a) Includes fourth quarter 1995 common stock dividends of $80 million declared and paid by old Chase in the 1996 first quarter.

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

Part I
Item 1. (continued)

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

	1997	1996
Operating Activities		
Net Income (Loss)	$ 927	$ (89)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Provision for Credit Losses	220	245
Restructuring Charge and Expenses	30	1,656
Depreciation and Amortization	235	208
Net Change In:		
Trading-Related Assets	(6,880)	847
Accrued Interest Receivable	(195)	51
Other Assets	(572)	(1,504)
Trading-Related Liabilities	8,750	297
Accrued Interest Payable	166	(189)
Other Liabilities	671	(73)
Other, Net	95	262
Net Cash Provided by Operating Activities	3,447	1,711
Investing Activities		
Net Change In:		
Deposits with Banks	5,046	2,212
Federal Funds Sold and Securities Purchased Under Resale Agreements	(5,802)	(2,829)
Loans Due to Sales and Securitizations	5,948	10,433
Other Loans, Net	(6,876)	(10,051)
Other, Net	(172)	228
Proceeds from the Maturity of Held-to-Maturity Securities	229	300
Purchases of Held-to-Maturity Securities	(18)	(69)
Proceeds from the Maturity of Available-for-Sale Securities	1,820	3,032
Proceeds from the Sale of Available-for-Sale Securities	16,323	10,433
Purchases of Available-for-Sale Securities	(14,635)	(16,132)
Net Cash Provided (Used) by Investing Activities	1,863	(2,443)
Financing Activities		
Net Change In:		
Noninterest-Bearing Domestic Demand Deposits	(2,794)	(6,896)
Domestic Time and Savings Deposits	(501)	3,445
Foreign Deposits	(1,596)	851
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	2,285	1,104
Other Borrowed Funds	(2,132)	(1,190)
Other, Net	(37)	(206)
Proceeds from the Issuance of Long-Term Debt and Capital Securities	1,121	725
Repayments of Long-Term Debt	(625)	(571)
Proceeds from the Issuance of Stock	170	513
Redemption of Preferred Stock	(150)	--
Treasury Stock Purchased	(1,031)	(708)
Cash Dividends Paid	(296)	(284)
Net Cash Used by Financing Activities	(5,586)	(3,217)
Effect of Exchange Rate Changes on Cash and Due from Banks	20	1
Net Decrease in Cash and Due from Banks	(256)	(3,948)
Cash and Due from Banks at January 1,	14,605	14,794
Cash and Due from Banks at March 31,	$ 14,349	$ 10,846
Cash Interest Paid	$ 2,908	$ 3,091
Taxes Paid	$ 160	$ 335

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

Part I
Item 1. (continued)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The unaudited financial statements of The Chase Manhattan Corporation and subsidiaries (the "Corporation") are prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been included. In addition, certain amounts have been reclassified to conform to the current presentation.

The Corporation adopted, commencing January 1, 1997, the requirements of Statement of Financial Accounting Standards No. 125 entitled, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS 125") for the following types of transactions: securitizations, recognitions of servicing assets and liabilities, transfers of receivables with recourse, loan participations, and extinguishments of liabilities. The adoption of SFAS 125 did not have a material effect on the Corporation's earnings, liquidity, or capital resources.

In December 1996, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 127 entitled "Deferral of the Effective Date of Certain Provisions of FASB Statement No. 125" ("SFAS 127"), which deferred for one year, the effective date of SFAS 125 as applied to securities lending, repurchase agreements and other secured financing transactions. The Corporation believes that the adoption of SFAS 127 will not have a material effect on the Corporation's earnings, liquidity or capital resources.

NOTE 2- EARNINGS PER SHARE

For a discussion of the Corporation's current earnings per share policy, reference is made to Note One of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996 ("1996 Annual Report"). For a discussion of the FASB's Statement of Financial Accounting Standards No. 128 "Earnings per Share", see the Accounting Developments Section on page 42 of this Form 10-Q.

Part I
Item 1. (continued)

NOTE 3 - TRADING ACTIVITIES

For a discussion of the Corporation's trading revenue for the 1997 first quarter, see Management's Discussion and Analysis("MD&A") on page 21 of this Form 10-Q.

TRADING ASSETS AND LIABILITIES
Trading assets and trading liabilities (which are carried at estimated fair value, after taking into account the effects of legally enforceable master netting agreements relating to risk management instruments) are presented in the following table for the dates indicated.

(in millions)	March 31, 1997	December 31, 1996
Trading Assets - Debt and Equity Instruments:		
U.S. Government, Federal Agencies and Municipal Securities	$ 11,301	$ 8,523
Certificates of Deposit, Bankers' Acceptances, and Commercial Paper	1,792	1,486
Debt Securities Issued by Foreign Governments	11,028	12,284
Debt Securities Issued by Foreign Financial Institutions	4,357	3,569
Loans	1,412	876
Corporate Securities	2,680	1,873
Other	2,183	1,766
Total Trading Assets - Debt and Equity Instruments (a)	$ 34,753	$ 30,377
Trading Assets - Risk Management Instruments:		
Interest Rate Contracts	$ 13,812	$ 14,227
Foreign Exchange Contracts	18,109	13,760
Equity, Commodity and Other Contracts	879	1,667
Allowance for Credit Losses for Risk Management Instruments	(75)	(75)
Total Trading Assets - Risk Management Instruments	$ 32,725	$ 29,579
Trading Liabilities - Risk Management Instruments:		
Interest Rate Contracts	$ 13,580	$ 14,622
Foreign Exchange Contracts	17,712	12,867
Equity, Commodity and Other Contracts	1,106	1,202
Trading Liabilities - Risk Management Instruments	$ 32,398	$ 28,691
Securities Sold, Not Yet Purchased	$ 11,584	$ 7,242
Structured Notes	$ 2,165	$ 2,203
Total Trading Liabilities	$ 46,147	$ 38,136

(a) Includes emerging markets instruments of $5,272 million at March 31, 1997 and $5,500 million at December 31, 1996.

NOTE 4 - SECURITIES

For a discussion of the accounting policies relating to securities, see Note One of the Corporation's 1996 Annual Report.

The valuation of available-for-sale securities (including securities classified as loans which are subject to the provisions of SFAS 115) resulted in a net after-tax unfavorable impact of $559 million on the Corporation's stockholders' equity at March 31, 1997, compared with a net after-tax unfavorable impact of $288 million at December 31, 1996. The change from the 1996 year-end was the result of an increase in U.S. dollar interest rates during the 1997 first quarter, thereby causing a decline in the market value of the securities portfolio.

Part I
Item 1. (continued)

Net gains from available-for-sale securities sold in the first quarter of 1997 amounted to $101 million (gross gains of $116 million and gross losses of $15 million). Net gains on such sales for the same period in 1996 amounted to $52 million (gross gains of $74 million and gross losses of $22 million).

AVAILABLE-FOR-SALE SECURITIES

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

March 31, 1997 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 20,572	$ 22	$ 557	$ 20,037
Collateralized Mortgage Obligations	2,238	--	5	2,233
Other, primarily U.S. Treasuries	9,353	--	349	9,004
Obligations of State and Political Subdivisions	352	1	1	352
Debt Securities Issued by Foreign Governments	6,765	24	55	6,734
Corporate Debt Securities	624	35	5	654
Equity Securities	919	137	47	1,009
Other, primarily Asset-Backed Securities (a)	345	10	6	349
Total Available-for-Sale Securities	$ 41,168	$ 229	$ 1,025	$ 40,372

December 31, 1996 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 20,961	$ 18	$ 285	$ 20,694
Collateralized Mortgage Obligations	2,293	1	2	2,292
Other, primarily U.S. Treasuries	12,250	3	193	12,060
Obligations of State and Political Subdivisions	325	2	--	327
Debt Securities Issued by Foreign Governments	6,893	100	3	6,990
Corporate Debt Securities	923	43	14	952
Equity Securities	957	116	25	1,048
Other, primarily Asset-Backed Securities (a)	328	1	1	328
Total Available-for-Sale Securities	$ 44,930	$ 284	$ 523	$ 44,691

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

Part I
Item 1. (continued)

HELD-TO-MATURITY SECURITIES

The amortized cost and estimated fair value of held-to-maturity securities for the dates indicated were as follows:

March 31, 1997 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 1,503	$ 1	$ 28	$ 1,476
Collateralized Mortgage Obligations	1,986	3	18	1,971
Other, primarily U.S. Treasuries	54	--	--	54
Other, primarily Asset-Backed Securities (a)	60	--	--	60
Total Held-to-Maturity Securities	$ 3,603	$ 4	$ 46	$ 3,561

December 31, 1996 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 1,584	$ 4	$ 8	$ 1,580
Collateralized Mortgage Obligations	2,075	6	9	2,072
Other, primarily U.S. Treasuries	73	--	--	73
Other, primarily Asset-Backed Securities (a)	123	1	--	124
Total Held-to-Maturity Securities	$ 3,855	$ 11	$ 17	$ 3,849

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

NOTE 5 - LOANS

For a discussion of the accounting policies relating to loans, including securities classified as loans which are subject to the provisions of SFAS 115, reference is made to Notes One and Four of the Corporation's 1996 Annual Report. The following table reflects the amortized cost and estimated fair value of loans measured pursuant to SFAS 115 (which are all available-for-sale), including the impact of related derivatives, for the dates indicated.

(in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 1997	$ 1,703	$ 161	$ 341	$ 1,523
December 31, 1996	$ 1,869	$ 93	$ 369	$ 1,593

There were no net gains or losses in the first quarter of 1997 related to the disposition of available-for-sale emerging market securities, compared with a net loss of $35 million in the same 1996 period.

Part I
Item 1. (continued)

The following table sets forth information about the Corporation's impaired loans. The Corporation uses the discounted cash flow method as its primary method for valuing impaired loans.

(in millions)	March 31, 1997	December 31, 1996	March 31, 1996
Impaired Loans with an Allowance	$ 520	$ 535	$ 514
Impaired Loans without an Allowance (a)	152	182	714
Total Impaired Loans	$ 672	$ 717	$ 1,228
Allowance for Impaired Loans under SFAS 114 (b)	$ 171	$ 194	$ 153
Average Balance of Impaired Loans during the year-to-date period ended:	$ 704	$ 1,104	$ 1,212
Interest Income Recognized on Impaired Loans during the year-to-date period ended:	$ 3	$ 30	$ 8

(a) Impaired loans for which the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan. Such loans do not require an allowance under SFAS 114.
(b) The Allowance for Impaired Loans under SFAS 114 is a part of the Corporation's overall Allowance for Loan Losses.

NOTE 6 - RESTRUCTURING CHARGE AND EXPENSES

In connection with the merger of The Chase Manhattan Corporation ("Chase") and Chemical Banking Corporation ("Chemical"), $1.9 billion of one-time merger-related costs were identified, of which $1.65 billion was taken as a restructuring charge on March 31, 1996. An additional $194 million of merger-related expenses, from an expected additional $250 million of merger-related expenses, were incurred since the merger and were included in the Restructuring Charge and Expenses caption of the income statement. Of this amount, $30 million was incurred during the 1997 first quarter. The remaining merger-related expenses are expected to be substantially incurred over the next year as these costs do not qualify for immediate recognition under an existing accounting pronouncement and were not included in the $1.65 billion charge taken on March 31, 1996. The $1.9 billion of merger-related costs reflect severance and other termination-related costs to be incurred in connection with anticipated staff reductions (approximately $600 million), costs in connection with planned dispositions of certain facilities, premises and equipment (approximately $700 million), and other merger-related expenses, including costs to eliminate redundant back office and other operations and other expenses related directly to the merger (approximately $600 million).

At March 31, 1997, the reserve balance associated with the above $1.65 billion restructuring charge was approximately $809 million, of which $235 million related to severance and other termination-related costs, $483 million related to the disposition of certain facilities, premises and equipment, and $91 million related to other merger costs, including costs to eliminate redundant back office and other operations.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

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

NOTE 8 - GUARANTEED PREFERRED BENEFICIAL INTERESTS IN CORPORATION'S JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURES

In the fourth quarter of 1996 and first quarter of 1997, the Corporation established three separate statutory business trusts, which issued an aggregate $1,390 million in capital securities. The capital securities qualify as Tier 1 capital for the Corporation. The proceeds from each issuance by a trust of its capital securities were invested in a corresponding series of junior subordinated deferrable interest debentures of the Corporation. The sole assets of each statutory business trust is these debentures. The Corporation has fully and unconditionally guaranteed all of the business trusts' obligations under each trust's capital securities. Each trust's capital securities are subject to mandatory redemption, in whole or in part, upon repayment of the debentures at their stated maturity or earlier redemption.

The following is a summary of the Corporation's outstanding debentures:

Name of Trust	Amount of Debentures (in millions)	Stated Maturity of Debentures	Interest Rate of Debentures	Interest Payment Dates
Chase Capital I	$ 600	12/1/2026	7.67%	Semi-annual - commencing 6/1/97
Chase Capital II	494	2/1/2027	LIBOR + .50%	Quarterly - commencing 5/1/97
Chase Capital III	296	3/1/2027	LIBOR + .55%	Quarterly - commencing 6/1/97
Total	$ 1,390			

NOTE 9 - PREFERRED STOCK OF SUBSIDIARY

Chase Preferred Capital Corporation ("CPCC"), a real estate investment trust established for the purpose of acquiring, holding and managing real estate mortgage assets, is a wholly-owned subsidiary of The Chase Manhattan Bank. On September 18, 1996, CPCC issued 22 million shares of 8.10% Cumulative Preferred Stock, Series A with a liquidation preference of $25 per share. Dividends are cumulative, are payable quarterly and are recorded as minority interest expense by the Corporation.

The Series A Preferred Shares are generally not redeemable prior to September 18, 2001. On and after September 18, 2001, the Series A Preferred Shares may be redeemed for cash at the option of CPCC, in whole or in part, at a redemption price of $25 per share, plus accrued and unpaid dividends, if any, thereon. The Series A Preferred Shares are treated as Tier 1 capital for the Corporation. The Series A Preferred Shares are not subject to any sinking fund or mandatory redemption and are not convertible into any other securities of CPCC or the Corporation and any of its subsidiaries.

NOTE 10 - COMMON STOCK

In October 1996, the Corporation announced a common stock purchase program in which the Corporation is authorized until December 31, 1998 to purchase up to $2.5 billion of its common stock, in addition to such other number of common shares as may be necessary to provide for expected issuances under its dividend reinvestment plan and its various stock-based director and employee benefit plans. During the period from the inception of the program through March 31, 1997, the Corporation has repurchased 17.6 million common shares ($1.6 billion) and reissued approximately 5.2 million treasury shares under the Corporation's benefit plans, resulting in a net repurchase of 12.4 million shares ($1.2 billion) of its common stock.

Part I
Item 1. (continued)

NOTE 11 - CAPITAL

For a discussion of the calculation of the Corporation's capital ratios, as well as the various regulatory guidelines which are applicable to the Corporation, reference is made to Note Sixteen of the Corporation's 1996 Annual Report.

The following table presents capital ratios for the Corporation and its significant banking subsidiaries. Assets and capital amounts for the Corporation's banking subsidiaries reflect intercompany transactions, whereas the respective amounts for the Corporation reflect the elimination of intercompany transactions.

March 31, 1997 ($ in millions)	Corporation	The Chase Manhattan Bank	Texas Commerce	Chase USA
Tier 1 Capital Ratio (a)(c)	8.36% (d)	7.81%	7.94%	10.61%
Total Capital Ratio (a)(c)	12.04% (d)	11.59%	11.12%	13.46%
Tier 1 Leverage Ratio (b)(c)	6.90% (d)	6.07%	6.80%	10.26%
Tier 1 Capital	$ 21,199	$ 16,175	$ 1,422	$ 2,501
Total Qualifying Capital	30,509	23,996	1,991	3,172
Risk-Weighted Assets	253,441	207,087	17,900	23,571
Adjusted Average Assets	307,349	266,619	20,920	24,371

(a) Tier 1 Capital or Total Capital, as applicable, divided by risk-weighted assets. Risk-weighted assets include assets and off-balance sheet positions, weighted by the type of instruments and the risk weight of the counterparty, collateral or guarantor.
(b) Tier 1 Capital divided by adjusted average assets (net of allowance for credit losses, goodwill and certain intangible assets).
(c) The provisions of SFAS 115 do not apply to the calculation of these ratios.
(d) Excludes the assets and off-balance sheet financial instruments of the Corporation's securities subsidiary, Chase Securities Inc., as well as the Corporation's investment in such subsidiary. Including the Corporation's securities subsidiary, Chase Securities Inc., the March 31, 1997, Tier 1 Capital, Total Capital and Tier 1 Leverage ratios were 8.56%, 12.49% and 6.48%, respectively.

NOTE 12 - DERIVATIVE AND FOREIGN EXCHANGE FINANCIAL INSTRUMENTS

The Corporation utilizes various derivative and foreign exchange financial instruments for trading purposes and for purposes other than trading, such as asset/liability management ("ALM"). These financial 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. These derivative and foreign exchange transactions involve, to varying degrees, credit risk and market risk. For a discussion of these risks, see Note Seventeen of the Corporation's 1996 Annual Report.

Derivative and Foreign Exchange Instruments Used for Trading Purposes:

The financial instruments used for the Corporation's trading activities are disclosed in Note 3 of this Form 10-Q. The credit risk relating to the Corporation's trading activities is recorded on the balance sheet. The effects of market risk (gains or losses) on the Corporation's trading activities have been reflected in trading revenue, as the trading instruments are marked-to-market on a daily basis.

Derivative and Foreign Exchange Instruments Used for Purposes Other Than Trading (such as ALM activities):

A discussion of the Corporation's objectives and strategies for employing derivative and foreign exchange instruments for ALM activities is included on pages 55-58 of the Corporation's 1996 Annual Report.

At March 31, 1997, gross deferred gains and gross deferred losses relating to closed derivative contracts used in ALM activities were $571 million and $585 million, respectively. For a discussion of the accounting method used for closed contracts, see Note One of the Corporation's 1996 Annual Report and see page 39 of this Form 10-Q for the Amortization of Net Deferred Gains (Losses) on Closed ALM Contracts.

The Corporation also uses selected derivative financial instruments to manage the sensitivity to changes in market interest rates on anticipated transactions; however, such transactions are not significant. Accordingly, at March 31, 1997, deferred gains and losses associated with such transactions were immaterial.

Part I
Item 1. (continued)

The following table summarizes the aggregate notional amounts of interest rate 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) for the dates indicated below. The table should be read in conjunction with the descriptions of these products and their risks included in Note Seventeen of the Corporation's 1996 Annual Report.

	Notional Amounts (a)		Credit Exposure	
(in billions)	March 31, 1997	December 31, 1996	March 31, 1997	December 31, 1996
INTEREST RATE CONTRACTS				
Futures, Forwards and Forward Rate Agreements				
Trading	$ 1,401.7	$ 1,209.6	$ 0.4	$ 0.5
Asset and Liability Management	68.7	30.8	---	---
Interest Rate Swaps				
Trading	2,448.1	2,300.3	10.6	11.4
Asset and Liability Management	99.8	96.4	0.6	0.7
Purchased Options				
Trading	274.0	172.7	2.8	2.3
Asset and Liability Management	20.3	15.5	---	---
Written Options				
Trading	326.1	199.4	---	---
Asset and Liability Management	6.3	1.4	---	---
Total Interest Rate Contracts	$ 4,645.0	$ 4,026.1	$ 14.4	$ 14.9
FOREIGN EXCHANGE CONTRACTS				
Spot, Forward and Futures Contracts				
Trading	$ 1,492.2	$ 1,308.6	$ 13.9	$ 10.0
Asset and Liability Management	67.6	60.1	---	---
Other Foreign Exchange Contracts (b)				
Trading	295.5	267.4	4.2	3.8
Asset and Liability Management	4.4	4.2	---	---
Total Foreign Exchange Contracts	$ 1,859.7	$ 1,640.3	$ 18.1	$ 13.8
EQUITY, COMMODITY AND OTHER CONTRACTS				
Trading	$ 50.9	$ 45.7	$ 0.9	$ 1.7
Total Equity, Commodity and Other Contracts	$ 50.9	$ 45.7	$ 0.9	$ 1.7
Total Credit Exposure Recorded on the Balance Sheet			$ 33.4	$ 30.4

(a) The notional amounts of exchange-traded interest rate contracts, foreign exchange contracts, and equity, commodity and other contracts were $699.3 billion, $10.8 billion and $7.0 billion, respectively, at March 31, 1997, compared with $521.5 billion, $9.5 billion and $6.4 billion, respectively, at December 31, 1996. The credit risk amounts of these contracts were minimal since exchange-traded contracts principally settle daily in cash.
(b) Includes notional amounts of purchased options, written options and cross-currency interest rate swaps of $94.8 billion, $101.3 billion and $103.8 billion, respectively, at March 31, 1997, compared with $89.6 billion, $94.2 billion and $87.8 billion, respectively, at December 31, 1996.

Part I
Item 1. (continued)

NOTE 13 - OFF-BALANCE SHEET LENDING-RELATED FINANCIAL INSTRUMENTS

The following table summarizes the Corporation's credit risk which is represented by contract amounts relating to lending-related financial instruments at March 31, 1997 and December 31, 1996. The table should be read in conjunction with the description of these products and their risks included in Note Eighteen of the Corporation's 1996 Annual Report.

Off-Balance Sheet Lending-Related Financial Instruments

(in millions)	March 31, 1997	December 31, 1996
Credit Card Lines	$ 56,098	$ 54,192
Other Commitments to Extend Credit	96,449	94,278
Standby Letters of Credit and Guarantees (Net of Risk Participations of $5,139 and $5,205)	30,947	30,843
Other Letters of Credit	5,848	5,588
Customers' Securities Lent	41,199	38,715

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

For a discussion of the Corporation's fair value methodologies, see Note Twenty of the Corporation's 1996 Annual Report. The following table presents the carrying value and estimated fair value at March 31, 1997 and December 31, 1996 of the Corporation's financial assets and liabilities valued under SFAS 107.

	March 31, 1997			December 31, 1996		
(in millions)	Carrying Value (a)	Estimated Fair Value (a)	Appreciation/ (Depreciation)	Carrying Value	Estimated Fair Value	Appreciation/ (Depreciation)
Total Financial Assets	$ 332,983	$ 335,131	$ 2,148	$ 328,504	$ 330,831	$ 2,327
Total Financial Liabilities	$ 318,647	$ 319,009	(362)	$ 314,144	$ 314,626	(482)
Estimated Fair Value in Excess of Carrying Value			$ 1,786			$ 1,845

(a) Gross unrecognized gains and losses from daily margin settlements on open futures contracts were $20 million and $2 million, respectively, at March 31, 1997.

Derivative contracts used for ALM activities are included in the above amounts and are valued using market prices or pricing models consistent with methods used by the Corporation in valuing similar instruments used for trading purposes. The following table presents the carrying value and estimated fair value of derivatives contracts used for ALM activities.

	March 31, 1997			December 31, 1996		
(in millions)	Carrying Value	Estimated Fair Value	Net Unrecognized Gains/(Losses)	Carrying Value	Estimated Fair Value	Net Unrecognized Gains/(Losses)
Total Financial Assets	$ 304	$ 356	$ 52 (a)	$ 222	$ 135	$ (87)
Total Financial Liabilities	$ 252	$ (34)	$ (286) (a)	$ 76	$ (67)	$ (143)

(a) Unrecognized gains and losses related to total financial assets were $552 million and $500 million, respectively, at March 31, 1997. Unrecognized gains and losses related to total financial liabilities were $187 million and $473 million, respectively, at March 31, 1997.

The above table excludes derivatives contracts used by the Corporation to manage the risks associated with its mortgage servicing rights that are not required to be fair valued under SFAS 107. At March 31, 1997, the carrying value of these derivative contracts was $82 million, and gross unrecognized gains and losses were $12 million and $136 million, respectively, resulting in an estimated negative fair value of $42 million. The unrecognized losses above do not include the favorable impact from the mortgage servicing rights being hedged by these derivative contracts.

Part I
Item 2.

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

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

	1997	1996			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
EARNINGS:					
Income Before Restructuring Costs	$ 946	$ 901	$ 878	$ 870	$ 937 (e)
Restructuring Costs (After-Tax) (a)	(19)	(65)	(20)	(14)	(1,026)
Net Income (Loss)	$ 927	$ 836	$ 858	$ 856	$ (89)
Net Income (Loss) Applicable to Common Stock	$ 872	$ 781	$ 803	$ 801	$ (143)
INCOME PER COMMON SHARE:					
Primary:					
Income Before Restructuring Costs	$ 2.02	$ 1.89	$ 1.85	$ 1.83	$ 1.98 (e)
Restructuring Costs (After-Tax) (a)	(0.04)	(0.15)	(0.05)	(0.03)	(2.30)
Net Income (Loss)	$ 1.98	$ 1.74	$ 1.80	$ 1.80	$ (0.32)
Assuming Full Dilution:					
Income Before Restructuring Costs	$ 2.01	$ 1.88	$ 1.83	$ 1.82	$ 1.97 (e)
Restructuring Costs (After-Tax) (a)	(0.04)	(0.14)	(0.05)	(0.03)	(2.29)
Net Income (Loss)	$ 1.97	$ 1.74	$ 1.78	$ 1.79	$ (0.32)
PER COMMON SHARE:					
Book Value	$ 42.59	$ 42.58	$ 42.03	$ 40.47	$ 39.41
Market Value	$ 93.88	$ 89.38	$ 80.13	$ 70.63	$ 70.50
Common Stock Dividends Declared (b)	$ 0.62	$ 0.56	$ 0.56	$ 0.56	$ 0.56
COMMON SHARES OUTSTANDING:					
Average Common and Common Equivalent Shares	441.0	447.7	447.2	444.8	446.1
Average Common Shares Assuming Full Dilution	442.6	448.8	450.5	458.4	449.1
Common Shares at Period End	428.3	430.8	439.9	437.1	434.3
PERFORMANCE RATIOS: (Average Balances)					
Income Before Restructuring Costs: (c)					
Return on Assets	1.13%	1.08%	1.08%	1.10%	1.20%
Return on Common Stockholders' Equity	19.54%	18.12%	18.35%	19.00%	19.53% (e)
Return on Total Stockholders' Equity	18.15%	16.89%	17.04%	17.58%	18.09%
Net Income: (c)					
Return on Assets	1.11%	1.00%	1.06%	1.08%	NM
Return on Common Stockholders' Equity	19.12%	16.73%	17.90%	18.67%	NM
Return on Total Stockholders' Equity	17.78%	15.67%	16.65%	17.30%	NM
Efficiency Ratio (d)	57.6%	58.5%	58.2%	58.4%	59.5%
Efficiency Ratio - Excluding Securitizations (d)	54.5%	56.2%	56.1%	56.2%	58.0%

(a) Reflects merger-related restructuring charge of $1,022 million, after-tax, which was recorded on March 31, 1996. In addition, under an existing accounting pronouncement, $19 million of after-tax merger-related expenses were incurred and recognized in the first quarter of 1997. During 1996, $103 million of after-tax merger-related expenses were incurred ($4 million in the first quarter, $14 million in the second quarter, $20 million in the third quarter, and $65 million in the fourth quarter).
(b) The Corporation increased its quarterly common stock dividend from $0.56 per share to $0.62 per share in the first quarter of 1997.
(c) Performance ratios are based on annualized income amounts.
(d) Excludes restructuring costs, foreclosed property expense, and nonrecurring items.
(e) Includes nonrecurring items which had a $70 million net favorable impact on net income. Excluding these items, net income was $867 million, primary earnings per share was $1.82, fully-diluted earnings per share was $1.81 and return on common stockholders' equity was 17.98%.
NM Not meaningful.

Certain forward-looking statements contained herein are subject to risks and uncertainties. The Corporation's actual results may differ materially from those set forth in such forward-looking statements. Reference is made to the Corporation's reports filed with the Securities and Exchange Commission, in particular the Form 8-K dated April 18, 1997, and the Corporation's Annual Report to Stockholders on Form 10-K for the year ended December 31, 1996 (the "1996 Annual Report") for a discussion of factors that may cause such differences to occur.

OVERVIEW

The Chase Manhattan Corporation (the "Corporation") reported first quarter 1997 operating net income of $946 million, a nine percent increase from first quarter 1996 comparable results of $867 million. Primary earnings per share in the first quarter of 1997 were $2.02, compared with $1.82 in the same 1996 period. Fully diluted earnings per share in the first quarter of 1997 were $2.01, an eleven percent increase from $1.81 for the comparable 1996 quarter. Operating net income excludes merger-related restructuring costs in both periods and the net effect of favorable special items totaling $70 million in the first quarter of 1996. Reported net income in the 1997 first quarter was $927 million, compared with a loss of $89 million in the prior-year first quarter.

The Corporation's first quarter 1997 results reflected the benefits of the Corporation's balanced business portfolio, with key wholesale and retail areas contributing solid results, as well as an overall strong financial performance as demonstrated by the significant improvement in the efficiency ratio and a higher return on common equity. Incremental merger savings were $205 million in the 1997 first quarter, compared with $40 million in the 1996 first quarter.

The return on common stockholders' equity on an operating basis was 19.5% for the first quarter of 1997 versus 18.0% for the comparable period of 1996. The Corporation's efficiency ratio improved to 57.6% for the first quarter of 1997, compared with 59.5% for the comparable 1996 period. Excluding the impact of credit card securitizations (see further discussion on pages 31 and 32), the efficiency ratio for the first quarters of 1997 and 1996 was 54.5% and 58.0%, respectively.

In connection with reporting its 1997 first quarter results, management of the Corporation reaffirmed its operating performance targets for 1997. These include: (i) annual growth in operating earnings per share of 15%; (ii) return on average common equity of 19%; (iii) an efficiency ratio of 54%-55% (excluding the impact of securitizations); (iv) annual operating revenue growth of 6%-8%; (v) annual growth in underlying operating noninterest expense (that is, operating noninterest expense before giving effect to any merger-related cost savings) of 5%-6%; (vi) incremental merger savings of approximately $635-$680 million; and (vii) substantial completion of its previously announced common stock buy-back program.

During the 1997 first quarter, the Corporation purchased approximately 6.1 million common shares ($609 million) as part of a stock repurchase plan announced in October of 1996. The Corporation also reissued approximately 3.6 million treasury shares under the Corporation's employee benefit plans, resulting in a net repurchase of 2.5 million shares ($279 million) of its common stock.

At March 31, 1997, the Corporation's Tier 1 Capital and Total Capital ratios were 8.36% and 12.04%, respectively (excluding the assets and off-balance sheet financial instruments of the Corporation's securities subsidiary, as well as the Corporation's investment in this subsidiary). These risk-based capital ratios were well in excess of the minimum ratios specified by the Board of Governors of the Federal Reserve System ("Federal Reserve Board") and at March 31, 1997, the Corporation and all of its depository institutions were "well capitalized" as defined by the Federal Reserve Board.

The Corporation's nonperforming assets at March 31, 1997 were $1,126 million, a decline of $25 million compared with $1,151 million on December 31, 1996, and a decline of $560 million from $1,686 million at March 31, 1996. Nonperforming assets have declined by over $10 billion, or 90%, from their peak level of $11.5 billion in 1991.

RESULTS OF OPERATIONS

Net Interest Income

Reported net interest income for the 1997 first quarter was $2,051 million compared with $2,150 million for the 1996 first quarter. The level of reported net interest income in both quarters was reduced by the impact of credit card securitizations. Additionally, the 1996 first quarter included $54 million of interest related to Federal and State tax audit settlements. Excluding the impact of securitizations and the tax audit settlements, net interest income on a managed basis increased 3% in the 1997 first quarter to $2,349 million, reflecting a higher level of interest-earning assets (notably liquid assets due to the Corporation's trading businesses and managed consumer receivables).

	First Quarter		
	1997	1996	% Change
Net Interest Income (in millions)			
Managed Basis	$ 2,349	$ 2,337 (a)	0.5%
Impact of Securitizations	(298)	(187)	--
Reported	$ 2,051	$ 2,150 (a)	(4.6)%
Average Interest-Earning Assets (in billions)			
Managed Basis	$ 282.8	$ 263.0	7.5%
Impact of Securitizations	(13.4)	(8.3)	--
Reported	$ 269.4	$ 254.7	5.8%
Net Yield on Interest-Earning Assets (b)			
Managed Basis	3.38%	3.59% (a)	--
Impact of Securitizations	(.28)	(.18)	--
Reported	3.10%	3.41% (a)	--

(a) Includes $54 million of interest related to tax audit settlements.
(b) Reflected on a taxable equivalent basis in order to permit comparison of yields on tax-exempt and taxable assets. For net interest income on a taxable equivalent basis, and additional information on average balances and rates, see the Average Balance Sheet on page 43.

The reported net yield on average interest-earning assets was 3.10% in the 1997 first quarter versus 3.41% in the prior year's first quarter. Adjusting for securitizations, the net yield on a managed basis was 3.38%, compared with 3.59% in the 1996 first quarter (3.51% excluding the 1996 tax audit settlements), primarily reflecting a shift in the composition of interest-earning assets from higher-yielding loans to lower-yielding liquid assets and narrower loan spreads.

The following table reflects the composition of average interest-earning assets as a percentage of total earning assets for the periods indicated.

Average Interest-Earning Assets

(in billions)	First Quarter 1997		First Quarter 1996	
Loans	$ 153.0	57%	$ 149.6	58%
Securities	43.5	16	42.7	17
Liquid Assets	72.9	27	62.4	25
Total	$ 269.4	100%	$ 254.7	100%

Average interest-earning assets retained on the balance sheet increased by $14.7 billion in the first quarter of 1997, when compared with the respective 1996 period, principally as a result of an increase in liquid interest-earning assets. The Corporation has continued to increase its liquid interest-earning assets through its trading and Section 20 activities. Average total loans increased by $3.4 billion in the 1997 first quarter, when compared with the comparable 1996 period, reflecting growth in commercial lending and, to a lesser extent, consumer loans, despite the impact of a higher level of credit card securitizations. Average credit card securitizations increased by approximately $5 billion in the 1997 first quarter compared with the same 1996 period.

The growth in interest-earning assets in the 1997 first quarter was largely funded by a $14.5 billion increase in Federal funds purchased and securities sold under repurchase agreements, which provide short-term funding for trading-related positions.

Management anticipates that, given its current expectations for interest rate movements in 1997, the Corporation's managed net interest income in 1997 will be higher than in 1996.

Provision for Credit Losses

The Corporation's provision for credit losses was $220 million for the 1997 first quarter, compared with $182 million in the 1996 fourth quarter, and $245 million in the 1996 first quarter. The decrease in the provision, when compared with the same 1996 period, was the result of lower commercial net charge-offs, while consumer net charge-offs on a retained basis remained the same. The increase in the provision, when compared with the 1996 fourth quarter, was the result of a higher level of commercial net charge-offs as a result of a lower level of recoveries.

Management believes that the credit quality of the Corporation's overall commercial and industrial portfolio will remain strong during 1997. Management expects the provision for credit losses in 1997 (which is anticipated to equal net charge-offs) to be modestly higher than in 1996, primarily as a result of growth in retained consumer loans, higher losses on credit card loans, and lower recoveries on commercial loans. For a discussion of the Corporation's net charge-offs, see the Credit Risk Management Section on pages 29-35.

Noninterest Revenue

Noninterest revenue totaled $2,099 million in the 1997 first quarter, an increase of $214 million, or 11%, when compared with the corresponding 1996 period, reflecting strong trading results, higher credit card revenue, increased securities gains, as well as higher trust, custody and investment management fees and other revenue. The Corporation continued to generate fee growth by offering clients integrated financing and advisory solutions. Noninterest revenue in the first quarter of 1997 included a $44 million gain on the sale of a partially-owned foreign investment and the 1996 amount included a $60 million loss on the sale of a building in Japan.

The following table presents the components of noninterest revenue for the periods indicated.

	First Quarter	
(in millions)	1997	1996
Corporate Finance and Syndication Fees	$ 168	$ 224
Trust, Custody and Investment Management Fees	310	285
Credit Card Revenue	278	233
Service Charges on Deposit Accounts	91	99
Fees for Other Financial Services	383	378
Total Fees and Commissions	1,230	1,219
Trading Revenue	422	355
Securities Gains	101	52
Revenue from Equity-Related Investments	164	223
Other Revenue	182	36
Total	$ 2,099	$ 1,885

Fees and Commissions

Corporate finance and syndication fees were $168 million in the 1997 first quarter, a decrease of $56 million from the prior-year period. During the 1997 first quarter, the strength of the equity financing market reduced the need for debt financing by companies, and lower deal volume led to more competitive pricing. Additionally, the 1996 first quarter results were favorably impacted by two large transactions.

Trust, custody and investment management fees rose 9% to $310 million in the 1997 first quarter when compared with the first quarter of 1996. These favorable results were largely the result of new business in Global Services and Global Asset Management and Private Banking, as well as market appreciation resulting in a higher level of assets under management, including the Vista mutual funds.

(in millions)	First Quarter 1997	First Quarter 1996
Product Diversification:		
Trust, Custody and Investment Management Fees (a)	$ 225	$ 215
Mutual Fund Fees (b)	30	20
Other Trust Fees (c)	55	50
Total Trust, Custody and Investment Management Fees	$ 310	$ 285

(a) Represents fees for trustee, agency, registrar, estate services, safekeeping and maintenance of securities, as well as providing advisory and investment management services for asset holdings, for domestic and global customers.
(b) Represents administrative, custody, trustee and other fees in connection with the Corporation's proprietary mutual funds.
(c) Includes securities lending and broker-clearing.

Credit card revenue increased $45 million, or 19%, from the 1996 first quarter as a result of growth in managed outstandings. Average managed credit card receivables (credit card receivables on the balance sheet plus securitized credit card receivables) grew to $25.3 billion in the first quarter of 1997, when compared with $23.2 billion for the prior-year's comparable period. For a further discussion of the credit card portfolio and related securitization activity, see pages 31-32 of this Form 10-Q.

The following table sets forth the components of fees for other financial services for the periods indicated.

(in millions)	First Quarter 1997	First Quarter 1996
Fees for Other Financial Services:		
Commissions on Letters of Credit and Acceptances	$ 72	$ 89
Fees in Lieu of Compensating Balances	81	74
Mortgage Servicing Fees	56	50
Loan Commitment Fees	27	30
Other Fees	147	135
Total	$ 383	$ 378

Trading Revenue

The following table sets forth the components of trading revenue for the first quarters of 1997 and 1996.

(in millions)	First Quarter 1997	First Quarter 1996
Trading Revenue	$ 422	$ 355
Net Interest Income Impact (a)	173	161
Total Trading-Related Revenue	$ 595	$ 516
Product Diversification:		
Interest Rate Contracts (b)	$ 183	$ 146
Foreign Exchange Contracts (c)	169	140
Debt Instruments and Other (d)	243	230
Total Trading-Related Revenue	$ 595	$ 516

(a) Net interest income attributable to trading activities 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 the net interest income caption on the Consolidated Statement of Income.
(b) Includes interest rate swaps, cross-currency interest rate swaps, foreign exchange forward contracts, interest rate futures, and forward rate agreements and related hedges.
(c) Includes foreign exchange spot and option contracts.
(d) Includes U.S. and foreign government and government agency securities, corporate debt securities, emerging markets debt instruments, debt-related derivatives, equity securities, equity derivatives, and commodity derivatives.

Trading revenues for the 1997 first quarter were at a record level for the Corporation, up 15% from the first quarter a year ago. The increase in revenue from interest rate contracts was primarily due to increased activity as a result of volatility in the interest rate markets caused by the expectation of rising interest rates. Also contributing to the increase was strong customer demand for derivatives used for risk management purposes. The increase in foreign exchange revenue was primarily due to the continuation of a strong U.S. dollar and an increase in the level of cross-currency trading activity in the European markets caused by the possibility of a delay in the integration of the European Monetary System. Debt instrument and other revenue remained at high levels, primarily as a result of strong performances of emerging markets in Latin America and Eastern Europe as well as the U.S. securities business.

Trading revenues are affected by many factors, including volatility of currencies and interest rates, the volume of transactions executed by the Corporation on behalf of its customers, the Corporation's success in proprietary positioning, the credit standing of the Corporation, and the steps taken by central banks and governments which affect financial markets. The Corporation expects its trading revenues will fluctuate as these factors will vary from period to period.

Other Noninterest Revenue

The following table presents securities gains, revenue from equity-related investments and the composition of other revenue for the first quarters of 1997 and 1996.

(in millions)	First Quarter 1997	First Quarter 1996
Securities Gains	$ 101	$ 52
Revenue from Equity-Related Investments	164	223
Other Revenue:		
Residential Mortgage Origination/Sales Activities	$ 31	$ 28
Gain on Sale of a Partially-Owned Foreign Investment	44	--
Loss on Sale of a Building in Japan	--	(60)
Net Losses on Emerging Markets Securities Sales	--	(35)
All Other Revenue	107	103
Total Other Revenue	$ 182	$ 36

The securities gains, all of which resulted from sales from the available-for-sale portfolio, were made in connection with the Corporation's asset/liability management activities. The increase in gains in the 1997 first quarter were primarily the result of the sales of securities overseas that were made in anticipation of a rising interest rate environment.

Revenue from equity-related investments, which includes income from venture capital activities and emerging markets investments, was $164 million in the 1997 first quarter, $59 million lower than the comparable 1996 quarter. This decrease was the result of a lower number of large deals in the 1997 first quarter when compared with the same period in 1996. At March 31, 1997, the Corporation had equity-related investments with a carrying value of approximately $2.8 billion. The Corporation believes that equity-related investments will continue to make contributions to the Corporation's earnings (averaging approximately $167 million per quarter for the previous eight quarters), although the timing of the recognition of gains from these activities is unpredictable and revenues from such activities could vary significantly from period to period.

Other revenue increased $146 million in the 1997 first quarter, when compared with the prior year period. The increase is due to a $44 million gain on the sale of a non-strategic, partially-owned foreign investment, while the 1996 first quarter results include a $60 million loss on the sale of a building in Japan and a $35 million net loss resulting from the disposition of available-for-sale emerging markets securities.

All other revenue includes the Corporation's investment in CIT Group Holdings, Inc., which contributed $14 million in revenue in the 1997 first quarter compared with $11 million in the 1996 first quarter.

Noninterest Expense

Noninterest expense, excluding restructuring costs, was $2,417 million in the 1997 first quarter, a decrease of $20 million when compared with the first quarter of 1996. The decrease reflects incremental merger savings of $205 million, primarily reflecting lower staff-related expenses and occupancy expenses as a result of personnel reductions and other merger integration efforts. This was partially offset by higher outsourcing and marketing costs. The 1997 first quarter results included $50 million of costs due to the accelerated vesting of stock-based incentive awards. The 1996 results included a charge of $40 million to conform retirement benefits provided to foreign employees.

On an operating basis (which excludes restructuring costs, foreclosed property expense, nonrecurring items and $11 million of expenses associated with preferred stock dividends issued by a real estate investment trust ("REIT") subsidiary of the Corporation), noninterest expense was $2,353 million, a decrease of 2% from the same 1996 period. Underlying operating noninterest expense growth before giving effect to the merger-related cost savings was 6% in the 1997 first quarter.

	First Quarter	
(in millions)	1997	1996
Salaries	$ 1,124	$ 1,076
Employee Benefits	222	305
Occupancy Expense	187	221
Equipment Expense	190	184
Foreclosed Property Expense	3	(9)
Other Expense	691	660
Total Before Restructuring Charge	2,417	2,437
Restructuring Charge and Expenses	30	1,656
Total	$ 2,447	$ 4,093
Efficiency Ratio (a)	57.6%	59.5%
Efficiency Ratio Excluding Securitizations (a)	54.5%	58.0%

(a) The computation of the efficiency ratio (noninterest expense as a percentage of the total of net interest income and noninterest revenue) excludes restructuring costs, foreclosed property expense, and nonrecurring items. Nonrecurring items in the 1997 first quarter included the gain on a sale of a non-strategic, partially-owned foreign investment and costs due to the accelerated vesting of stock-based incentive awards. Nonrecurring items in the first quarter of 1996 included aggregate tax benefits and refunds, loss on a sale of a building in Japan and costs incurred in combining the Corporation's foreign retirement plans.

Salaries and Employee Benefits

The increase in salaries for the 1997 first quarter was primarily due to $50 million of costs for the accelerated vesting of stock-based incentive awards due to the improvement in the Corporation's stock price and, to a lesser extent, a competitive recruiting environment for specialized skills in targeted growth businesses. Partially offsetting these increases was the reduction in full-time equivalent employees since March 31, 1996 as a result of the merger. The slight increase in full-time equivalent employees during the first quarter of 1997 reflects planned growth in selected businesses.

The following table presents the Corporation's full-time equivalent employees at the dates indicated.

	March 31, 1997	December 31, 1996	March 31, 1996
Domestic Offices	57,953	57,592	59,818
Foreign Offices	9,924	10,193	11,493
Total Full-Time Equivalent Employees	67,877	67,785	71,311

Employee benefits in the 1997 first quarter decreased $83 million from the prior year's first quarter. Included in the 1996 first quarter was a $40 million charge related to conforming retirement benefits provided to foreign employees. Also impacting the decline in employee benefits during the first quarter of 1997 were lower social security expenses associated with a lower volume of employee stock options that were exercised during the 1997 first quarter, as well as the impact of staff reductions since the first quarter of 1996.

Occupancy and Equipment Expense

Occupancy expense in the 1997 first quarter decreased by $34 million from the prior year's first quarter largely as a result of the consolidation of operations and branch facilities from merger integration efforts as well as from pre-merger expense reduction programs. The higher level in equipment expense was primarily the result of increased software expenses to enhance processing systems throughout the Corporation.

Restructuring Charge and Expenses

In connection with the merger, $1.9 billion of one-time merger-related costs were identified, of which $1.65 billion was taken as a restructuring charge on March 31, 1996. In addition, merger-related expenses of $30 million and $6 million were incurred in the first quarters of 1997 and 1996, respectively, and were included in the restructuring charge and expenses caption on the income statement. For a further discussion of the restructuring charge, see Note 6 on page 11. Because of the inherent uncertainties associated with merging two large corporations, there can be no assurance that the $1.9 billion of merger-related costs (or the composition between restructuring charge and merger-related expenses) will reflect the actual costs ultimately incurred by the Corporation in implementing the merger or that the Corporation would not deem it appropriate to take additional charges, as the merger implementation process continues.

Other Expense

The following table presents the components of other expense for the periods indicated.

(in millions)	First Quarter 1997	First Quarter 1996
Other Expense:		
Professional Services	$ 133	$ 129
Marketing Expense	103	90
Telecommunications	75	85
Amortization of Intangibles	41	43
Minority Interest	19	9
All Other	320	304
Total	$ 691	$ 660

Other expense for the 1997 first quarter increased by $31 million when compared with the first quarter of 1996. The increase reflected expenses of $23 million related to the co-branded Wal-Mart MasterCard (including $14 million of marketing expense), and $11 million of minority interest expense associated with the REIT, both of which commenced in the 1996 fourth quarter. Reflected in All Other expense for the first quarter of 1997 were higher outsourcing costs and other expenses related to the Wal-Mart MasterCard program. Partially offsetting these increases was lower telecommunications expense of $10 million due to the Corporation's sourcing and other expense-reduction initiatives.

Income Taxes

The Corporation recognized income tax expense of $556 million in the first quarter of 1997, compared with income tax benefits of $214 million in the first quarter of 1996. The 1996 amount includes tax benefits related to the restructuring charge as well as aggregate tax benefits and refunds of $132 million. The Corporation's effective tax rate was 37.5% in the 1997 first quarter compared with 38.0% in the first quarter of 1996 (excluding the aforementioned tax benefits and refunds).

LINES OF BUSINESS RESULTS

The Corporation manages itself using an economic-based risk-adjusted management information system ("MIS"). This system includes many key lines of business which are organized into two major business franchises, Global Wholesale Banking and Regional and Nationwide Consumer Banking ("RNCB"). Within each of these franchises, key businesses are measured independently on a profit and loss and rate of return basis, as well as by other key performance measures. Highlights of key business performance measures follow, reflecting the risk-adjusted MIS line-of-business results.

Lines of Business Results

For Three Months Ended March 31, (in millions, except ratios)	Global Wholesale Banking 1997	Global Wholesale Banking 1996	Regional and Nationwide Consumer Banking 1997	Regional and Nationwide Consumer Banking 1996	Total (a) 1997	Total (a) 1996
Net Interest Income	$ 906	$ 919	$ 1,529	$ 1,441	$ 2,050	$ 2,096
Noninterest Revenue	1,423	1,306	600	564	2,100	1,945
Noninterest Expense	1,188	1,163	1,136	1,141	2,415	2,406
Operating Margin	1,141	1,062	993	864	1,735	1,635
Credit Costs	78	73	448	344	223	236
Income Before Taxes	1,063	989	545	520	1,512	1,399
Income Taxes	406	366	214	203	566	532
Operating Net Income	657	623	331	317	946	867
Restructuring Costs	(11)	--	(4)	(1)	(19)	(1,026)
Nonrecurring Items (b)	--	--	--	--	--	70
Net Income	$ 646	$ 623	$ 327	$ 316	$ 927	$ (89)
Average Common Equity	$ 9,527	$ 9,769	$ 6,555	$ 6,353	$ 18,494	$ 18,188
Average Assets	$ 233,449	$ 211,279	$ 116,766	$ 109,357	$ 339,269	$ 312,925
Return on Common Equity	26.8%	24.4%	19.3%	18.9%	19.5%	18.0%
Efficiency Ratio	51%	52%	53%	57%	58%	60%

(a) Total column includes Corporate results. See description of Corporate on page 28.

(b) Nonrecurring items for 1996 include the loss on the sale of a building in Japan, costs incurred in combining the Corporation's foreign retirement plans and aggregate tax benefits and refunds.

Global Wholesale Banking

Global Wholesale Banking provides financing, advisory, sales and trading, trade finance, asset management, private banking and operating services to clients worldwide, including corporations, institutions, governments and wealthy individuals. Through these businesses, the Corporation is driving towards a new model for the delivery of global financial services, integrating product expertise, industry knowledge and geographic reach to effect superior customer solutions. Global Wholesale Banking operates in more than 50 countries, including major operations in all key international financial centers.

Global Wholesale Banking encompasses investment banking and corporate lending, global markets activities, equity investing, private banking, asset management and information and transaction services. Terminal Businesses, representing discontinued portfolios (primarily the remaining refinancing country debt and commercial real estate problem asset and nonperforming portfolio), are also included in Global Wholesale Banking.

Global Wholesale Banking's operating net income for the first quarter of 1997 was $657 million, an increase of $34 million over the first quarter of 1996. These favorable results were due primarily to the Corporation's global markets businesses, reflecting higher foreign exchange, derivatives and securities results worldwide partly offset by lower corporate finance fees and lower equity investment gains, both of which had very strong first quarters in 1996.

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

Three Months Ended March 31, (in millions, except ratios)	1997 Revenues	1997 Net Income	1997 ROCE	1997 Efficiency Ratio	1996 Revenues	1996 Net Income	1996 ROCE	1996 Efficiency Ratio
Global Wholesale Banking:								
Global Investment Banking and Corporate Lending	$ 448	$ 115	12.5%	45%	$ 531	$ 175	19.5%	35%
Global Markets	904	317	58.4	44	622	175	28.4	58
Chase Capital Partners	135	73	25.6	13	248	146	57.1	6
Global Asset Management and Private Banking	202	41	32.2	65	192	38	28.9	64
Global Services	509	76	27.7	76	480	63	22.7	78
Terminal Businesses	3	(17)	NM	NM	10	(9)	NM	NM

NM - Not meaningful.

Global Investment Banking and Corporate Lending

Global Investment Banking and Corporate Lending finances and advises corporations, financial sponsors and governments by providing integrated one-stop financial solutions and industry expertise to clients globally. Client industries include broker/dealers, chemicals, healthcare, insurance, media and telecommunications, multinationals, natural resources, oil and gas, power and environmental, real estate, retail and transportation. The product offerings encompass syndicated finance, high-yield securities, mergers and acquisitions, project finance, restructuring, private placements, lease financing and lending. The Corporation continues to maintain its lead position in loan syndication and in leveraged financing. Net income for the first quarter of 1997 was $115 million, a decrease of $60 million from the first quarter of 1996 due to lower deal volume which led to lower transaction fees. Additionally, the 1996 first quarter results were favorably impacted by two large transactions.

Global Markets

Global Markets' activities encompass the trading and sales of foreign exchange, derivatives, fixed income securities and commodities, including related origination functions. A leader in capital markets, the Corporation operates 24 hours a day covering the major international cross-border financial markets, as well as many local markets in both developed and developing countries. Global Markets is a recognized world leader in such key activities as foreign exchange, interest rate swaps and emerging markets debt. Also, included within Global Markets are the domestic and international treasury units which have the primary responsibility of managing the Corporation's asset/liability and investment securities activities. The strong growth in trading-related revenue contributed to net income for the first quarter of 1997 of $317 million with a return on common equity of 58%, a significant increase from 1996's first quarter results of $175 million and 28%, respectively. Trading-related revenue for the first quarter of 1997 was $580 million, an increase of 22% from last year's first quarter results driven by higher foreign exchange, derivatives, and securities results worldwide. Global Markets manages treasury revenues on a total return basis and benefited from treasury revenues in the 1997 first quarter of $201 million.

Chase Capital Partners

Chase Capital Partners ("CCP") is a global private equity organization with approximately $4.0 billion under management, including $2.8 billion in equity-related investments. Through professionals focused on investing in the United States, Europe, Asia and Latin America, CCP provides equity and mezzanine financing for a wide variety of investment opportunities. During the first quarter of 1997, CCP's direct investments totaled $124 million in over 13 venture capital, management buyout, recapitalization, growth equity and mezzanine transactions. Net income for the first quarter of 1997 was $73 million, a decrease from last year's first quarter results of $146 million primarily as a result of a lower number of large deals in the 1997 first quarter when compared with the same period in 1996.

Global Asset Management and Private Banking

The Global Asset Management and Private Banking group serves a global client base of wealthy individuals and institutional mutual fund and self-directed investors. Services include a full range of private banking capabilities, including trust and estates, custody, investment management for individuals and institutional investors globally; Vista Family of Mutual Funds (at March 31, 1997, the fourth largest bank-managed mutual fund family in the U.S.) and discount brokerage. Total assets under management amounted to $131 billion at March 31, 1997. Net income grew 8% to $41 million in the 1997 first quarter, with a return on common equity of 32%, due to a higher level of assets under management and increased client activity.

Global Services

Global Services is a leading provider of information and transaction services globally. As the world's largest provider of global custody and a leader in trust and agency services, Global Services was custodian for over $3.8 trillion in assets at March 31, 1997 and serviced over $1.4 trillion in outstanding debt. Global Services also operates the largest U.S. dollar funds transfer business in the world and is a market leader in FedWire, Automated Clearing House (ACH) and CHIPS volume. Net income in the first quarter of 1997 was $76 million, an increase of $13 million or 21% from 1996 first quarter. Return on common equity for 1997 first quarter was 28%; excluding the impact of goodwill, the return on tangible common equity was 35%. These favorable results are due to strong revenue growth within global investor services and global trust reflecting new business as well as higher volumes in the global payment business.

Regional and Nationwide Consumer Banking

The Regional and Nationwide Consumer Banking franchise as of March 31, 1997, includes the third largest bank credit card issuer in the U.S., the third largest originator and second largest servicer of residential mortgages and a leading provider of auto financing and other consumer lending products. The Corporation maintains a leading market share position in the New York metropolitan tri-state area in serving the financial needs of consumers, middle market commercial enterprises and small businesses. It offers customers convenient access to financial services by telephone, PC, and the Internet, and has the most branches and ATMs in the New York metropolitan tri-state area. Additionally, included in RNCB is Texas Commerce Bank, which is the second-largest bank in Texas and a leader in providing financial products and services to businesses and individuals throughout Texas. RNCB also includes a small international consumer presence which is highly profitable.

RNCB's operating net income for the first quarter of 1997 was $331 million and operating return on common equity was 19%. These improved results were driven mainly by strong growth in loan volume, mortgage banking products and the benefit of merger-related savings, partially offset by higher credit provision for credit cards and auto loans.

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

Three Months Ended March 31, (in millions, except ratios)	1997 Revenues (a)	1997 Net Income	1997 ROCE	1997 Efficiency Ratio	1996 Revenues	1996 Net Income	1996 ROCE	1996 Efficiency Ratio
Regional and Nationwide Consumer Banking:								
Credit Cards	$ 730	$ 56	14.8%	39%	$ 635	$ 72	19.4%	40%
Retail Payments and Investments	477	69	26.0	74	476	55	21.0	79
Middle Market	230	62	23.9	46	237	59	22.6	50
Mortgage Banking	186	46	14.6 (b)	56	165	22	6.6	72
National Consumer Finance	155	27	23.1	43	150	34	30.1	42
International Consumer	65	15	80.6	58	61	15	76.2	60
Texas Commerce	320	66	17.5	63	308	68	19.3	62

(a) Insurance products managed within Retail Payments and Investments but included for reporting purposes in Credit Cards, Mortgage Banking, and National Consumer Finance, generated revenues of $24 million and $19 million in 1997 and 1996, respectively.
(b) Excluding the impact of goodwill, the return on tangible common equity was 20% for the first quarter of 1997.

Credit Cards

Chase Cardmember Services ranks as the third largest bank card issuer in the United States as of March 31, 1997, with a $25.3 billion managed portfolio, inclusive of the co-branded Shell MasterCard which now totals $4.5 billion in outstandings. For the first quarter of 1997, net income (reflected on a managed basis) was $56 million, a $16 million decrease from 1996's first quarter results of $72 million. Earnings were driven by a 15% revenue increase generated from growth in average managed receivables and the effect of higher fees and risk-based pricing initiatives offset by higher credit card net charge-offs and increased spending related to the launch of the Wal-Mart co-branded credit card.

Retail Payments & Investments

At March 31, 1997, Retail Payments and Investments has the leading share of primary bank relationships among consumers and small businesses in the New York metropolitan tri-state area. In addition to its tri-state businesses, the Corporation makes available insurance and investment products nationwide. Retail Payments and Investments allows customers to choose the way they handle their financial relationships, offering telephone, PC and Internet banking in addition to branches and ATMs. Net income in the first quarter of 1997 was $69 million, an increase of $14 million from the 1996 first quarter. The improvement in net income is due primarily to lower noninterest expense, reflecting staff reductions and branch consolidations, coupled with an increase in deposit volume and higher insurance fees.

Middle Market

The Corporation was the number one middle market bank in the New York metropolitan tri-state area at March 31, 1997, where it has relationships with 52% of regional companies with sales ranging from $10 million to $500 million. Net income for the 1997 first quarter was $62 million, a $3 million increase when compared with 1996 first quarter results of $59 million. The increase in the 1997 first quarter results is due to higher deposit volume and staff reductions.

Mortgage Banking

At March 31, 1997, Mortgage Banking is the third-largest originator and second largest servicer of residential mortgage loans in the U.S., serving more than 1.9 million customers nationwide. In the first quarter of 1997, $7 billion in loans were originated and the Corporation's servicing portfolio totaled $160 billion. Net income in the first quarter of 1997 was $46 million, a $24 million increase from the 1996 first quarter. Return on common equity rose to 15%; however, excluding the impact of goodwill, the return on tangible common equity was 20%. The 1997 first quarter results were favorably affected by a 13% increase in revenue reflecting higher levels of servicing assets and higher net interest margin on mortgage loans and 14% lower expenses due to merger saves and the re-engineering of the mortgage origination business.

National Consumer Finance

National Consumer Finance is a leading provider of auto financing, home equity secured lending, student lending, unsecured consumer lending (Chase Advantage Credit) and manufactured housing financing. At March 31, 1997, Chase Auto Finance ($11 billion in outstandings) was ranked number one among noncaptive finance companies in new originations ($3 billion in 1997 originations). Net income in the first quarter of 1997 was $27 million, a decrease of $7 million from the 1996 first quarter. The 1997 first quarter results includes solid revenue growth due to higher managed receivables which was offset by a higher credit provision reflecting a 23% increase in loan volume and lower securitization gains in the 1997 first quarter when compared with the same 1996 period. Additionally, the 1997 first quarter reflected lower revenue compared with 1996 due to the joint venture formed with Sallie Mae in the 1996 fourth quarter, which is accounted for on the equity basis.

International Consumer

International Consumer provides loan, deposit, investment and insurance products for individuals in Hong Kong. Also, included is The Manhattan Card Company Limited (the Corporation's 54% owned subsidiary) which is the third-largest credit card issuer in Hong Kong. Additionally, the Corporation has a leading full-service banking presence in Panama and the Eastern Caribbean, providing deposit, investment and asset products for individuals, small businesses, large corporations and government entities. Net income for the first quarter of 1997 was $15 million, flat when compared with the 1996 first quarter results. The 1997 first quarter results were driven by a 7% growth in revenue reflecting higher loan volumes offset by higher expenses and credit costs.

Texas Commerce

Texas Commerce is the primary bank for more large corporations and middle market companies than any other bank in Texas and also maintains a strong consumer banking presence through its 124 locations. Additionally, at March 31, 1997, Texas Commerce was the largest bank for personal and corporate trust services in the Southwest. At March 31, 1997, total assets were $21 billion. Net income for the first quarter of 1997 was $66 million, relatively flat when compared with last year's first quarter results of $68 million. Return on common equity in the first quarter of 1997 is 18%; excluding the impact of goodwill, the return on tangible common equity was 22%. Texas Commerce continues to contribute solid revenue growth reflecting higher corporate finance fees.

Corporate

Corporate includes the management results from the Corporation's investment in CIT and some effects remaining at the Corporate level after the implementation of management accounting policies, including residual credit provision and tax expense. The securitized portion of the credit card portfolio is included in Corporate. Corporate also includes one-time unallocated special items such as merger-related restructuring charges and tax refunds in the first quarter of 1996. For the first quarter of 1997, Corporate had a net loss of $42 million compared to a $73 million net loss in the 1996 first quarter. The economic risk-based methodology for capital is allocated on a business unit level basis based on credit, market and operating risk, with the unallocated portion included in Corporate. In the 1997 first quarter, Corporate had unallocated equity of $2,412 million compared with $2,066 million in the first quarter of 1996, reflecting a continued improvement of the overall risk profile of the Corporation.

Lines-of-business results are subject to restatement as appropriate whenever there are refinements in management reporting policies or changes to the management organization. The current presentation of the lines-of-business results have been restated to reflect a single, uniform post-merger set of management accounting policies.

Guidelines exist for assigning expenses that are not directly incurred by the businesses, such as overhead and taxes, as well as for allocating shareholders' equity and the provision for credit losses, utilizing a risk-based methodology. Also, incorporated in the guidelines is a process for matching assets and liabilities with similar maturity, liquidity and interest characteristics within each business. Noninterest expenses of the Corporation are fully allocated to the business units except for special corporate one-time charges. Management has developed a risk-adjusted capital methodology that quantifies different types of risk -- credit, market, and operating -- within various businesses and assigns capital accordingly. The provision for credit losses is allocated to business units utilizing a credit risk methodology applied consistently across the Corporation and a risk grading system appropriate for a business unit's portfolio. The difference between the risk-based provision and the Corporation's provision is included in the Corporate results. Long-term expected tax rates are assigned in evaluating the Corporation's businesses and the difference between the risk-based tax rate and the Corporation's tax rate is included in the Corporate results.

CREDIT RISK MANAGEMENT

The following discussion of the Corporation's credit risk management focuses primarily on developments since December 31, 1996. A discussion of the Corporation's management of its credit risk is provided on pages 48-54 of the Corporation's 1996 Annual Report. A description of the Corporation's accounting policies for its nonperforming loans and assets acquired as loan satisfactions is provided in Note One of the Corporation's 1996 Annual Report.

Loan Portfolio

The Corporation's loans outstanding totaled $155.9 billion at March 31, 1997, compared with $155.1 billion at the 1996 year-end, and $149.3 billion at March 31, 1996, reflecting increased demand for consumer and commercial loans (excluding commercial real estate), partially offset by the impact of credit card, auto loan and residential and commercial mortgage securitizations.

The Corporation's nonperforming assets at March 31, 1997 were $1,126 million, a decrease of $25 million from the 1996 year-end level and a decrease of $560 million, or 33%, from last year's comparable period-end. The reduction in nonperforming assets reflects the ongoing improvement in the Corporation's credit profile as a result of a lower level of loans being placed on nonperforming status, repayments, charge-offs, and continuing loan workout and collection activities.

Total net charge-offs were $220 million in the first quarter of 1997, compared with $245 million for the comparable period in 1996. The 1996 first quarter amount excludes a charge of $102 million, related to conforming the credit card charge-off policies of Chase and Chemical. Total net charge-offs (on a managed basis) were $433 million in the 1997 first quarter, compared with $351 million in the first quarter of 1996.

The following table presents the Corporation's loan-related information for the dates indicated.

(in millions)	Loans March 31, 1997	Loans Dec 31, 1996	Loans March 31, 1996	Nonperforming Assets March 31, 1997	Nonperforming Assets Dec 31, 1996	Nonperforming Assets March 31, 1996
Domestic Consumer:						
Residential Mortgage(a)	$ 36,586	$ 36,621	$ 35,908	$ 267	$ 249	$ 246
Credit Card	11,145	12,157	13,704	--	--	--
Auto Financings	11,609	11,121	9,281	26	28	23
Other Consumer(b)	9,411	9,185	10,168	10	7	14
Total Domestic Consumer	68,751	69,084	69,061	303	284	283
Domestic Commercial:						
Commercial and Industrial	36,204	34,742	31,833	367	444	474
Commercial Real Estate(c)	5,751	5,934	6,514	206	156	442
Financial Institutions	6,280	5,540	6,268	1	2	2
Total Domestic Commercial	48,235	46,216	44,615	574	602	918
Total Domestic	116,986	115,300	113,676	877	886	1,201
Foreign:						
Commercial and Industrial	24,036	23,109	21,951	69	79	128
Commercial Real Estate	578	800	759	1	1	27
Financial Institutions & Foreign Gov't	10,996	12,597	9,772	33	38	155
Consumer	3,286	3,286	3,173	18	17	26
Total Foreign	38,896	39,792	35,655	121	135	336
Total Loans	$ 155,882	$ 155,092	$ 149,331	998	1,021	1,537
Assets Acquired as Loan Satisfactions				128	130	149
Total Nonperforming Assets				$ 1,126	$ 1,151	$ 1,686

(in millions)	Net Charge-offs First Quarter 1997	Net Charge-offs First Quarter 1996	Past Due 90 Days and Over & Still Accruing March 31, 1997	Past Due 90 Days and Over & Still Accruing Dec 31, 1996	Past Due 90 Days and Over & Still Accruing March 31, 1996
Domestic Consumer:					
Residential Mortgage(a)	$ 7	$ 8	$ 8	$ 7	$ 13
Credit Card	150	165	246	267	283
Auto Financings	12	8	12	6	15
Other Consumer(b)	40	29	100	115	161
Total Domestic Consumer	209	210	366	395	472
Domestic Commercial:					
Commercial and Industrial	14	48	53	19	25
Commercial Real Estate(c)	(4)	(4)	4	8	9
Financial Institutions	--	--	--	--	--
Total Domestic Commercial	10	44	57	27	34
Total Domestic	219	254	423	422	506
Foreign:					
Commercial and Industrial	(2)	(9)	8	6	2
Commercial Real Estate	--	--	--	--	--
Financial Institutions & Foreign Gov't	--	(2)	--	--	--
Consumer	3	2	10	6	10
Total Foreign	1	(9)	18	12	12
Total Loans	220	245	$ 441	$ 434	$ 518
Charge Related to Conforming Credit Card Charge-off Policies	--	102			
Total	$ 220	$ 347			

(a) Consists of 1-4 family residential mortgages.
(b) Consists of installment loans (direct and indirect types of consumer finance), student loans and unsecured revolving lines of credit. There are essentially no credit losses in the student loan portfolio due to the existence of Federal and State government agency guarantees. Student loans which were past due 90 days and over and still accruing were approximately $30 million, $54 million, and $106 million at March 31, 1997, December 31, 1996 and March 31, 1996, respectively.
(c) Represents loans secured primarily by real property, other than loans secured by mortgages on 1-4 family residential properties.

Domestic Consumer Portfolio

The domestic consumer loan portfolio consists of one-to-four family residential mortgages, credit cards, auto financings and other consumer loans. The domestic consumer loan portfolio totaled $68.8 billion at March 31, 1997, a decrease of $333 million from the 1996 year-end, reflecting strong loan growth offset by the impact of credit card, auto loan and residential mortgage securitizations during the 1997 first quarter.

Residential Mortgage Loans: Residential mortgage loans were $36.6 billion at March 31, 1997 and December 31, 1996, an increase from $35.9 billion at March 31, 1996, primarily reflecting a higher level of adjustable-rate loan outstandings.

At March 31, 1997, nonperforming domestic residential mortgage loans as a percentage of the portfolio was 0.73%, compared with 0.68% at the 1996 year-end and 0.69% at March 31, 1996.

The following table presents the residential mortgage servicing portfolio activity for the periods indicated. A discussion of the Corporation's mortgage servicing and loan origination activities is included on pages 49-50 of the Corporation's 1996 Annual Report.

(in billions)	First Quarter 1997	First Quarter 1996
Balance at Beginning of Period	$ 140.6	$ 132.1
Originations	7.1	7.5
Acquisitions	16.8 (a)	1.1
Repayments and Sales	(4.2)	(7.6)
Balance at March 31,	$ 160.3	$ 133.1

(a) Represents acquisition of Source One Mortgage Services Corporation ("Source One") servicing portfolio in February 1997.

Mortgage servicing rights (included in other assets) amounted to $1,703 million at March 31, 1997, compared with $1,203 million at March 31, 1996, reflecting the corresponding increase in the Corporation's residential mortgage servicing portfolio due to the acquisition of Source-One servicing portfolio in February 1997. The Corporation continually evaluates prepayment exposure of the servicing portfolio, adjusting the balance and remaining life of the servicing rights as a result of prepayments and utilizes derivative contracts (interest rate swaps and purchased option contracts) to reduce its exposure to such prepayment risks.

Credit Card Loans: The Corporation analyzes its credit card portfolio on a "managed basis" which includes credit card receivables on the balance sheet as well as credit card receivables which have been securitized. During the 1997 first quarter, the Corporation securitized $1.4 billion of credit card receivables compared with $2.9 billion in the 1996 first quarter. For the first quarter of 1997, average managed receivables were $25.3 billion, compared with $24.4 billion in the 1996 fourth quarter and $23.2 billion in the 1996 first quarter, reflecting the continued growth in credit card outstandings.

The following table presents credit-related information for the Corporation's managed credit card receivables.

As of or for the Three Months Ended March 31, (in millions)	1997	1996
Average Managed Credit Card Receivables	$ 25,318	$ 23,183
Past Due 90 Days & Over and Accruing	$ 622	$ 495
As a Percentage of Average Credit Card Receivables	2.46%	2.15%
Net Charge-offs	$ 358 (a)	$ 270 (a)
As a Percentage of Average Credit Card Receivables	5.66%	4.66%

(a) Excludes charge related to conforming the credit card charge-off policies of Chase and Chemical.

The increase in net charge-offs on managed credit card receivables for the three-month period ending March 31, 1997, when compared with the same 1996 period, reflects growth in average managed credit card outstandings and higher levels of personal bankruptcies and delinquencies. Management currently expects that credit card net charge-offs will increase in the second quarter of 1997 and will decline thereafter. Additionally, management expects that the Corporation's credit card net charge-offs, as a percentage of average managed credit card receivables, will be approximately 5.6% for the full year 1997.

Credit Card Securitizations: For a discussion of the Corporation's credit card securitizations, see page 51 of the Corporation's 1996 Annual Report.

The following table outlines the impact of the securitizations of credit card receivables by showing the favorable (unfavorable) change in the reported Consolidated Statement of Income line items for the periods indicated.

Favorable (Unfavorable) Impact	First Quarter	
(in millions)	1997	1996
Net Interest Income	$ (298)	$ (187)
Provision for Credit Losses	214	105
Credit Card Revenue	68	75
Other Revenue	(2)	3
Pre-tax Income (Loss) Impact of Securitizations	$ (18)	$ (4)

Auto Financings: The auto financings portfolio, which consists of auto loans and leases, was $11.6 billion at March 31, 1997, an increase from $11.1 billion at December 31, 1996 and $9.3 billion at March 31, 1996. The increase reflected continued strong consumer demand due to favorable pricing programs, partially offset by the impact of auto loan securitizations. Total originations were $2.8 billion in the first 1997 quarter, compared with $3.1 billion in the same 1996 period. The Corporation securitized approximately $1.2 billion of auto loans during the first 1997 quarter, compared with $1.4 billion during the same 1996 period. Net charge-offs related to auto financings were $12 million in the 1997 first quarter, compared with $8 million in the same period in 1996, primarily reflecting growth in the portfolio and unfavorable performance in a discontinued product line.

On a managed basis, the auto financings portfolio was $17.1 billion at March 31, 1997, compared with $16.0 billion at December 31, 1996 and $13.1 billion at March 31,1996. Net charge-offs on a managed basis were $17 million in the 1997 first quarter, compared with $8 million in first quarter 1996.

Other Consumer Loans: Other consumer loans, which includes secured installment loans (primarily loans related to recreational vehicles and manufactured housing financing), student loans and unsecured revolving lines of credit, were $9.4 billion at March 31, 1997, compared with $9.2 billion at December 31, 1996, and $10.2 billion at March 31, 1996. The decrease from March 31, 1996 primarily reflected the sale of approximately $1.5 billion of student loans during the fourth quarter of 1996 in conjunction with the formation of the Corporation's joint venture with Sallie Mae (which is accounted for on the equity basis), partly offset by increased demand for installment loans. The increase in net charge-offs for the 1997 period reflects higher personal bankruptcies related to unsecured revolving lines of credit.

Domestic Commercial Portfolio

Domestic Commercial and Industrial Portfolio: The domestic commercial and industrial portfolio totaled $36.2 billion at March 31, 1997, an increase from $34.7 billion at December 31, 1996 and $31.8 billion at March 31, 1996. The portfolio consists primarily of loans made to large corporate and middle market customers and is diversified geographically and by industry.

Nonperforming domestic commercial and industrial loans were $367 million at March 31, 1997, compared with $474 million at March 31, 1996. In the first quarter of 1997, the Corporation had net charge-offs of $14 million, compared with $48 million in the first quarter of 1996.

Management believes that the credit quality of the Corporation's commercial and industrial loan portfolio will remain relatively stable in 1997, although it expects net charge-offs in 1997 to be modestly higher than in 1996, as a result of an anticipated reduction in recoveries from the high level achieved during 1996.

Domestic Commercial Real Estate Portfolio: The domestic commercial real estate portfolio represents loans secured primarily by real property, other than loans secured by one-to-four family residential properties (which are included in the consumer loan portfolio). The domestic commercial real estate loan portfolio totaled $5.8 billion at March 31, 1997, essentially flat with $5.9 billion at December 31, 1996 and a decrease from $6.5 billion at March 31, 1996. The decrease is principally attributable to securitizations, repayments from borrowers, transfers, collections and sales primarily in the terminal commercial real estate portfolio.

The table below sets forth the major components of the domestic commercial real estate loan portfolio at the dates indicated.

(in millions)	March 31, 1997	December 31, 1996	March 31, 1996
Commercial Mortgages	$ 4,838	$ 5,040	$ 5,308
Construction	913	894	1,206
Total Domestic Commercial Real Estate Loans	$ 5,751	$ 5,934	$ 6,514

Nonperforming domestic commercial real estate loans were $206 million at March 31, 1997, a $50 million increase from the December 31, 1996 level, but a decrease of $236 million, or 53%, from March 31, 1996. The improvement in nonperforming asset levels since March 31, 1996 reflects the transfer of $145 million of nonperforming loans to the Assets Held for Accelerated Disposition portfolio in the fourth quarter of 1996.

Domestic Financial Institutions Portfolio: The domestic financial institutions portfolio includes loans to commercial banks and companies whose businesses primarily involve lending, financing, investing, underwriting, or insurance. Loans to domestic financial institutions were $6.3 billion, or 4% of total loans outstanding, at March 31, 1997, compared with $5.5 billion at December 31, 1996 and $6.3 billion at March 31, 1996. The portfolio continued to maintain its strong credit quality during the first quarter of 1997, with no net charge-offs.

Foreign Portfolio

Foreign portfolio includes commercial and industrial loans, loans to financial institutions, commercial real estate, loans to foreign governments and official institutions, and consumer loans. At March 31, 1997, the Corporation's total foreign loans were $38.9 billion, compared with $39.8 billion at December 31, 1996 and $35.7 billion at March 31, 1996. The portfolio included foreign commercial and industrial loans of $24.0 billion at March 31, 1997, an increase of $.9 billion from the 1996 year-end and an increase of $2.1 billion from March 31, 1996.

Foreign nonperforming loans at March 31, 1997 were $121 million, a decrease of $14 million from December 31, 1996 and a decrease of $215 million from March 31, 1996. Net charge-offs of foreign loans were $1 million in the 1997 first quarter, compared with net recoveries of $9 million in the 1996 first quarter.

Industry Diversification

Based upon the industry classifications utilized by the Corporation at March 31, 1997, there were no industry segments which exceeded 5% of total Commercial and Industrial loans outstanding.

Derivative and Foreign Exchange Financial Instruments

In the normal course of its business, the Corporation utilizes various derivative and foreign exchange financial instruments to meet the financial needs of its customers, to generate revenues through its trading activities, and to manage its exposure to fluctuations in interest and currency rates. For a discussion of the derivative and foreign exchange financial instruments utilized in connection with the Corporation's trading activities and asset/liability management activities, including the notional amounts and credit exposure outstandings as well as the credit and market risks involved, see Notes 3 and 12 of this Form 10-Q and pages 52-58 and Notes One and Seventeen of the Corporation's 1996 Annual Report.

Many of the Corporation's derivative and foreign exchange contracts are short-term, which mitigates credit risk as transactions settle quickly. The following table provides the remaining maturities of derivative and foreign exchange contracts outstanding at March 31, 1997 and December 31, 1996. Percentages are based upon remaining contract life of mark-to-market exposure amounts.

	At March 31, 1997				At December 31, 1996			
	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 3 months	14%	54%	11%	33%	15%	59%	26%	31%
3 to 6 months	6	23	5	14	5	21	5	11
6 to 12 months	7	18	30	12	8	15	28	10
1 to 5 years	52	5	53	30	52	5	40	35
Over 5 years	21	--	1	11	20	--	1	13
Total	100%	100%	100%	100%	100%	100%	100%	100%

The Corporation routinely enters into derivative and foreign exchange transactions with regulated financial institutions, which the Corporation believes have relatively low credit risk. At March 31, 1997, approximately 87% of the mark-to-market exposure of such transactions was with commercial bank and financial institution counterparties, most of which are dealers in these products. Nonfinancial institutions accounted for approximately 13% of the Corporation's derivative and foreign exchange mark-to-market exposure. Additionally, at March 31, 1997 and 1996, nonperforming derivatives contracts were immaterial.

The Corporation does not deal, to any significant extent, in derivatives, which dealers of derivatives (such as other banks and financial institutions) consider to be "leveraged". As a result, the mark-to-market exposure as well as the notional amount of such derivatives were insignificant at March 31, 1997.

Allowance for Credit Losses

The allowance for credit losses is available to absorb potential credit losses from the entire loan portfolio, as well as derivative and foreign exchange contracts, letters of credit and guarantees. As of March 31, 1997, the allowance for credit losses has been allocated into three components: a $3,550 million allowance for loan losses, which is reported net in Loans; a $75 million allowance for credit losses on derivative and foreign exchange financial instruments, which is reported net in Trading Assets-Risk Management Instruments; and a $70 million allowance for credit losses on letters of credit and guarantees, which is reported in Other Liabilities. During the 1997 first quarter, there were no provisions or charge-offs made to the allowance for credit losses on derivatives and foreign exchange financial instruments or on letters of credit and guarantees.The first quarter 1996 amounts have not been reclassified due to immateriality.

The Corporation deems its allowance for credit losses at March 31, 1997 to be adequate (i.e., sufficient to absorb losses that may currently exist in the portfolio, but are not yet identifiable). Estimating potential future 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. The Corporation periodically reviews such factors and reassesses the adequacy of the allowance for credit losses.

The accompanying table reflects the activity in the Corporation's allowance for loan losses for the periods indicated.

(in millions)	First Quarter 1997	First Quarter 1996
Total Allowance at Beginning of Period	$ 3,549	$ 3,784
Provision for Credit Losses	220	245
Charge-Offs	(273)	(312)
Recoveries	53	67
Subtotal Net Charge-Offs	(220)	(245)
Charge Related to Conforming Credit Card Charge-off Policies	---	(102)
Total Net Charge-offs	(220)	(347)
Other	1	1
Total Allowance at End of Period	$ 3,550	$ 3,683

The following table presents the Corporation's allowance for loan losses coverage ratios.

For the Period Ended:	March 31, 1997	December 31, 1996	March 31, 1996
Allowance for Loan Losses to:			
Loans at Period-End	2.28%	2.29%	2.47%
Average Loans	2.32	2.37	2.46
Nonperforming Loans	355.71	347.60	239.62

MARKET RISK MANAGEMENT

Trading Activities

Measuring Market Risk: Market risk is measured and monitored on a daily basis through a value-at-risk ("VAR") methodology, which captures the potential overnight dollar loss from adverse market movements. The quantification of market risk through a VAR methodology requires a number of key assumptions including confidence level for losses, number of days of price history, holding period, measurement of inter-business correlation, and the treatment of risks outside the VAR methodology, such as event risk and liquidity risk.

[See Graph Number 1 at Appendix 1]

The preceding chart contains a histogram of the Corporation's daily market risk-related revenue. Market risk-related revenue is defined as the daily change in value in marked-to-market trading portfolios plus any trading-related net interest income or other revenue. Net interest income related to funding and investment activity is excluded. Based on actual trading results for the twelve months ended March 31, 1997, which captures the historical correlation among business units, 95% of the variation in the Corporation's daily trading results fell within a $26 million band centered on the daily average amount of $9 million. For the twelve months ended March 31, 1997, the Corporation posted positive daily market risk-related revenue for 245 out of 259 business trading days for international and domestic units. For 215 of the 259 days, the Corporation's daily market risk-related revenue or losses occurred within the negative $5 million through positive $15 million range, which is representative of the Corporation's emphasis on market-making, sales and arbitrage activities. For a further discussion of measuring market risk, see pages 54-55 of the Corporation's 1996 Annual Report.

Asset/Liability Management Activities

The Corporation's interest rate risk profile is generally managed with consideration for both total return and reported earnings. Interest rate risk arises from a variety of factors, including differences in the timing between the contractual maturity or repricing (the "repricing") of the Corporation's assets and liabilities and derivative financial instruments as the repricing characteristics of its loans and other assets do not necessarily match those of its deposits, other borrowings and capital. The Corporation, as part of its ALM process, employs a variety of cash (primarily securities) and derivative instruments in managing its exposure to fluctuations in market interest rates. For a further discussion of the Corporation's ALM process and the derivative instruments used in its ALM activities, see pages 55-58 and Note Seventeen of the Corporation's 1996 Annual Report. A discussion of the accounting policies relating to derivatives used for ALM activities is provided in Note One of the Corporation's 1996 Annual Report.

Measuring Interest Rate Sensitivity:

In managing exposure, the Corporation uses quantifications of net gap exposure, measurements of earnings at risk based on net interest income simulations, and valuation sensitivity measures. An example of aggregate net gap analysis is presented below. Assets, liabilities and derivative instruments are placed in gap intervals based on their repricing dates. Assets and liabilities for which no specific contractual repricing or maturity dates exist or whose contractual maturities do not reflect their expected maturities are placed in gap intervals based on management's judgment and statistical analysis concerning their most likely repricing behaviors. Derivatives used in interest rate sensitivity management are also included in the applicable gap intervals.

A net gap for each time period is calculated by subtracting the liabilities repricing in that interval from the assets repricing. A negative gap - more liabilities repricing than assets - will benefit net interest income in a declining interest rate environment and will detract from net interest income in a rising interest rate environment. Conversely, a positive gap - more assets repricing than liabilities - will benefit net interest income if rates are rising and will detract from net interest income in a falling rate environment.

Condensed Interest Sensitivity Table

(in millions) At March 31, 1997	1-3 Months	4-6 Months	7-12 Months	1-5 Years	Over 5 Years	Total
Balance Sheet	$ (10,587)	$ (3,696)	$ 5,974	$ 29,873	$ (21,564)	$ ---
Derivative Instruments Affecting Interest-Rate Sensitivity (a)	(1,901)	17,916	(8,932)	(11,407)	4,324	---
Interest-Rate Sensitivity Gap	(12,488)	14,220	(2,958)	18,466	(17,240)	---
Cumulative Interest-Rate Sensitivity Gap	(12,488)	1,732	(1,226)	17,240	---	---
% of Total Assets	(4)%	1%	--	5%	---	---

(a) Represents net repricing effect of derivative positions, which include interest rate swaps, futures, forwards, forward rate agreements and options, that are used as part of the Corporation's overall asset/liability management activities.

At March 31, 1997, the Corporation had $1,226 million more liabilities than assets repricing within one year (including net repricing effect of derivative positions). This compares with $7,945 million, or 2% of total assets, at December 31, 1996.

During the first quarter of 1997, management took actions to reduce the Corporation's interest rate sensitivity, and as of March 31, 1997, the Corporation's earnings at risk to an immediate 100 basis point rise in interest rates for the next twelve months is estimated to be approximately 2% of the Corporation's projected after-tax net income. An immediate 100 basis point rise in interest rates is an hypothetical rate scenario, used to measure risk, and does not necessarily represent management's current view of future market developments. At December 31, 1996, the Corporation's earnings at risk to a similar increase in market rates was estimated to be approximately 3.5% of projected 1997 after-tax net income.

Interest Rate Swaps: Interest rate swaps are one of the various financial instruments used in the Corporation's ALM activities. The following table summarizes the outstanding ALM interest rate swap notional amounts at March 31, 1997, by twelve-month intervals (i.e., April 1, 1997 through March 31, 1998). The decrease in notional amounts from one period to the next period represents maturities of the underlying contracts. The weighted-average fixed interest rates to be received and paid on such swaps are presented for each twelve-month interval. The three-month London Interbank Offered Rate (LIBOR), provided for reference in the following table, reflects the average implied forward yield curve for that index as of March 31, 1997. However, actual repricings will be based on the applicable rates in effect at the actual repricing date. To the extent rates change, the variable rates paid or received will change. The Corporation expects the impact of any interest rate changes on these swaps to be largely mitigated by corresponding changes in the interest rates and values associated with the linked assets and liabilities.

OUTSTANDING INTEREST RATE SWAPS NOTIONAL AMOUNTS AND RECEIVE/PAY RATES BY YEARLY INTERVALS

For the twelve-month period beginning April 1,

(in millions)	1997	1998	1999	2000	2001	Thereafter
Receive fixed swaps						
Notional amount	$ 32,724	$ 22,635	$ 17,941	$ 13,938	$ 12,021	$ 7,845
Weighted-average Fixed rate	6.46%	6.33%	6.45%	6.48%	6.61%	6.55%
Pay fixed swaps						
Notional amount	$ 39,737	$ 28,528	$ 14,526	$ 10,374	$ 8,574	$ 2,932
Weighted-average Fixed rate	6.64%	6.64%	7.23%	7.10%	7.22%	7.46%
Basis Swaps						
Notional amount	$ 27,309	$ 21,220	$ 8,934	$ 2,371	$ 2,082	$ 1,278
Average Three-Month Implied Forward LIBOR Rates	6.15%	6.71%	6.96%	6.98%	7.13%	7.24%
Total Notional Amount	$ 99,770	$ 72,383	$ 41,401	$ 26,683	$ 22,677	$ 12,055

The following table summarizes the Corporation's assets and liabilities at March 31, 1997 with the notional amount of related derivatives used for ALM purposes.

Derivative Contracts and Related Balance Sheet Positions

		Notional Amount (a)	
(in millions)	Balance Sheet Amount	Interest Rate Swaps	Other ALM Contracts(b)
Deposits with Banks	$ 3,298	$ 2,060	$ 1,451
Securities - Available-for-Sale	40,372	4,098	7,534
Loans	152,332	49,416	40,211
Other Assets	15,217	4,500	4,649
Deposits	176,030	26,298	44,318
Other Borrowed Funds	7,819	1,272	---
Long-Term Debt	12,419	6,140	1,380

(a) At March 31, 1997, notional amounts of approximately $6 billion for interest rate swaps, which are used in place of cash market instruments, have been excluded from the above table. See Note One of the 1996 Annual Report for a discussion of the Corporation's accounting policy relative to derivatives used in place of cash market instruments.
(b) Includes futures, forwards, forward rate agreements and options.

The unfavorable impact on net interest income from the Corporation's ALM derivative activities was $24 million in the first quarter of 1997, compared with a favorable impact of $11 million for the first quarter of 1996. The Corporation also has derivatives that affect noninterest revenue (such as derivatives linked to mortgage servicing rights).

The following table reflects the deferred gains/losses on closed derivative contracts and unrecognized gains/losses on open derivative contracts utilized in the Corporation's ALM activities for March 31, 1997 and December 31, 1996.

(in millions)	March 31, 1997	December 31, 1996	Change
ALM Derivative Contracts:			
Net Deferred Gains (Losses)	$ (14)	$ (42)	$ 28
Net Unrecognized Gains (Losses)	(340)	(243)	(97)
Net ALM Derivative Gains (Losses)	$ (354)	$ (285)	$ (69)

The net deferred losses at March 31, 1997 are expected to be amortized as yield adjustments in interest income, interest expense or noninterest revenue, as applicable, over the periods reflected in the following table. The net unrecognized losses do not include the net favorable impact from the assets/liabilities being hedged by these derivative contracts. For a further discussion of unrecognized gains/losses on open derivative contracts, see Note 14 on page 15. The Consolidated Balance Sheet includes unamortized premiums on open ALM option contracts which will be amortized as a reduction to net interest income or noninterest revenue over the periods indicated in the following table.

Amortization of Net Deferred Gains (Losses) on Closed ALM Contracts and of Premiums on Open ALM Option Contracts

(in millions)	Deferred Gains/(Losses)	Premiums
1997	$ 35	$ 15
1998	(1)	19
1999	(19)	37
2000	(13)	30
2001 and After	(16)	51
Total	$ (14)	$ 152

OPERATING RISK MANAGEMENT

The Corporation, like all large financial institutions, is exposed to many types of operating risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, and errors relating to computer and telecommunications systems. The Corporation maintains a system of controls that is designed to keep operating risk at appropriate levels in view of the financial strength of the Corporation, the characteristics of the businesses and markets in which the Corporation operates, competitive circumstances and regulatory considerations. However, from time to time in the past, the Corporation has suffered losses from operating risk and there can be no assurance that the Corporation will not suffer such losses in the future.

CAPITAL AND LIQUIDITY RISK MANAGEMENT

The following capital and liquidity discussion focuses primarily on developments since December 31, 1996. Accordingly, it should be read in conjunction with the Capital and Liquidity Risk Management section on pages 58-59 and Note Sixteen of the Corporation's 1996 Annual Report.

Capital

The Corporation's level of capital at March 31, 1997 remained strong, with capital ratios well in excess of regulatory guidelines. At March 31, 1997, the Corporation's Tier 1 and Total Capital ratios were 8.36% and 12.04%, respectively. These ratios, as well as the leverage ratio, exclude the assets and off-balance sheet financial instruments of the Corporation's securities subsidiary as well as the Corporation's investment in such subsidiary. In addition, the provisions of SFAS 115 do not apply to the calculation of these ratios. The Corporation manages its capital to execute its strategic business plans and support its growth and investments, including acquisition strategies in its core businesses. As part of the Corporation's commitment to a disciplined capital policy, management has targeted a Tier 1 capital ratio for the Corporation of 8 to 8.25%.

Total capitalization (the sum of Tier 1 Capital and Tier 2 Capital) increased by $1,144 million during the first quarter of 1997 to $30.5 billion reflecting, in part, $790 million of capital securities issued by subsidiary trusts of the Corporation (see Note 8 of this Form 10-Q), partially offset by the redemption of $150 million of preferred stock.

In October 1996, the Corporation announced a common stock purchase program in which the Corporation is authorized until December 31, 1998 to purchase up to $2.5 billion of its common stock, in addition to such other number of common shares as may be necessary to provide for expected issuances under its dividend reinvestment plan and its various stock-based director and employee benefit plans. During the period from the inception of the program through March 31, 1997, the Corporation has repurchased 17.6 million common shares ($1.6 billion) and reissued approximately 5.2 million treasury shares under the Corporation's benefit plans, resulting in a net repurchase of 12.4 million shares ($1.2 billion) of its common stock. Management intends to purchase equity on a more accelerated time schedule than originally announced and believes it is likely that the buy-back program will be completed in late 1997 or early 1998.

The Corporation raised the cash dividend on its common stock to $.62 per share, an increase from $.56 per share, in the first quarter of 1997. Management's current expectation is that the dividend policy of the Corporation will generally be to pay a common stock dividend equal to approximately 25-35% of the Corporation's net income (excluding restructuring charges) less preferred stock dividends. Future dividend policies will be determined by the Board of Directors in light of the earnings and financial condition of the Corporation and its subsidiaries and other factors, including applicable governmental regulations and policies.

The following table sets forth the components of capital for the Corporation.

Components of Capital

(in millions)	March 31, 1997	December 31, 1996
Tier 1 Capital		
Common Stockholders' Equity	$ 18,801	$ 18,632
Nonredeemable Preferred Stock	2,500	2,650
Minority Interest (a)	2,088	1,294
Less: Goodwill	1,340	1,353
Non-Qualifying Intangible Assets	134	128
50% Investment in Securities Subsidiary	716	780
Tier 1 Capital	$ 21,199	$ 20,315
Tier 2 Capital		
Long-Term Debt Qualifying as Tier 2	$ 6,853	$ 6,709
Qualifying Allowance for Credit Losses	3,173	3,121
Less: 50% Investment in Securities Subsidiary	716	780
Tier 2 Capital	$ 9,310	$ 9,050
Total Qualifying Capital	$ 30,509	$ 29,365
Risk-Weighted Assets (b)	$ 253,441	$ 249,215

(a) Minority interest includes Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures and Preferred Stock of Subsidiary. For a further discussion see Notes 8 and 9 of this Form 10-Q.

(b) Includes off-balance sheet risk-weighted assets in the amount of $81,804 million and $79,099 million, respectively, at March 31, 1997 and December 31, 1996.

Liquidity

The primary source of liquidity for the bank subsidiaries of the Corporation derives from their ability to generate core deposits (which includes all deposits except noninterest-bearing time deposits, foreign deposits and certificates of deposit of $100,000 or more). The Corporation considers funds from such sources to comprise its subsidiary banks' "core" deposit base because of the historical stability of such sources of funds. These deposits fund a portion of the Corporation's asset base, thereby reducing the Corporation's reliance on other, more volatile, sources of funds. The Corporation's average core deposits for the first three months of 1997 were $81 billion and represented 53% of average loans for the period.

The Corporation is an active participant in the capital markets. In addition to issuing commercial paper and medium-term notes, the Corporation raises funds through the issuance of long-term debt, common stock and preferred stock. The Corporation's long-term debt at March 31, 1997 was $12,419 million, a decrease of $295 million from the 1996 year-end. The decrease resulted largely from maturities of the Corporation's long-term debt of $625 million, partially offset by issuances of $331 million of long-term debt. The Corporation will continue to evaluate the opportunity for future redemptions of its outstanding debt and preferred stock in light of current market conditions. The Corporation has approximately $960 million of fixed-rate preferred stock which becomes callable in 1997 and management intends to redeem certain series of these preferred stock in 1997

SUPERVISION AND REGULATION

The following supervision and regulation discussion focuses primarily on developments since December 31, 1996; accordingly, it should be read in conjunction with the Supervision and Regulation section on pages 2-5 of the Corporation's 1996 Annual Report.

Dividends

At March 31, 1997, in accordance with the dividend restrictions applicable to them, the Corporation's bank subsidiaries could, during 1997, without the approval of their relevant banking regulators, pay dividends in an aggregate amount of approximately $1.8 billion to their respective bank holding companies, plus an additional amount equal to their net income from April 1, 1997 through the date in 1997 of any such dividend payment.

In addition to the dividend restrictions set forth in statutes and regulations, the Federal Reserve Board, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation ("FDIC") have authority under the Financial Institutions Supervisory Act to prohibit or to limit the payment of dividends by the banking organizations they supervise, including the Corporation and its subsidiaries that are banks or bank holding companies, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization.

FDICIA

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") required the FDIC to establish a risk-based assessment system for FDIC deposit insurance. FDICIA also contained provisions limiting certain activities and business methods of depository institutions. Finally, FDICIA provided for expanded regulation of depository institutions and their affiliates, including parent holding companies, by such institutions' appropriate Federal banking regulator. Each of the Corporation's banking institutions were "well capitalized" as that term is defined under the various regulations promulgated under FDICIA and, therefore, the Corporation does not expect such regulations to have a material adverse impact on its business operations.

ACCOUNTING DEVELOPMENTS

Derivative and Market Risk Disclosures

In January 1997, the Securities and Exchange Commission ("SEC") issued a Release (Nos. 33-7386 and 34-38223) which requires (i) quantitative and qualitative disclosures outside the financial statements about the market risk inherent in derivatives and other financial instruments and (ii) enhanced descriptions of accounting policies for derivatives in the footnotes to the financial statements.

The market risk disclosure requirements of this release will be applicable commencing with the Corporation's 1997 annual report. The Corporation is currently evaluating this release and expects to comply with the requirements of the release in its 1997 annual report.

Earnings Per Share

In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings per Share". This statement establishes standards for computing and presenting earnings per share (EPS) and simplifies the previously issued accounting standards for computing earnings per share. It replaces the computation and presentation of "primary EPS" with a computation and presentation of "basic EPS". It revises the computation and presentation of "fully-diluted EPS" with a computation and presentation of "diluted EPS". It also requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. SFAS 128 is effective for financial statements issued for periods ending after December 15, 1997.

While SFAS 128 is not yet effective, the Corporation believes that the adoption of SFAS 128 will not have a significant impact on the Corporation's EPS computations.

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

	Three Months Ended March 31, 1997			Three Months Ended March 31, 1996		
	Average Balance	Interest	Rate (Annualized)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 5,491	$ 106	7.86%	$ 8,238	$ 172	8.39%
Federal Funds Sold and Securities Purchased Under Resale Agreements	36,102	559	6.28%	26,793	501	7.52%
Trading Assets-Debt and Equity Instruments	31,185	626	8.14%	27,290	413	6.09%
Securities:						
Available-for-Sale	39,818	664	6.76%(b)	38,191	645	6.79% (b)
Held-to-Maturity	3,729	62	6.76%	4,515	80	7.16%
Loans	153,030	3,114 (c)	8.25%	149,634	3,241	8.71%
Total Interest-Earning Assets	269,355	5,131	7.73%	254,661	5,052	7.98%
Allowance for Credit Losses	(3,452)			(3,776)		
Cash and Due from Banks	12,065			13,051		
Risk Management Instruments	36,669			25,570		
Other Assets	24,632			23,419		
Total Assets	$ 339,269			$ 312,925		
LIABILITIES						
Domestic Retail Deposits	$ 57,654	529	3.72%	$ 56,080	486	3.48%
Domestic Negotiable Certificates of Deposit and Other Deposits	9,236	150	6.59%	7,867	76	3.84%
Deposits in Foreign Offices	65,231	836	5.20%	69,831	1,082	6.23%
Total Time and Savings Deposits	132,121	1,515	4.65%	133,778	1,644	4.94%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	59,470	785	5.35%	44,953	621	5.57%
Commercial Paper	4,293	55	5.21%	5,578	75	5.40%
Other Borrowings (d)	17,372	462	10.79%	16,211	330	8.21%
Total Short-Term and Other Borrowings	81,135	1,302	6.51%	66,742	1,026	6.20%
Long-Term Debt	13,523	257	7.70%	12,976	227	7.05%
Total Interest-Bearing Liabilities	226,779	3,074	5.50%	213,496	2,897	5.46%
Noninterest-Bearing Deposits	40,897			38,747		
Risk Management Instruments	36,357			27,554		
Other Liabilities	13,544			12,290		
Total Liabilities	317,577			292,087		
PREFERRED STOCK OF SUBSIDIARY	550			--		
STOCKHOLDERS' EQUITY						
Preferred Stock	2,648			2,650		
Common Stockholders' Equity	18,494			18,188		
Total Stockholders' Equity	21,142			20,838		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 339,269			$ 312,925		
INTEREST RATE SPREAD			2.23%			2.52%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$2,057(a)	3.10%		$2,155 (a)	3.41%

(a) Reflects a pro forma adjustment to the net interest income amount included in the Statement of Income to permit comparisons of yields on tax-exempt and taxable assets.
(b) For the three months ended March 31, 1997 and March 31, 1996, the annualized rate for available-for-sale securities based on historical cost was 6.69% and 6.82%, respectively.
(c) For the three months ended March 31, 1997 and March 31, 1996, the negative impact from nonperforming loans on net interest income was $17 million and $29 million, respectively.
(d) Includes securities sold but not yet purchased and structured notes.

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

	1997	1996			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Interest Income					
Loans	$ 3,112	$ 3,048	$ 3,042	$ 3,028	$ 3,241
Securities	722	767	690	685	720
Trading Assets	626	615	482	388	413
Federal Funds Sold and Securities Purchased Under Resale Agreements	559	571	549	514	501
Deposits with Banks	106	97	112	156	172
Total Interest Income	5,125	5,098	4,875	4,771	5,047
Interest Expense					
Deposits	1,515	1,520	1,416	1,458	1,644
Short-Term and Other Borrowings	1,302	1,304	1,213	1,087	1,026
Long-Term Debt	257	233	220	221	227
Total Interest Expense	3,074	3,057	2,849	2,766	2,897
Net Interest Income	2,051	2,041	2,026	2,005	2,150
Provision for Credit Losses	220	182	220	250	245
Net Interest Income After Provision For Credit Losses	1,831	1,859	1,806	1,755	1,905
Noninterest Revenue					
Corporate Finance and Syndication Fees	168	213	234	258	224
Trust, Custody and Investment Management Fees	310	294	295	302	285
Credit Card Revenue	278	320	277	233	233
Service Charges on Deposit Accounts	91	98	97	100	99
Fees for Other Financial Services	383	377	393	381	378
Trading Revenue	422	289	347	397	355
Securities Gains	101	25	34	24	52
Revenue From Equity-Related Investments	164	172	112	219	223
Other Revenue	182	109	110	35	36
Total Noninterest Revenue	2,099	1,897	1,899	1,949	1,885
Noninterest Expense					
Salaries	1,124	1,070	1,040	1,046	1,076
Employee Benefits	222	185	211	225	305
Occupancy Expense	187	192	204	207	221
Equipment Expense	190	180	179	181	184
Foreclosed Property Expense	3	(1)	2	(8)	(9)
Restructuring Charge and Expenses	30	104	32	22	1,656
Other Expense	691	677	652	651	660
Total Noninterest Expense	2,447	2,407	2,320	2,324	4,093
Income (Loss) Before Income Tax Expense (Benefit)	1,483	1,349	1,385	1,380	(303)
Income Tax Expense (Benefit)	556	513	527	524	(214)
Net Income (Loss)	$ 927	$ 836	$ 858	$ 856	$ (89)
Net Income (Loss) Applicable To Common Stock	$ 872	$ 781	$ 803	$ 801	$ (143)
Net Income (Loss) Per Common Share:					
Primary	$ 1.98	$ 1.74	$ 1.80	$ 1.80	$ (0.32)
Assuming Full Dilution	$ 1.97	$ 1.74	$ 1.78	$ 1.79	$ (0.32)

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

The Corporation and its subsidiaries are defendants in a number of legal proceedings. After reviewing with counsel all actions and proceedings pending against or involving the Corporation and its subsidiaries, management does not expect the aggregate liability or loss, if any, resulting therefrom to have a material adverse effect on the consolidated financial condition of the Corporation.

Item 2. Sales of Unregistered Common Stock

During the first quarter of 1997, shares of common stock of the Corporation were issued in transactions exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. On January 6, 1997, 18,297 shares of common stock were issued to retired executive officers who had deferred receipt of such common stock pursuant to the Corporate Performance Incentive Plan. On January 22, 1997, 2,945 shares of common stock were issued to retired directors who had deferred receipt of such common stock pursuant to the Directors' Deferred Compensation Plan.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits:

- 11 - Computation of net income per 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:

The Corporation filed three reports on Form 8-K during the quarter ended March 31, 1997, as follows:

Form 8-K dated January 23, 1997: The Corporation announced the results of operations for the fourth quarter of 1996 and the pending retirement of Edward D. Miller.

Form 8-K dated March 18, 1997: The Corporation discussed Lines of Business Results for Global Wholesale Banking and Regional and Nationwide Consumer Banking, as well as the status of the Corporation's common stock buy-back program announced October 1996.

Form 8-K dated March 18, 1997: The Corporation announced a quarterly dividend increase from $.56 per share to $.62 per share, payable April 30, 1997 to shareholders of record at close of business on April 4, 1997.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE CHASE MANHATTAN CORPORATION
(Registrant)

Date May 15, 1997

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

Executive Vice President and Controller
[Principal Accounting Officer]

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.

GRAPHIC NUMBER	PAGE	DESCRIPTION
1	36	Bar Graph entitled "Histogram of Daily Market Risk-Related Revenue For the twelve months ended March 31, 1997" presenting the following information:

Millions of Dollars	0 -5	5 - 10	10 -15	15 - 20	20 -25	25 -30
Number of trading days revenue was within the above prescribed positive range	64	78	61	32	6	4

Millions of Dollars	0 -(5)	(5)-(10)	(10)-(15)
Number of trading days revenue was within the above prescribed negative range	12	1	1

INDEX TO EXHIBITS
SEQUENTIALLY NUMBERED

EXHIBIT NO.	EXHIBITS	PAGE AT WHICH LOCATED
11	Computation of net income per share	48
12 (a)	Computation of ratio of earnings to fixed charges	49
12 (b)	Computation of ratio of earnings to fixed charges and preferred stock dividend requirements	50
27	Financial Data Schedule	51

EXHIBIT 11
THE CHASE MANHATTAN CORPORATION and Subsidiaries
Computation of net income per share

Net income for primary and fully diluted EPS are computed by subtracting from the applicable earnings the dividend requirements on preferred stock to arrive at earnings applicable to common stock and dividing this amount by the weighted-average number of common and common equivalent shares outstanding during the period. For a further discussion of the Corporation's earnings per share computation, see Note One of the Corporation's 1996 Annual Report.

(in millions, except per share amounts)	Three Months Ended March 31,	
EARNINGS PER SHARE	1997	1996
Primary		
Earnings:		
Net Income (Loss)	$ 927	$ (89)
Less: Preferred Stock Dividend Requirements	55	54
Net Income (Loss) Applicable to Common Stock	$ 872	$ (143)
Shares:		
Average Common and Common Equivalent Shares Outstanding	441.0	446.1
Primary Earnings Per Share:		
Net Income (Loss)	$ 1.98	$ (0.32)
Assuming Full Dilution		
Earnings:		
Net Income (Loss) Applicable to Common Stock	$ 872	$ (143)
Shares:		
Average Common and Common Equivalent Shares Outstanding	441.0	446.1
Additional Shares Issuable Upon Exercise of Stock Options for Dilutive Effect	1.6	3.0
Adjusted Shares of Common and Equivalent Shares Outstanding	442.6	449.1
Earnings Per Share Assuming Full Dilution:		
Net Income (Loss)	$ 1.97	$ (0.32)

EXHIBIT 12(a)

THE CHASE MANHATTAN CORPORATION and Subsidiaries

Computation of ratio of earnings to fixed charges

(in millions, except ratios)

	Three Months Ended March 31, 1997
EXCLUDING INTEREST ON DEPOSITS	
Income before Income Taxes	$ 1,483
Fixed charges:	
Interest expense	1,559
One third of rents, net of income from subleases (a)	28
Total fixed charges	1,587
Less: Equity in undistributed income of affiliates	(23)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 3,047
Fixed charges, as above	$ 1,587
Ratio of earnings to fixed charges	1.92
INCLUDING INTEREST ON DEPOSITS	
Fixed charges, as above	$ 1,587
Add: Interest on deposits	1,515
Total fixed charges and interest on deposits	$ 3,102
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 3,047
Add: Interest on deposits	1,515
Total earnings before taxes, fixed charges, and interest on deposits	$ 4,562
Ratio of earnings to fixed charges	1.47

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

EXHIBIT 12(b)

THE CHASE MANHATTAN CORPORATION and Subsidiaries

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

	Three Months Ended March 31, 1997
EXCLUDING INTEREST ON DEPOSITS	
Income before Income Taxes	$ 1,483
Fixed charges:	
Interest expense	1,559
One third of rents, net of income from subleases (a)	28
Total fixed charges	1,587
Less: Equity in undistributed income of affiliates	(23)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 3,047
Fixed charges, as above	$ 1,587
Preferred stock dividends	55
Fixed charges including preferred stock dividends	$ 1,642
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.86
INCLUDING INTEREST ON DEPOSITS	
Fixed charges including preferred stock dividends, as above	$ 1,642
Add: Interest on deposits	1,515
Total fixed charges including preferred stock dividends and interest on deposits	$ 3,157
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 3,047
Add: Interest on deposits	1,515
Total earnings before taxes, fixed charges, and interest on deposits	$ 4,562
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.45

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

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

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
1
14,349
3,298
34,554
67,478
40,372
3,603
3,561
155,882
3,550
340,338
176,030
67,538
59,389
12,419
0
2,500
441
17,801
340,338
3,112
722
665
5,125
1,515
3,074
2,051
220
101
2,447
1,483
927
0
0
927
1.98
1.97
3.10
998
441
0
0
3,549
273
53
3,550
0
0
0