

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2000

COMMISSION FILE NUMBER 1-5805

THE CHASE MANHATTAN CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)13-2624428
(IRS EMPLOYER
IDENTIFICATION NO.)270 PARK AVENUE, NEW YORK, NEW YORK
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)10017
(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

1,310,361,699

NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON
STOCK ON OCTOBER 31, 2000.

FORM 10-Q
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THE CHASE MANHATTAN CORPORATION
CONSOLIDATED BALANCE SHEET
(IN MILLIONS, EXCEPT SHARE DATA)

	SEPTEMBER 30, 2000 ----	December 31, 1999 ----
ASSETS		
Cash and Due from Banks	\$ 19,403	\$ 16,229
Deposits with Banks	3,513	28,076
Federal Funds Sold and Securities Purchased under Resale Agreements	27,175	23,823
Trading Assets: Debt and Equity Instruments	36,113	30,191
Risk Management Instruments	31,479	33,078
Securities:		
Available-for-Sale	65,600	60,625
Held-to-Maturity (Market Value: \$625 in 2000 and \$876 in 1999)	632	888
Loans (Net of Allowance for Loan Losses of \$3,491 in 2000 and \$3,457 in 1999)	187,767	172,702
Premises and Equipment	4,777	4,439
Due from Customers on Acceptances	491	622
Accrued Interest Receivable	2,806	2,505
Other Assets	46,060	32,927
	-----	-----
TOTAL ASSETS	\$ 425,816	\$ 406,105
	=====	=====
LIABILITIES		
Deposits:		
Domestic: Noninterest-Bearing	\$ 47,067	\$ 49,468
Interest-Bearing	81,003	80,132
Foreign: Noninterest-Bearing	6,054	6,061
Interest-Bearing	95,477	106,084
	-----	-----
Total Deposits	229,601	241,745
Federal Funds Purchased and Securities Sold under		
Repurchase Agreements	61,943	50,148
Commercial Paper	7,338	8,509
Other Borrowed Funds	7,252	5,145
Acceptances Outstanding	491	622
Trading Liabilities	40,688	38,573
Accounts Payable, Accrued Expenses and Other Liabilities, Including the Allowance for Credit Losses of \$170 in 2000 and \$170 in 1999	21,567	17,056
Long-Term Debt	24,157	17,602
Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures	2,789	2,538
	-----	-----
TOTAL LIABILITIES	395,826	381,938
	-----	-----
COMMITMENTS AND CONTINGENCIES (See Note 13)		
PREFERRED STOCK OF SUBSIDIARY	550	550
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred Stock	828	928
Common Stock (Authorized 4,500,000,000 Shares, Issued 1,322,758,290 Shares in 2000 and 1,322,811,932 Shares in 1999)	1,323	882
Capital Surplus	9,300	9,714
Retained Earnings	19,626	17,547
Accumulated Other Comprehensive Loss	(1,005)	(1,454)
Treasury Stock, at Cost (12,774,915 Shares in 2000 and 82,055,832 Shares in 1999)	(632)	(4,000)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	29,440	23,617
	-----	-----
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	\$ 425,816	\$ 406,105
	=====	=====

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

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

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
INTEREST INCOME				
Loans	\$ 3,997	\$ 3,288	\$11,108	\$ 9,662
Securities	994	762	2,879	2,344
Trading Assets	530	399	1,425	1,228
Federal Funds Sold and Securities Purchased under Resale Agreements	452	352	1,349	1,122
Deposits with Banks	96	195	331	540
Total Interest Income	6,069	4,996	17,092	14,896
INTEREST EXPENSE				
Deposits	2,251	1,650	6,302	4,806
Short-Term and Other Borrowings	1,333	870	3,678	2,635
Long-Term Debt	492	306	1,243	936
Total Interest Expense	4,076	2,826	11,223	8,377
NET INTEREST INCOME	1,993	2,170	5,869	6,519
Provision for Loan Losses	305	398	979	1,167
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,688	1,772	4,890	5,352
NONINTEREST REVENUE				
Investment Banking Fees	613	486	1,900	1,388
Trust, Custody and Investment Management Fees	664	457	1,718	1,332
Credit Card Revenue	471	441	1,311	1,258
Fees for Other Financial Services	775	637	2,201	1,777
Trading Revenue	603	462	2,448	1,606
Securities Gains (Losses)	96	(1)	167	160
Private Equity Gains (Losses)	(25)	377	773	1,215
Other Revenue	210	162	354	696
Total Noninterest Revenue	3,407	3,021	10,872	9,432
NONINTEREST EXPENSE				
Salaries	1,761	1,417	5,128	4,217
Employee Benefits	256	238	795	731
Occupancy Expense	247	218	689	642
Equipment Expense	297	255	856	737
Restructuring Costs	79	--	129	--
Other Expense	1,095	853	3,035	2,667
Total Noninterest Expense	3,735	2,981	10,632	8,994
INCOME BEFORE INCOME TAX EXPENSE	1,360	1,812	5,130	5,790
Income Tax Expense	476	625	1,795	2,037
NET INCOME	\$ 884	\$ 1,187	\$ 3,335	\$ 3,753
NET INCOME APPLICABLE TO COMMON STOCK	\$ 871	\$ 1,168	\$ 3,289	\$ 3,698
NET INCOME PER COMMON SHARE				
Basic	\$ 0.69	\$ 0.95	\$ 2.66	\$ 2.96
Diluted	\$ 0.66	\$ 0.92	\$ 2.57	\$ 2.86

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

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

	2000 -----	1999 -----
PREFERRED STOCK		
Balance at Beginning of Year	\$ 928	\$ 1,028
Redemption of Stock	(100)	(100)
	-----	-----
Balance at End of Period	828	928
	-----	-----
COMMON STOCK		
Balance at Beginning of Year	882	882
Issuance of Common Stock for a Three-for-Two Stock Split	441	--
	-----	-----
Balance at End of Period	1,323	882
	-----	-----
CAPITAL SURPLUS		
Balance at Beginning of Year	9,714	9,836
Issuance of Common Stock for a Three-for-Two Stock Split	(441)	--
Issuance of Common Stock for (Purchase Accounting) Acquisitions (a)	136	--
Shares Issued and Commitments to Issue Common Stock for Employee Stock-Based Awards and Related Tax Effects	(109)	(201)
	-----	-----
Balance at End of Period	9,300	9,635
	-----	-----
RETAINED EARNINGS		
Balance at Beginning of Year	17,547	13,544
Net Income	3,335	3,753
Cash Dividends Declared: Preferred Stock	(46)	(55)
Common Stock	(1,210)	(1,032)
	-----	-----
Balance at End of Period	19,626	16,210
	-----	-----
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance at Beginning of Year	(1,454)	392
Other Comprehensive Income (Loss)	449	(1,430)
	-----	-----
Balance at End of Period	(1,005)	(1,038)
	-----	-----
TREASURY STOCK, AT COST		
Balance at Beginning of Year	(4,000)	(1,844)
Purchase of Treasury Stock	(1,072)	(4,172)
Reissuance of Treasury Stock	1,025	1,740
Reissuance of Treasury Stock for (Purchase Accounting) Acquisitions (a)	3,415	--
	-----	-----
Balance at End of Period	(632)	(4,276)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	\$ 29,440	\$ 22,341
	=====	=====
COMPREHENSIVE INCOME		
Net Income	\$ 3,335	\$ 3,753
Other Comprehensive Income (Loss)	449	(1,430)
	-----	-----
Comprehensive Income	\$ 3,784	\$ 2,323
	=====	=====

(a) In the 2000 third quarter, Chase acquired Robert Fleming Holdings Limited and The Beacon Group, LLC. These transactions were accounted for under the purchase method.

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

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

	2000 ----	1999 ----
OPERATING ACTIVITIES		
Net Income	\$ 3,335	\$ 3,753
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	979	1,167
Restructuring Costs	129	--
Depreciation and Amortization	1,220	1,028
Net Change in:		
Trading-Related Assets	(4,223)	1,519
Accrued Interest Receivable	(301)	49
Private Equity Investments	(1,625)	(1,847)
Other Assets	(10,330)	(3,023)
Trading-Related Liabilities	2,115	(1,338)
Accrued Interest Payable	35	(1,848)
Other Liabilities	5,003	1,139
Other, Net	(90)	(50)
Net Cash Provided (Used) by Operating Activities	(3,753)	549
INVESTING ACTIVITIES		
Net Change in:		
Deposits with Banks	24,563	1,356
Federal Funds Sold and Securities Purchased under Resale Agreements	4,171	(11,233)
Loans Due to Sales and Securitizations	19,551	35,621
Other Loans, Net	(35,629)	(37,638)
Other, Net	426	(592)
Proceeds from the Maturity of Held-to-Maturity Securities	372	712
Purchases of Held-to-Maturity Securities	(67)	--
Proceeds from the Maturity of Available-for-Sale Securities	5,883	7,119
Proceeds from the Sale of Available-for-Sale Securities	52,452	74,575
Purchases of Available-for-Sale Securities	(63,679)	(75,313)
Proceeds from Sales of Nonstrategic Assets	--	182
Cash Used in Acquisitions	(3,062)	(1,252)
Net Cash Provided (Used) by Investing Activities	4,981	(6,463)
FINANCING ACTIVITIES		
Net Change in:		
Noninterest-Bearing Domestic Demand Deposits	(2,401)	2,181
Domestic Time and Savings Deposits	871	(6,893)
Foreign Deposits	(10,614)	11,898
Federal Funds Purchased and Securities Sold under Repurchase Agreements	4,272	3,599
Other Borrowed Funds	936	(1,985)
Other, Net	(109)	(478)
Proceeds from the Issuance of Long-Term Debt and Capital Securities	8,460	3,430
Maturity and Redemption of Long-Term Debt	(1,676)	(2,640)
Proceeds from the Issuance of Stock	4,467	1,539
Redemption of Preferred Stock	(100)	(100)
Treasury Stock Purchased	(1,072)	(4,172)
Cash Dividends Paid	(1,177)	(1,048)
Net Cash Provided by Financing Activities	1,857	5,331
Effect of Exchange Rate Changes on Cash and Due from Banks	89	5
Net Increase (Decrease) in Cash and Due from Banks	3,174	(578)
Cash and Due from Banks at January 1,	16,229	17,068
Cash and Due from Banks at September 30,	\$ 19,403	\$ 16,490
Cash Interest Paid	\$ 11,258	\$ 10,225
Income Taxes Paid	\$ 1,862	\$ 459

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

See Glossary of Terms on page 45 for definition of terms used throughout the Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accounting and financial reporting policies of The Chase Manhattan Corporation ("Chase") conform to generally accepted accounting principles ("GAAP") and prevailing industry practices for interim reporting. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. The unaudited consolidated financial statements prepared in conformity with GAAP require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense, and disclosure of contingent assets and liabilities. In the opinion of management, all necessary adjustments have been included for a fair presentation of this interim financial information. These unaudited financial statements should be read in conjunction with the audited financial statements included in Chase's 1999 Annual Report.

NOTE 2 - AGREEMENT TO MERGE WITH J.P. MORGAN & CO. INCORPORATED

On September 13, 2000, Chase and J.P. Morgan & Co. Incorporated ("J.P. Morgan") agreed to merge. The merger agreement between Chase and J.P. Morgan, which has been approved by the boards of directors of both companies, provides that 3.7 shares of Chase common stock will be exchanged for each share of J.P. Morgan common stock. Each series of preferred stock of J.P. Morgan will be exchanged for a similar series of preferred stock of Chase, the surviving corporation of the merger. The transaction is expected to be accounted for as a pooling of interests and to be tax free to J.P. Morgan and Chase stockholders and is subject to approval by stockholders of both companies as well as by the U.S. Federal and state and foreign regulatory authorities. The merger is expected to be consummated by the first quarter of 2001 but Chase is preparing to close by year-end if it has received the required stockholder and regulatory approvals to do so.

Reference is made to the Registration Statement on Form S-4 which Chase filed with the Securities and Exchange Commission on October 5, 2000, as amended on November 13, 2000, for more information concerning the merger.

NOTE 3 - STOCK SPLIT

On May 16, 2000, the stockholders approved a three-for-two stock split of Chase's common stock. The additional shares issued as a result of the split were distributed on June 9, 2000 to stockholders of record at the close of business on May 17, 2000. The split became effective as of the opening of business on June 12, 2000. A total of 440,883,668 shares of common stock were issued in connection with the split, including 28,422,065 shares held in treasury. As a result of the stock split, \$441 million was reclassified from capital surplus to common stock, and, as a result, the stock split did not cause any changes in the \$1.00 par value per share for the common stock or in total stockholders' equity. All references to the number of common shares and per common share amounts have been restated to reflect the effects of the stock split.

NOTE 4 - GUARANTEED PREFERRED BENEFICIAL INTERESTS IN CORPORATION'S JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURES

For a discussion of these business trusts, see page 69 of Chase's 1999 Annual Report. At September 30, 2000, eight separate wholly-owned Delaware statutory business trusts established by Chase had issued an aggregate \$2,789 million in capital securities, net of discount. During the 2000 third quarter, Chase Capital VIII Trust issued \$250 million of capital securities having a stated maturity of July 15, 2030 and bearing an interest rate of 8.25%, payable quarterly commencing on October 31, 2000. There were no other issuances or redemptions of capital securities during 2000.

NOTE 5 - RESTRUCTURING COSTS

In the 1999 fourth quarter, Chase incurred a \$175 million restructuring charge relating to planned consolidation actions in certain businesses and to planned staff reductions and dispositions of premises and equipment, including the relocation of several businesses to Florida, Texas and Massachusetts. For a discussion of Chase's restructuring costs, refer to Note 12 and page 28 of Chase's 1999 Annual Report. The following table shows activity during the first nine months of 2000.

(in millions)	Restructuring Liability at December 31, 1999 -----	Costs Applied against the Liability in the First Nine Months of 2000 -----	RESTRUCTURING LIABILITY AT SEPTEMBER 30, 2000 -----
Severance Costs	\$125	\$ 54	\$ 71
Disposition of Premises/Equipment	50	14	36
	----	----	----
Total	\$175	\$ 68	\$107
	=====	=====	=====

In addition to the above restructuring charge, Chase incurred \$79 million of restructuring costs during the 2000 third quarter relating to relocation initiatives (\$54 million) and other business initiatives (\$25 million), such as the consolidation of operations. These restructuring costs were not accruable under existing accounting pronouncements and therefore were not included in the \$175 million restructuring charge. Refer to page 23 for further information regarding restructuring costs.

NOTE 6 - COMPREHENSIVE INCOME

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

Nine months ended September 30,
(in millions)

	2000 ----			1999 ----		
	ACCUMULATED TRANSLATION ADJUSTMENT -----	NET UNREALIZED GAIN(LOSS) ON SECURITIES AVAILABLE-FOR-SALE -----	ACCUMULATED OTHER COMPREHENSIVE INCOME -----	Accumulated Translation Adjustment -----	Net Unrealized Gain(Loss) on Securities Available-for-Sale -----	Accumulated Other Comprehensive Income -----
Beginning Balance	\$ 17	\$(1,471)	\$(1,454)	\$ 17	\$ 375	\$ 392
Change during Period	4	445	449	--	(1,430)	(1,430)
	-----	-----	-----	-----	-----	-----
Ending Balance	\$ 21	\$(1,026)(a)	\$(1,005)	\$ 17	\$(1,055)(a)	\$(1,038)
	=====	=====	=====	=====	=====	=====

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

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

For a discussion of Chase's fair value methodologies, see Note 22 of the 1999 Annual Report. The following table presents the financial assets and liabilities valued under SFAS 107.

(in millions)	SEPTEMBER 30, 2000 -----			December 31, 1999 -----		
	CARRYING VALUE -----	ESTIMATED FAIR VALUE -----	APPRECIATION/ (DEPRECIATION) -----	Carrying Value -----	Estimated Fair Value -----	Appreciation/ (Depreciation) -----
Total Financial Assets	\$420,869	\$422,606	\$ 1,737	\$387,414	\$389,469	\$ 2,055
Total Financial Liabilities	\$394,969	\$394,855	114	\$381,078	\$380,599	479
Estimated Fair Value in Excess of Carrying Value			----- \$ 1,851 =====			----- \$ 2,534 =====

Derivative contracts used in connection with Chase's asset/liability ("A/L") activities had an unrecognized net loss of \$743 million and \$877 million at September 30, 2000 and December 31, 1999, respectively, both of which are included in the table above.

NOTE 8 - SECURITIES

For a discussion of the accounting policies relating to securities, see Note 1 of Chase's 1999 Annual Report.

Net gains from available-for-sale securities sold in the third quarter of 2000 amounted to \$96 million (gross gains of \$120 million and gross losses of \$24 million) and for the first nine months of 2000 amounted to \$167 million (gross gains of \$259 million and gross losses of \$92 million). Net gains (losses) for the same periods of 1999 amounted to \$(1) million (gross gains of \$88 million and gross losses of \$89 million) and \$160 million (gross gains of \$372 million and gross losses of \$212 million), respectively. There were no sales of held-to-maturity securities in the periods presented. The amortized cost and estimated fair value of securities, including the impact of related derivatives, were as follows for the dates indicated:

(in millions)	SEPTEMBER 30, 2000		December 31, 1999	
	AMORTIZED COST	FAIR VALUE (a)	Amortized Cost	Fair Value (a)
AVAILABLE-FOR-SALE SECURITIES				
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	\$30,661	\$29,467	\$27,938	\$26,326
CMOs and U.S. Treasuries	24,849	24,057	23,652	22,684
Debt Securities Issued by Foreign Governments	9,025	8,937	9,469	9,364
Corporate Debt Securities and Equity Securities	1,970	2,227	1,162	1,334
Other, Primarily Asset-Backed Securities (b)	879	912	899	917
	-----	-----	-----	-----
Total Available-for-Sale Securities	\$67,384	\$65,600	\$63,120	\$60,625
	=====	=====	=====	=====
HELD-TO-MATURITY SECURITIES (c)	\$ 632	\$ 625	\$ 888	\$ 876
	=====	=====	=====	=====

- (a) Gross unrealized gains and losses on available-for-sale securities were \$435 million and \$2,219 million, respectively, at September 30, 2000 and \$231 million and \$2,726 million, respectively, at December 31, 1999. Gross unrealized losses on held-to-maturity securities were \$7 million at September 30, 2000. Gross unrealized gains and losses were \$1 million and \$13 million, respectively, at December 31, 1999.
- (b) Includes collateralized mortgage obligations ("CMO") of private issuers, which generally have underlying collateral consisting of obligations of U.S. government and federal agencies and corporations.
- (c) Primarily U.S. government and federal agency and corporation obligations.

NOTE 9 - DERIVATIVE AND FOREIGN EXCHANGE CONTRACTS

Chase utilizes derivative and foreign exchange ("FX") financial instruments for both trading and A/L activities. For a discussion of these financial instruments and the credit and market risks involved, see Management's Discussion and Analysis ("MD&A") on pages 42 and 45 and Note 19 of Chase's 1999 Annual Report.

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

(in billions)	NOTIONAL AMOUNTS (a)		CREDIT EXPOSURE	
	SEPTEMBER 30, 2000	December 31, 1999	SEPTEMBER 30, 2000	December 31, 1999
Interest Rate Contracts	\$12,469.7	\$11,126.9	\$ 9.8	\$ 10.3
Foreign Exchange Contracts	1,751.9	1,652.1	12.4	15.8
Debt, Equity, Commodity and Other Contracts	221.1	157.6	9.7	7.4
			-----	-----
Total Credit Exposure Recorded on the Balance Sheet			\$ 31.9	\$ 33.5
			=====	=====

- (a) The notional amounts of exchange-traded interest rate contracts, foreign exchange contracts, and debt, equity, commodity and other contracts were \$984.0 billion, \$0.7 billion and \$24.3 billion, respectively, at September 30, 2000, compared with \$1,075.4 billion, \$3.0 billion and \$13.0 billion, respectively, at December 31, 1999. The credit risk for these contracts was minimal as exchange-traded contracts principally settle daily in cash.

NOTE 10 - SEGMENT INFORMATION

Chase is organized into five major businesses: Investment Bank, Chase Capital Partners ("CCP"), Global Services, Wealth Management and National Consumer Services ("NCS"). Prior periods have been restated to reflect changes to the management organization or refinements in management reporting policies. For example, commencing with the second quarter of 2000, results for CCP were disclosed separately from the remainder of the Global Bank, and the private equity business of Chase H&Q was moved to CCP from Global Investment Banking. Additionally, beginning with the third quarter of 2000, the remainder of the Global Bank has been reorganized into the Investment Bank (Global Markets, Investment Banking and Corporate Lending) and Wealth Management (Global Private Bank and Asset Management).

These businesses are segmented based on the products and services provided, or the type of customer serviced, and reflect the manner in which financial information is currently evaluated by Chase's management.

Chase uses Shareholder Value Added ("SVA"), Operating Earnings and Cash Operating Earnings as its measures of franchise profitability. For a discussion of these measurements, see Management Performance Measurements in the MD&A on page 20 and Note 23 of the 1999 Annual Report. The following table provides Chase's segment results.

(in millions)	INVESTMENT BANK ----	CHASE CAPITAL PARTNERS -----	GLOBAL SERVICES -----	WEALTH MANAGEMENT -----	NATIONAL CONSUMER SERVICES -----	CORPORATE RECONCILING ITEMS (a) -----	TOTAL -----
THIRD QUARTER 2000							
Operating Revenue (b)	\$ 1,870	\$ (88)	\$ 875	\$ 470	\$ 2,587	\$ (124)	\$ 5,590
Intersegment Revenue (b)	(34)	(2)	36	11	5	(16)	--
Operating Earnings	349	(112)	167	53	455	(7)	905
Cash Operating Earnings (c)	384	(106)	183	95	492	6	1,054
Average Managed Assets	230,598	12,377	16,230	21,845	148,165	3,638	432,853
SVA	46	(320)	93	(23)	227	158	181
THIRD QUARTER 1999							
Operating Revenue (b)	\$ 1,619	\$ 319	\$ 800	\$ 267	\$ 2,514	\$ (90)	\$ 5,429
Intersegment Revenue (b)	(61)	39	30	8	5	(21)	--
Operating Earnings	409	176	133	44	399	26	1,187
Cash Operating Earnings (c)	420	176	148	44	435	34	1,257
Average Managed Assets	209,771	8,566	16,442	13,398	131,046	2,871	382,094
SVA	139	32	51	15	175	127	539
(in millions)							
	INVESTMENT BANK ----	CHASE CAPITAL PARTNERS -----	GLOBAL SERVICES -----	WEALTH MANAGEMENT -----	NATIONAL CONSUMER SERVICES -----	CORPORATE RECONCILING ITEMS (a) -----	TOTAL -----
NINE MONTHS 2000							
Operating Revenue (b)	\$ 5,989	\$ 611	\$ 2,604	\$ 1,168	\$ 7,487	\$ (291)	\$ 17,568
Intersegment Revenue (b)	(185)	36	135	27	15	(28)	--
Operating Earnings	1,464	254	447	180	1,176	(41)	3,480
Cash Operating Earnings (c)	1,531	265	495	225	1,287	(5)	3,798
Average Managed Assets	225,976	11,862	15,912	17,465	144,650	3,532	419,397
SVA	628	(354)	227	44	487	392	1,424
NINE MONTHS 1999							
Operating Revenue (b)	\$ 5,240	\$ 1,128	\$ 2,300	\$ 767	\$ 7,383	\$ (280)	\$ 16,538
Intersegment Revenue (b)	(147)	85	70	16	8	(32)	--
Operating Earnings	1,506	646	347	113	1,125	(26)	3,711
Cash Operating Earnings (c)	1,539	646	393	114	1,245	(7)	3,930
Average Managed Assets	210,223	7,838	16,633	12,814	128,681	5,715	381,904
SVA	681	258	104	30	482	181	1,736

- (a) Corporate/Reconciling Items include Support Units, Corporate and the net effect of management accounting policies.
- (b) Operating Revenue includes Intersegment Revenue, which includes revenue and revenue sharing agreements between segments, net of intersegment expenses. Transactions between business segments primarily are conducted at fair value.
- (c) Cash Operating Earnings exclude the impact of credit card securitizations, restructuring costs, special items, and amortization of goodwill and certain other intangibles.

The table below presents a reconciliation of the combined segment information to Chase's consolidated net income as included in the Consolidated Statement of Income. For a further discussion concerning Chase's business franchise (segment) results, see Lines of Business Results in the MD&A on pages 24-29.

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
SEGMENTS' Cash Operating Earnings	\$ 1,048	\$ 1,223	\$ 3,803	\$ 3,937
Corporate/Reconciling Items	6	34	(5)	(7)
CONSOLIDATED CASH OPERATING EARNINGS	1,054	1,257	3,798	3,930
Amortization of Goodwill and Certain Intangibles	(149)	(70)	(318)	(219)
CONSOLIDATED OPERATING EARNINGS	905	1,187	3,480	3,711
Special Items and Restructuring Costs	(21)	--	(145)	42
CONSOLIDATED NET INCOME	\$ 884	\$ 1,187	\$ 3,335	\$ 3,753

NOTE 11 - CAPITAL

For a discussion of the calculation of risk-based capital ratios, see Note 18 of Chase's 1999 Annual Report.

The following table presents the risk-based capital ratios for Chase and its significant banking subsidiaries. At September 30, 2000, Chase and each of its depository institutions, including those listed in the table below, were "well capitalized" as defined by banking regulators.

SEPTEMBER 30, 2000 (in millions, except ratios)	Chase (a)	The Chase Manhattan Bank (e)	Chase USA
Tier 1 Capital (d)	\$ 25,490	\$ 21,208	\$ 2,793
Total Capital	37,243	29,112	3,942
Risk-Weighted Assets (b)	321,863	260,813	32,831
Adjusted Average Assets	406,501	329,276	32,210
Tier 1 Capital Ratio (b)(d)	7.92%	8.13%	8.51%
Total Capital Ratio (b)(d)	11.57%	11.16%	12.01%
Tier 1 Leverage Ratio (c)(d)	6.27%	6.44%	8.67%

- (a) Assets and capital amounts for Chase's banking subsidiaries reflect intercompany transactions, whereas the respective amounts for Chase reflect the elimination of intercompany transactions.
- (b) Tier 1 Capital or Total Capital, as applicable, divided by risk-weighted assets. Risk-weighted assets include off-balance sheet risk-weighted assets in the amounts of \$94,279 million, \$89,088 million and \$2,109 million, respectively.
- (c) Tier 1 Capital divided by adjusted average assets (net of allowance for loan losses, goodwill and certain intangible assets).
- (d) The provisions of SFAS 115 do not apply to the calculation of the Tier 1 Capital and Tier 1 Leverage ratios.
- (e) On August 1, 2000, Chase Bank of Texas, National Association ("Chase Texas") merged into The Chase Manhattan Bank.

Cash dividends declared for the first nine months of 2000 were \$0.96 per share (\$0.32 per share in the 2000 third quarter) compared with \$0.81 per share for the first nine months of 1999 (\$0.27 per share in 1999 third quarter).

NOTE 12 - EARNINGS PER SHARE

For a discussion of Chase's current earnings per share ("EPS") policy, see Note 10 of the 1999 Annual Report. For the calculation of basic and diluted EPS for the third quarter and nine months ended September 30, 2000 and 1999, see Exhibit 11 on page 50.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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

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

OVERVIEW

(in millions, except per share and ratio data)	THIRD QUARTER			FOR NINE MONTHS ENDED SEPTEMBER 30,		
	2000	1999	Over (Under) 1999	2000	1999	Over (Under) 1999
OPERATING BASIS (a)						
Revenue	\$ 5,590	\$ 5,429	3%	\$17,568	\$16,538	6%
Earnings	905	1,187	(24)	3,480	3,711	(6)
Diluted Earnings per Share	0.68	0.92	(26)	2.68	2.83	(5)
Overhead Ratio	65%	55%	1,000 bp	60%	54%	600 bp
Cash Earnings	\$ 1,054	\$ 1,257	(16)%	\$ 3,798	\$ 3,930	(3)%
Cash Diluted Earnings per Share	0.79	0.97	(19)	2.93	3.00	(2)
Shareholder Value Added	181	539	(66)	1,424	1,736	(18)
Cash Return on Average Common Equity	16%	23%	(700) bp	21%	24%	(300) bp
Cash Overhead Ratio	63	53	1,000	58	52	600
OPERATING BASIS (EXCLUDING CHASE CAPITAL PARTNERS)						
Earnings	\$ 1,017	\$ 1,011	1%	\$ 3,226	\$ 3,066	5%
Diluted Earnings per Share	0.77	0.78	(1)	2.49	2.34	6
Cash Earnings	1,160	1,081	7	3,533	3,285	8
Diluted Cash Earnings per Share	0.88	0.84	5	2.73	2.51	9
REPORTED BASIS						
Revenue	\$ 5,400	\$ 5,191	4%	\$16,741	\$15,951	5%
Net Income	884	1,187	(26)	3,335	3,753	(11)
Diluted Earnings per Share	0.66	0.92	(28)	2.57	2.86	(10)
Return on Average Common Equity	13%	22%	(900) bp	18%	23%	(500) bp
Tier 1 Capital				7.9	8.2	(30)
Total Capital				11.6	11.8	(20)
Tier 1 Leverage				6.3	6.7	(40)

(a) Operating basis excludes the impact of credit card securitizations, restructuring costs and special items. For a further discussion, see Glossary of Terms on page 45.

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

Financial Results: Chase's diluted operating earnings for the third quarter of 2000 were \$0.68 per share, a decline of 26% from \$0.92 per share for the same period in 1999. For the first nine months of 2000, diluted operating earnings per share decreased 5% to \$2.68, when compared with \$2.83 for the first nine months of 1999. Operating earnings in the 2000 third quarter were \$905 million, compared with \$1.19 billion in the same quarter of 1999. For the first nine months of 2000, operating earnings were \$3.48 billion, compared with \$3.71 billion for the first nine months of 1999.

On a reported basis, which includes special items, diluted net income per share was \$0.66 and \$2.57 for the third quarter and first nine months of 2000, respectively, compared with \$0.92 and \$2.86 for the third quarter and first nine months of 1999, respectively. Reported net income in the 2000 third quarter was \$884 million, compared with \$1.19 billion in the 1999 third quarter; net income was \$3.34 billion and \$3.75 billion for the first nine months of 2000 and 1999, respectively.

Earnings for the third quarter of 2000 were lower than last year's third quarter results, primarily because of lower income in Chase Capital Partners and to a lesser extent in the Investment Bank. A summary of Chase's business results follows:

- In CHASE CAPITAL PARTNERS, unrealized write-downs, primarily due to price declines in publicly-held securities, more than offset record realized (cash) gains of \$538 million on sales of investments.

- In the INVESTMENT BANK, trading revenues and corporate finance fees were up from the third quarter of 1999 but down from the second quarter of 2000, due to lower market volatility and trading volumes and a slowdown in leveraged finance. The cash expense growth rate of 47%, from the 1999 third quarter, was high because of the buildup of the investment banking platform, including the expense impact of recent acquisitions.
- Chase's GLOBAL SERVICES, NATIONAL CONSUMER SERVICES and WEALTH MANAGEMENT businesses each achieved record results, underscoring the value of a diverse business mix.

Chase's lower third quarter results were not, however, related to credit or market risk management issues. Credit costs decreased by 15% and 11% for the third quarter and first nine months of 2000, respectively, when compared with the comparable periods of 1999. Nonperforming assets at September 30, 2000 were \$1.82 billion, compared with \$1.90 billion at June 30, 2000 and \$2.02 billion at September 30, 1999. On a managed basis, including securitizations, credit costs were \$541 million in the third quarter of 2000, a decline from \$574 million in the second quarter of 2000 and from \$636 million in the third quarter of 1999. In relation to market risk, Chase did not experience any days in the third quarter of 2000 in which it suffered a trading loss.

Management is taking initiatives to position Chase for higher growth in the future, particularly in the Investment Bank. As a result, operating expenses increased 23% and 18% for the third quarter and first nine months of 2000, respectively, when compared with the comparable periods of 1999. However, Chase's management is committed to return to more disciplined investment spending, particularly in the Investment Bank.

During the third quarter, Chase announced it had agreed to sell its Hong Kong based retail banking business and its 50% interest in ChaseMellon Shareholder Services. These divestitures continue Chase's long-term initiative of disciplined divestitures of non-strategic businesses.

Merger Update: On September 13, 2000, The Chase Manhattan Corporation and J.P. Morgan & Co. Incorporated agreed to merge. The merged firm will be named J.P. Morgan Chase & Co. The merger is expected to be consummated by the first quarter of 2001, although Chase and J.P. Morgan are prepared to close by year-end 2000 if they both receive the required stockholder and regulatory approvals to do so. Since the merger was announced, integration efforts have been proceeding swiftly:

- Over 35 senior positions were named upon the announcement of the merger; an additional 250 key positions have been subsequently announced.
- All major U.S. and foreign regulatory and antitrust applications have been filed; the joint proxy statement was filed with the Securities and Exchange Commission ("SEC") on October 5. On November 3, 2000, the United States Department of Justice ("DOJ") and the United States Federal Trade Commission informed Chase they had granted early termination of the waiting period under the Hart-Scott-Rodino Act and the DOJ also informed Chase it had closed and concluded its review of the proposed merger of Chase and J.P. Morgan.
- Clients are reacting favorably to the proposed merger by inviting Chase and J.P. Morgan to make joint pitches for business; the two firms have won a number of joint investment banking mandates as a result.
- The framework for managing the integration is in place, with established uniform tracking tools designed to measure synergies and the tracking of systems and real estate inventories fully under way.
- Management of Chase believes the amounts of the proposed cost saves and synergies originally projected to be realized in connection with the merger (\$1.9 billion) are conservative. Based upon merger integration efforts to date, Chase's management currently believes those initial estimates are conservative but has not arrived at or announced revised estimates. It is anticipated that the merger will result in pre-tax costs of approximately \$2.8 billion (\$1.8 billion after-tax). The anticipated restructuring costs are expected to reflect severance expenses incurred in connection with anticipated staff reductions, costs incurred in connection with planned office eliminations and other merger-related expenses, including costs to eliminate redundant back office and other operations of Chase and J.P. Morgan.

This Management's Discussion and Analysis contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and

expectations of Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause Chase's results to differ materially from those described in the forward-looking statements can be found in the 1999 Annual Report on Form 10-K of Chase and in the registration statement on Form S-4 filed by Chase on October 5, 2000, as amended on November 13, 2000, with the SEC.

RESULTS OF OPERATIONS

The following section reviews Chase's results as reported in its financial statements as well as on an operating basis. Management categorizes its revenue components as either market-sensitive or less market-sensitive. For a further discussion of management's performance measurements, see page 20 of Chase's 1999 Annual Report. The table below provides a reconciliation between Chase's reported financial statements and as presented on an operating basis.

(in millions, except per share data)

	THIRD QUARTER 2000				Third Quarter 1999			
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	Reported Results (a)	Credit Card (b)	Special Items (c)	Operating Basis
Revenue:								
Market-Sensitive	\$ 1,364	\$ --	\$ --	\$ 1,364	\$ 1,541	\$ --	\$ --	\$ 1,541
Less Market-Sensitive	4,036	236	(46)	4,226	3,650	238	--	3,888
Total Revenue	5,400	236	(46)	5,590	5,191	238	--	5,429
Noninterest Expense	3,656	--	--	3,656	2,981	--	--	2,981
Operating Margin	1,744	236	(46)	1,934	2,210	238	--	2,448
Credit Costs	305	236	--	541	398	238	--	636
Income before Restructuring Costs	1,439	--	(46)	1,393	1,812	--	--	1,812
Restructuring Costs	79	--	(79)	--	--	--	--	--
Income before Taxes	1,360	--	33	1,393	1,812	--	--	1,812
Tax Expense	476	--	12	488	625	--	--	625
Net Income	\$ 884	\$ --	\$ 21	\$ 905	\$ 1,187	\$ --	\$ --	\$ 1,187
NET INCOME PER COMMON SHARE								
Basic	\$ 0.69			\$ 0.70	\$ 0.95			\$ 0.95
Diluted	\$ 0.66			\$ 0.68	\$ 0.92			\$ 0.92

	NINE MONTHS 2000				Nine Months 1999			
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	Reported Results (a)	Credit Card (b)	Special Items (c)	Operating Basis
Revenue:								
Market-Sensitive	\$ 5,406	\$ --	\$ --	\$ 5,406	\$ 5,012	\$ --	\$ --	\$ 5,012
Less Market-Sensitive	11,335	732	95	12,162	10,939	753	(166)	11,526
Total Revenue	16,741	732	95	17,568	15,951	753	(166)	16,538
Noninterest Expense	10,503	--	--	10,503	8,994	--	(100)	8,894
Operating Margin	6,238	732	95	7,065	6,957	753	(66)	7,644
Credit Costs	979	732	--	1,711	1,167	753	--	1,920
Income before Restructuring Costs	5,259	--	95	5,354	5,790	--	(66)	5,724
Restructuring Costs	129	--	(129)	--	--	--	--	--
Income before Taxes	5,130	--	224	5,354	5,790	--	(66)	5,724
Tax Expense	1,795	--	79	1,874	2,037	--	(24)	2,013
Net Income	\$ 3,335	\$ --	\$ 145	\$ 3,480	\$ 3,753	\$ --	\$ (42)	\$ 3,711
NET INCOME PER COMMON SHARE								
Basic	\$ 2.66			\$ 2.78	\$ 2.96			\$ 2.93
Diluted	\$ 2.57			\$ 2.68	\$ 2.86			\$ 2.83

- (a) Represents the amounts that are reported in Chase's financial statements. The only exception is that revenues are categorized between market-sensitive and less market-sensitive revenues.
- (b) This column excludes the impact of credit card securitizations. For securitized receivables, amounts that previously would have been reported as net interest income and as provision for loan losses instead are reported as components of noninterest revenue.
- (c) Includes restructuring costs and special items. For a description of special items, see Glossary of Terms on page 45.

MARKET-SENSITIVE REVENUES

Market-sensitive revenues primarily are derived from the business activities of Chase's Investment Bank and Chase Capital Partners ("CCP") franchises. The revenues from these businesses typically are more sensitive to global market factors than those produced by the other Chase franchises. Factors that affect market-sensitive revenues include movements in short-term interest rates, which in turn affect the level of liquidity in the markets, the prices of tradable securities and commodities, and the near-term profitability of companies.

In the third quarter of 2000, total market-sensitive revenues were 11% lower than the same period last year. The decline primarily reflects unrealized mark-to-market write-downs of certain publicly held equity investments at CCP. For the nine months of 2000, market-sensitive revenues were 8% above the 1999 year-to-date level. Excluding the results of CCP, market-sensitive revenues would have been up 22% for the first nine months of 2000, due to the continued strength of investment banking and, to a lesser extent, trading-related revenue. For a further discussion of Chase's market-sensitive revenues, see pages 21-23 of the 1999 Annual Report.

(in millions)

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
Investment Banking Fees	\$ 613	\$ 486	\$ 1,900	\$ 1,388
Trading-Related Revenue	680	679	2,566	2,249
Securities Gains (Losses)	96	(1)	167	160
Private Equity Gains (Losses)	(25)	377	773	1,215
Total Market-Sensitive Revenue	\$ 1,364	\$ 1,541	\$ 5,406	\$ 5,012

INVESTMENT BANKING FEES

Investment banking remained relatively strong, with fees in the third quarter and nine months of 2000 increasing 26% and 37%, respectively, from their comparable periods in 1999. These increases were driven by additions to Chase's product platform (i.e., equity underwriting) and growth in existing products, (i.e., merger and acquisition advisory). These were partially offset by reduced industry-wide activities in high-yield securities and complex syndicated loans.

Recent acquisitions of investment banking firms are expected to position Chase to better participate in the higher fee-generating activities (e.g., mergers and acquisitions and equity underwriting) of investment banking. The Chase H&Q acquisition improved Chase's product offerings to fast-growing New Economy companies. Chase Flemings, with its broad network in Europe and Asia, is expected to supplement Chase's investment banking practice in the United States. Likewise, the acquisition of The Beacon Group, LLC increased opportunities for merger and acquisition advisory deals.

TRADING-RELATED REVENUE

Total trading revenues, including related net interest income, for the 2000 third quarter were flat, compared with the same period last year but rose 14% to \$2.57 billion for the first nine months of 2000, when compared with same 1999 period. The results reflected gains in most business products, in particular equities and commodities, and foreign exchange.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
	----	----	----	----
Trading Revenue (a)	\$ 603	\$ 462	\$2,448	\$1,606
Net Interest Income Impact (b)	77	217	118	643
	-----	-----	-----	-----
Total Trading-Related Revenue	\$ 680	\$ 679	\$2,566	\$2,249
	=====	=====	=====	=====
Product Diversification:				
Interest Rate Contracts (c)	\$ 117	\$ 223	\$ 654	\$ 805
Foreign Exchange Revenue (d)	207	199	744	616
Equities and Commodities (e)	167	129	574	303
Debt Instruments and Other (f)	189	128	594	525
	-----	-----	-----	-----
Total Trading-Related Revenue	\$ 680	\$ 679	\$2,566	\$2,249
	=====	=====	=====	=====

- (a) Charge-offs for risk management instruments are included in trading revenue.
- (b) Trading-related net interest income includes interest recognized on interest-earning and interest-bearing trading-related positions as well as management allocations, reflecting the funding cost or benefit associated with trading positions. This amount is included in net interest income on the Consolidated Statement of Income.
- (c) Includes interest rate swaps, cross-currency interest rate swaps, foreign exchange forward contracts, interest rate futures and options, forward rate agreements and related hedges.
- (d) Includes foreign exchange spot and option contracts.
- (e) Includes equity securities, equity derivatives, commodities and commodity derivatives.
- (f) Includes U.S. and foreign government agency securities, corporate debt instruments, emerging markets debt instruments, debt-related derivatives and credit derivatives.

- Revenue from interest rate contracts decreased 48% and 19%, respectively, in the third quarter and first nine months of 2000, when compared with the prior year's respective periods as a result of the gradual increase in domestic interest rates in 2000. The environment reduced interest rate volatility, which is a key factor in determining business volume for interest rate contracts.
- Foreign exchange revenue in the third quarter of 2000 increased slightly and for the nine months increased by \$128 million, due to substantial fluctuations in foreign currency values in the first half of 2000 and increased client activity.
- Equities and commodities revenue increased 29% in the 2000 third quarter and 89% for the first nine months, in large part as a result of equity trading at Chase H&Q and Chase Flemings.
- The debt instruments and other category recorded strong revenue for the third quarter and nine months of 2000 primarily as a result of gains in the U.S. fixed income market.

SECURITIES GAINS

Chase's investment securities primarily are liquid securities held in connection with Chase's treasury activities. Chase's domestic and international treasury units manage Chase's asset and liability interest rate risk. Securities gains realized in the third quarter of 2000 were \$96 million, compared with a loss of \$1 million in the same 1999 period. For the nine months of 2000, gains were \$167 million, \$7 million more than last year's year-to-date period.

PRIVATE EQUITY GAINS

Private equity gains in the third quarter of 2000 were negative \$25 million, compared with gains of \$377 million in the same 1999 quarter and \$298 million in the second quarter of 2000. Gains included cash realized from the sale of both private and public securities that were held in the portfolio and the unrealized change in the value of investments held in the portfolio, primarily publicly traded securities. Realized (cash) gains on the sale of securities in the third quarter of 2000 were \$538 million, more than double the amount of cash gains realized in the third quarter of 1999. These gains were more than offset by declines in the carrying values of investments (primarily in telecommunications) in the publicly held portion of the portfolio. Despite these declines, the current carrying value of the investments in the publicly traded portfolio is approximately 2.6 times their original cost.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
TOTAL INVESTMENTS				
Realized Gains (Cash)	\$ 538	\$ 250	\$ 1,229	\$ 883
Unrealized Gains (Losses)	(563)	127	(456)	332
Private Equity Gains (Losses)	\$ (25)	\$ 377	\$ 773	\$ 1,215

Approximately 80 percent of the carrying value of the Chase Capital Partners' portfolio consist of privately-held securities, generally carried at cost, which, in management's judgment, approximates fair value. The balance of the portfolio, which is publicly-held, is marked-to-market at the quoted public value, less liquidity discounts and price averaging methodologies in certain circumstances to take into account the fact that CCP cannot immediately realize the publicly-quoted values due to the regulatory, corporate and contractual sales restrictions generally imposed on its holdings.

Chase believes that CCP's equity-related investments will continue to create value for Chase, making substantial contributions to its earnings over time. Since its inception in 1984, the compound annual cash return on CCP's investments has been 43%. However, given the volatile nature of the public equities market, and that of the NASDAQ market in particular, Chase's reported private equity results may include significant unrealized valuation adjustments, both favorable and unfavorable, at any given quarter. Chase has not and is not considering exiting the business and does not intend to spin off CCP as a separate entity. CCP is a business with a strong track record of providing returns to shareholders over a long period of time, more than compensating for any additional volatility it may contribute to Chase's earnings. The table below shows the direct and fund investment components of Chase's portfolio, totaling \$10.5 billion at September 30, 2000.

CHASE CAPITAL PARTNERS INVESTMENT PORTFOLIO

(in millions)	SEPTEMBER 30, 2000		June 30, 2000	
	CARRYING VALUE	COST	Carrying Value	Cost
Total Public Securities (191 companies)	\$ 2,103	\$ 801	\$ 2,778	\$ 789
Total Private Direct Investments (822 companies)	5,957	5,879	5,764	5,736
Total Private Fund Investments (381 funds)	2,456	2,469	2,353	2,337
Total Investment Portfolio	\$10,516	\$ 9,149	\$10,895	\$ 8,862

CCP also manages \$11.4 billion of leveraged loan/high-yield funds and investments in other equity and asset funds, bringing total funds under management to \$21.9 billion.

The level of investment by CCP continues to grow. Direct equity investments were \$2.1 billion for the first nine months of 2000, compared with investments of approximately \$1.5 billion during the comparable 1999 period. The growth of direct equity investments was attributable to new opportunities in several industry groups.

The carrying values of investments recorded on Chase's financial statements are net of interests of investors other than Chase. Certain of those investors are management of Chase pursuant to co-investment limited partnerships. Additionally, CCP is in the process of offering to unaffiliated third parties approximately \$1.5 billion in interests in CCP fund investments through separate investment vehicles and CCP intends to offer approximately \$5 billion in limited partnership interests in a new investment fund that will co-invest with CCP in its direct investments. The securities being offered by CCP will not be registered under the Securities Act of 1933 pursuant to registration exemptions therefrom. These offerings, as well as other offerings CCP may make in the future, will have the effect of reducing Chase's proportional ownership share of investments made and to be made by CCP. For a further discussion of CCP's business, visit the CCP web site at: www.chasecapital.com.

LESS MARKET-SENSITIVE REVENUE

Less market-sensitive revenues derive largely from Chase's National Consumer Services, Global Services and Wealth Management franchises, as well as from credit products and brokerage services provided to large corporate and institutional clients. These revenues generally experience less market volatility than those Investment Bank and CCP revenues, which are characterized as market-sensitive.

Less market-sensitive revenues increased by 9% in the 2000 third quarter and by 6% in the first nine months of 2000, reflecting increases in trust, custody and investment management fees and fees for other financial services. For a further discussion of less market-sensitive revenues, see pages 24-26 of Chase's 1999 Annual Report.

(in millions)	THIRD QUARTER			NINE MONTHS		
	2000	1999	Change	2000	1999	Change
Net Interest Income (excluding Trading-Related Net Interest Income)	\$ 2,269	\$ 2,285	(1)%	\$ 6,781	\$ 6,876	(1)%
Less Market-Sensitive Fee Revenue:						
Trust, Custody and Investment Management Fees	664	457	45	1,718	1,332	29
Credit Card Revenue (a)	358	355	1	1,025	1,031	(1)
Fees for Other Financial Services	775	637	22	2,201	1,777	24
Total Less Market-Sensitive Fee Revenue	1,797	1,449	24	4,944	4,140	19
Other Revenue (a)	160	154	4	437	510	(14)
Total Less Market-Sensitive Revenue	\$ 4,226	\$ 3,888	9%	\$ 12,162	\$ 11,526	6%

(a) Presented on an operating basis.

NET INTEREST INCOME

Less market-sensitive net interest income ("NII") on an operating basis adjusts reported NII to reflect the impact of credit card securitizations and the trading-related NII that is considered part of market-sensitive revenue. The following table reconciles reported NII and less market-sensitive operating NII.

NET INTEREST INCOME (in millions)	THIRD QUARTER			NINE MONTHS		
	2000	1999	Change	2000	1999	Change
Reported NII	\$ 1,993	\$ 2,170	(8)%	\$ 5,869	\$ 6,519	(10)%
Add Impact of Credit Card Securitizations	353	332		1,030	1,000	
Less Trading-Related NII	(77)	(217)		(118)	(643)	
Operating NII	\$ 2,269	\$ 2,285	(1)%	\$ 6,781	\$ 6,876	(1)%
AVERAGE INTEREST-EARNING ASSETS (in billions)						
Reported	\$ 322.0	\$ 290.2	11%	\$ 313.0	\$ 290.0	8%
Add Credit Card Securitizations	19.0	17.2		19.0	17.6	
Less Trading-Related Assets	(59.4)	(53.4)		(57.2)	(51.3)	
Managed	\$ 281.6	\$ 254.0	11%	\$ 274.8	\$ 256.3	7%
NET YIELD ON INTEREST-EARNING ASSETS (a)						
Reported	2.47%	2.97%	(50) bp	2.51%	3.01%	(50) bp
Add Impact of Securitizations	.28	.27	1	.27	.26	1
Impact of Trading-Related NII	.47	.34	13	.53	.32	21
Managed	3.22%	3.58%	(36) bp	3.31%	3.59%	(28) bp

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

For the third quarter and the first nine months of 2000, reported NII declined 8% and 10%, respectively, when compared with each of the same periods in 1999. Operating NII declined only slightly, 1%, in each period of 2000. Reported NII during 2000 has been adversely affected by a decline in trading-related NII as earning assets held to support Chase's trading businesses yielded minimal net interest income (see Trading-Related Revenue on page 16). Reported and operating NII in 2000 were favorably impacted by higher average interest-earning assets, offset by spread compressions due to the rising interest rate environment and competitive pricing (notably in credit cards). Also affecting both reported and operating NII in the nine months of 2000 was a \$100 million decrease in the estimated auto lease residual value, which was accounted for as a reduction in net interest income in the first quarter of 2000. This adjustment in the estimated auto lease residual value addressed exposure to potential losses on maturing leases as a result of a decline in the market value of autos returned by lessees at lease termination.

Managed average interest-earning assets increased 11% and 7%, respectively, from the 1999 third quarter and first nine months. Contributing to the increases in both periods were higher amounts of liquid assets and commercial loans, due, in part, to the acquisitions of Flemings and Chase H&Q. There also was an increase in domestic consumer loans (notably in residential mortgages, reflecting growth in higher-margin products such as home equity lending and new adjustable rate mortgages, which are more frequently retained in the portfolio). Partially offsetting these increases was a decline in the average emerging market commercial loan portfolio, as Chase reduced this exposure throughout 1999.

The net yield on a managed basis decreased 36 basis points in the 2000 third quarter and 28 basis points in the first nine months of 2000. The rising interest rate environment which began in the second half of 1999 and competitive pricing resulted in generally narrower spreads.

TRUST, CUSTODY AND INVESTMENT MANAGEMENT FEES

Trust, custody and investment management fees rose to a record level of \$664 million in the third quarter of 2000, 22% above the 2000 second quarter (the previous record high) and 45% above the prior year's quarter. The three consecutive record quarters of 2000 have resulted in a 29% increase in fees from the 1999 first nine months, resulting in record levels for these businesses. These results were attributable to growth in the value of funds under investment management and securities under custody, increase in flows of investments to foreign markets (where the safekeeping of securities is most profitable), and the impact of newly acquired businesses, notably Flemings.

(in millions)

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
TRUST, CUSTODY AND INVESTMENT MANAGEMENT FEES				
Institutional (a)	\$ 330	\$ 275	\$ 984	\$ 805
Personal (b)	137	127	427	373
Mutual Funds (c)	109	39	189	111
Other Trust Fees	88	16	118	43
Total	\$ 664	\$ 457	\$ 1,718	\$ 1,332

(a) Represents fees for trustee, agency, registrar, securities-lending and broker clearing, custody and maintenance of securities.

(b) Represents fees for trustee, estate, custody, advisory and investment management services.

(c) Represents investment management, administrative, custody and other fees in connection with Chase's proprietary global mutual funds.

The following table shows the growth in Chase's assets under custody and under management.

(in billions)

September 30,	ASSETS UNDER ADMINISTRATION/CUSTODY		ASSETS UNDER MANAGEMENT	
	2000	1999	2000	1999
Institutional	\$ 5,679	\$ 4,904	\$ 169	\$ 105
Personal	114	107	62	49
Mutual Funds	53	45	101	57
Total	\$ 5,846	\$ 5,056	\$ 332 (a)	\$ 211

(a) Reflects approximately \$88 billion in assets under management from Flemings.

CREDIT CARD REVENUE

Credit card revenue includes interchange income; late, cash advance, annual and overlimit fees; and servicing fees associated with the securitization of credit cards. Credit card revenue on an operating basis remained relatively stable from both the third quarter and nine months of 1999 but was up \$19 million from the second quarter of 2000 as a result of the seasonal increase in fees during the vacation and back-to-school periods. The declines in late fees in 2000, when compared with their corresponding periods in 1999, reflect a reduction in customer delinquencies as demonstrated by a more than 50 bp improvement in the managed net charge-off ratios for both periods. These were offset by an increase in interchange income (transaction processing fees) associated with higher customer purchase volumes.

The following table reconciles Chase's reported credit card revenue and operating credit card revenue, which excludes the impact of credit card securitizations.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
Reported Credit Card Revenue	\$ 471	\$ 441	\$ 1,311	\$ 1,258
Less Impact of Credit Card Securitizations	(113)	(86)	(286)	(227)
Operating Credit Card Revenue	\$ 358	\$ 355	\$ 1,025	\$ 1,031

FEES FOR OTHER FINANCIAL SERVICES

Fees for other financial services in the third quarter of 2000 increased 22%, when compared with the same period in the prior year. In the first nine months of 2000, the fees grew by 24% relative to 1999. The table below provides the significant components of fees for other financial services.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
Brokerage and Investment Services	\$ 150	\$ 43	\$ 333	\$ 136
Mortgage Servicing Fees	140	96	421	238
Service Charges on Deposit Accounts	103	104	305	289
Fees in Lieu of Compensating Balances	81	106	256	287
Insurance Fees	58	44	154	124
Commissions on Letters of Credit and Acceptances	51	69	179	207
Loan Commitment Fees	36	44	108	111
Other Fees	156	131	445	385
Total	\$ 775	\$ 637	\$ 2,201	\$ 1,777

BROKERAGE AND INVESTMENT SERVICES rose 249% from the 1999 third quarter and 145% from the nine months of 1999. The increases were mainly due to the acquisitions of Flemings in August 2000 and H&Q in December 1999, significantly increasing the volume of Chase's brokerage activities and investment service fees associated with the sale of mutual funds to clients. In addition, both the daily trading volume and the number of new customers at Brown & Co. increased. Trading volume at Brown & Co. in the third quarter of 2000 was up to 41,000 trades per day, compared with 32,000 trades per day in the same quarter of 1999.

MORTGAGE SERVICING FEES in the 2000 third quarter and nine months increased by 46% and 77%, respectively, from the same periods in 1999. The increases were due to a larger average servicing portfolio, resulting from the Mellon Bank Corporation mortgage business acquisition, and a lower amortization rate on mortgage servicing rights. Mortgage interest rates were higher in 2000, reducing the prepayment rates on mortgage loans, which, in turn, lowered the amortization expense (contra revenue) linked to the mortgage servicing rights. The average servicing portfolio increased 28% from last year's third quarter as a result of continued strong replenishment through originations and acquisitions, and a lower level of loan prepayments in the core portfolio.

FEES IN LIEU OF COMPENSATING BALANCES decreased 24% from the 1999 third quarter and 11% from the first nine months of 1999, partly attributable to a greater number of customers who maintain the required deposit account balances to compensate for utilization of certain bank services.

INSURANCE FEES include fees from credit-related products (such as insuring the payment of credit card, mortgage and auto loans in the event of loss of life, disability and other catastrophic events) as well as from non-credit-related products (such as life, health and property insurance, and annuities). Insurance fees in 2000 were 32% higher than the 1999 third quarter and 24% higher than the 1999 first nine months, primarily due to new business related to life, health and mortgage insurance, plus the inclusion of Chase Flemings.

OTHER FEES in 2000 increased 19% from the 1999 third quarter and 16% from the nine months of 1999, reflecting higher interchange fees related to a larger volume of debit card transactions and a general increase in the other fee-generating activities at several businesses.

OTHER REVENUE

(in millions)

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
Residential Mortgage Origination/Sales Activities	\$ 50	\$ 95	\$ 135	\$ 275
All Other Revenue	110	59	302	235
Operating Other Revenue	160	154	437	510
Loss on Economic Hedge of the Flemings Purchase Price	(35)	--	(176)	--
Gains on Sales of Nonstrategic Assets	81	--	81	166
Other Revenue - Credit Card Securitizations	4	8	12	20
Reported Other Revenue	\$ 210	\$ 162	\$ 354	\$ 696

RESIDENTIAL MORTGAGE ACTIVITIES (which include origination and sales of loans and selective dispositions of mortgage servicing rights) in both the third quarter and first nine months of 2000 declined 47% and 51%, respectively, reflecting lower origination and loan sale volume as well as gains from sales of mortgage servicing rights in the 1999 third quarter.

ALL OTHER REVENUE was 86% higher in the third quarter of this year, compared with the same period in 1999 and 29% higher than the first nine months of 1999, reflecting an increase in revenues from auto operating leases (due to lease volume increases in 2000), higher joint venture equity income and general asset sales. These were partly offset by a gain in the 1999 third quarter on the sale of upstate New York branches.

Special items not included in operating results for the 2000 third quarter and nine month periods include losses of \$35 million and \$176 million, respectively, resulting from the economic hedge of the purchase price of Flemings prior to its acquisition (the offsetting appreciation in the dollar versus pound sterling exchange rate was reflected as a reduction in the purchase price and corresponding goodwill). Results for the 2000 third quarter and nine months reflect a gain of \$81 million on the sale of the Panama branch while items for the nine months in 1999 included \$166 million of gains on sales of nonstrategic assets, of which \$95 million was from the sale of a building and \$71 million was from the sale of branches in Texas.

NONINTEREST EXPENSE

Total operating noninterest expenses increased 23% in the third quarter of 2000 and 18% in the nine months of 2000, when compared with the same periods in 1999. These increases reflected higher investments in resources to build up the platform of the Investment Bank, including through the acquisitions of Flemings and Beacon in the third quarter of 2000 and H&Q in late 1999.

Reported noninterest expense for 2000 included \$129 million (\$79 million in the 2000 third quarter) of nonaccruable restructuring costs associated with previously announced relocation programs. Reported noninterest expense for 1999 included a special contribution to The Chase Manhattan Foundation.

(in millions, except ratios)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
Salaries	\$ 1,761	\$ 1,417	\$ 5,128	\$ 4,217
Employee Benefits	256	238	795	731
Occupancy Expense	247	218	689	642
Equipment Expense	297	255	856	737
Other Expense	1,095	853	3,035	2,567
Operating Noninterest Expense	3,656	2,981	10,503	8,894
Restructuring Costs	79	--	129	--
Special Contribution to the Foundation	--	--	--	100
Reported Noninterest Expense	\$ 3,735	\$ 2,981	\$10,632	\$ 8,994
Operating Overhead Ratio (a)	65%	55%	60%	54%
Cash Operating Overhead Ratio (a) (b)	63%	53%	58%	52%

- (a) Excludes costs associated with REIT and the impact of credit card securitizations.
(b) Excludes the impact of amortization of goodwill and certain other intangibles.

SALARIES AND EMPLOYEE BENEFITS

The increases in salaries and employee benefits from the third quarter and nine months of 1999 were due to a more competitive recruiting environment for talent as well as higher incentives, partly driven by growth in investment banking revenue and retention bonus accruals for key personnel of the recently acquired firms. The higher headcount as shown below reflects the additions from Chase Flemings (more than 7,000) and Chase H&Q (approximately 1,000).

FULL-TIME EQUIVALENT EMPLOYEES	SEPTEMBER 30,	September 30,
	2000	1999
Domestic Offices	62,310	61,665
Foreign Offices	19,430	11,353
Total Full-Time Equivalent Employees	81,740	73,018

OCCUPANCY AND EQUIPMENT EXPENSE

Occupancy expense increased over both 1999 periods, primarily due to the additional leasing costs of office spaces occupied by Chase Flemings and Chase H&Q. Equipment expense also rose in both periods of 2000 as a result of higher depreciation expense related to the capitalization of more advanced hardware systems and software applications as well as higher software investments to support the ongoing internet projects throughout the various business franchises of Chase. Also contributing to the increase were the additional expenses at Chase Flemings and Chase H&Q.

OTHER EXPENSE

Operating other expense (excluding the special contribution to The Chase Manhattan Foundation) rose 28% from the third quarter of 1999 and 18% from the nine months of 1999. The following table presents the components of other expense.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
	----	----	----	----
Professional Services	\$ 212	\$ 170	\$ 569	\$ 510
Marketing Expense	146	128	367	356
Telecommunications	112	96	316	284
Amortization of Intangibles	149	70	318	219
Travel and Entertainment	86	54	229	163
Minority Interest (a)	12	12	42	37
Foreclosed Property Expense	1	6	(2)	14
All Other	377	317	1,196	984
	-----	-----	-----	-----
Total Operating Other Expense	\$ 1,095	\$ 853	\$ 3,035	\$ 2,567
	=====	=====	=====	=====

(a) Includes REIT minority interest expense of \$11 million in each quarter and \$33 million in each nine months.

The increases in PROFESSIONAL SERVICES for the third quarter and nine months of 2000 were attributable to the additions from the recently acquired firms as well as expenditures for the Chase.com initiatives and projects to improve the process of safekeeping securities. The spending on the above-mentioned projects was partly offset by reduced expenditures related to completed Y2K efforts. MARKETING EXPENSE increased in both periods of 2000 mainly as a result of Chase Flemings and higher expenses for the credit card campaigns. TELECOMMUNICATIONS rose due to higher market data usage stemming from growth in business volume at Chase's Investment Bank and the additions from the recent acquisitions. AMORTIZATION OF INTANGIBLES was higher in connection with the acquisitions of Flemings, Beacon and Chase H&Q. TRAVEL AND ENTERTAINMENT increased as a result of a rise in business-related air travel at the Investment Bank as well as the additions from Chase Flemings and Chase H&Q. ALL OTHER expense rose due to higher employee-related expenses across the corporation and the impact of Chase Flemings and Chase H&Q.

RESTRUCTURING COSTS

In the 1999 fourth quarter, Chase began a process of long-term strategic restructuring initiatives, such as the announced relocation of operations to lower cost locations, and other business initiatives, for example the consolidation of operations. Chase incurred a \$175 million restructuring charge in connection with these initiatives. For a further discussion of Chase's restructuring costs, refer to Note 12 and page 28 of Chase's 1999 Annual Report and Note 5 of this Form 10-Q.

Chase is continuing to focus on its future expense management. Further business realignments and relocation initiatives will be announced in conjunction with the J.P. Morgan merger integration.

CREDIT COSTS

Credit costs include credit losses related to Chase's securitized credit card loans. The following table shows the components of credit costs.

(in millions)	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
	----	----	----	----
Provision for Loan Losses	\$ 305	\$ 398	\$ 979	\$1,167
Credit Costs Associated with Credit Card Securitizations	236	238	732	753
	-----	-----	-----	-----
Operating Credit Costs	\$ 541	\$ 636	\$1,711	\$1,920
	=====	=====	=====	=====

Credit costs in the third quarter and nine months of 2000 decreased \$95 million and \$209 million, respectively, from the 1999 levels, primarily due to the impact of lower credit losses in the consumer portfolio, mainly credit cards, and the foreign commercial portfolio. See page 33 for the discussion of the allowance for credit losses.

INCOME TAXES

Chase recognized income tax expense of \$476 million in the third quarter of 2000, compared with \$625 million in the third quarter of 1999. For the first nine months of 2000, Chase recorded income tax expense of \$1.8 billion, compared with \$2.0 billion for the nine months of 1999. The effective tax rates were 35.0% in both the 2000 third quarter and first nine months, compared with 34.5% in the 1999 third quarter and 35.2% for the 1999 nine months.

LINES OF BUSINESS RESULTS

The table below provides summary financial information on an operating basis for Chase's five major business franchises. Prior periods have been restated to reflect changes to the management organization or refinements in management reporting policies. For example, commencing with the second quarter of 2000, results for Chase Capital Partners were disclosed separately from the remainder of the Global Bank, and the private equity business of Chase H&Q was moved to CCP from Global Investment Banking. Additionally, beginning with the third quarter of 2000, the remainder of the Global Bank has been reorganized into the Investment Bank (Global Markets, Investment Banking and Corporate Lending) and Wealth Management (Global Private Bank and Asset Management).

For a description of the basis of presentation that management uses to measure and evaluate business unit profitability, see page 20 of the 1999 Annual Report.

THIRD QUARTER	INVESTMENT BANK			CHASE CAPITAL PARTNERS			GLOBAL SERVICES		
	2000	Over/(Under)	1999	2000	Over/(Under)	1999	2000	Over/(Under)	1999
(in millions, except ratios)									
Operating Revenue	\$ 1,870	\$ 251	16%	\$ (88)	\$ (407)	NM	\$ 875	\$ 75	9%
Operating Earnings	349	(60)	(15)	(112)	(288)	NM	167	34	26
Cash Operating Earnings (b)	384	(36)	(9)	(106)	(282)	NM	183	35	24
Average Common Equity	10,204	1,840	22	6,472	2,177	51%	2,706	(199)	(7)
Average Managed Assets	230,598	20,827	10	12,377	3,811	44	16,230	(212)	(1)
Shareholder Value Added	46	(93)	(67)	(320)	(352)	NM	93	42	82
Cash Return on Common Equity	14.8%		(480) bp	NM		NM	26.7%		680 bp
Cash Overhead Ratio	67		1,400	NM		NM	67		(400)

	WEALTH MANAGEMENT			NATIONAL CONSUMER SERVICES			TOTAL (a)		
	2000	Over/(Under)	1999	2000	Over/(Under)	1999	2000	Over/(Under)	1999
Operating Revenue	\$ 470	\$ 203	76%	\$ 2,587	\$ 73	3%	\$ 5,590	\$ 161	3%
Operating Earnings	53	9	20	455	56	14	905	(282)	(24)
Cash Operating Earnings (b)	95	51	116	492	57	13	1,054	(203)	(16)
Average Common Equity	3,582	2,720	316	8,033	298	4	26,290	4,962	23
Average Managed Assets	21,845	8,447	63	148,165	17,119	13	432,853	50,759	13
Shareholder Value Added	(23)	(38)	NM	227	52	30	181	(358)	(66)
Cash Return on Common Equity	10.4%		(950)bp	24.2%		220bp	15.8%		(720)bp
Cash Overhead Ratio	72		--	50		(100)	63		1,000

NINE MONTHS	INVESTMENT BANK			CHASE CAPITAL PARTNERS			GLOBAL SERVICES		
	2000	Over/(Under)	1999	2000	Over/(Under)	1999	2000	Over/(Under)	1999
(in millions, except ratios)									
Operating Revenue	\$ 5,989	\$ 749	14%	\$ 611	\$ (517)	(46)	\$ 2,604	\$ 304	13%
Operating Earnings	1,464	(42)	(3)	254	(392)	(61)	447	100	29
Cash Operating Earnings (b)	1,531	(8)	(1)	265	(381)	(59)	495	102	26
Average Common Equity	9,127	517	6	6,261	2,373	61	2,703	(197)	(7)
Average Managed Assets	225,976	15,753	7	11,862	4,024	51	15,912	(721)	(4)
Shareholder Value Added	628	(53)	(8)	(354)	(612)	NM	227	123	118
Cash Return on Common Equity	22.2%		(140) bp	5.4%		(1,650)bp	24.2%		640bp
Cash Overhead Ratio	58		1,000	34		2,300	70		(300)

	WEALTH MANAGEMENT			NATIONAL CONSUMER SERVICES			TOTAL (a)		
	2000	Over/(Under)	1999	2000	Over/(Under)	1999	2000	Over/(Under)	1999

Operating Revenue	\$ 1,168	\$ 401	52%	\$ 7,487	\$ 104	1%	\$17,568	\$ 1,030	6%
Operating Earnings	180	67	59	1,176	51	5	3,480	(231)	(6)
Cash Operating Earnings (b)	225	111	97	1,287	42	3	3,798	(132)	(3)
Average Common Equity	1,834	986	116	8,084	427	6	23,913	1,916	9
Average Managed Assets	17,465	4,651	36	144,650	15,969	12	419,397	37,493	10
Shareholder Value Added	44	14	47	487	5	1	1,424	(312)	(18)
Cash Return on Common Equity	16.2%		(150)bp	21.0%		(40)bp	21.0%		(260)bp
Cash Overhead Ratio	70		(400)	52		200	58		600

(a) Total column includes Support Units, Corporate and the net effect of management accounting policies.

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

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

NM - Not meaningful.

INVESTMENT BANK

Investment Bank combines the strengths of a leading commercial bank and a leading investment bank to meet the needs of corporations, institutional investors, financial institutions and governments around the world. The Investment Bank integrates a broad range of leading product capabilities, industry knowledge and geographic reach to produce superior customer solutions. Through its presence in more than 50 countries, the Investment Bank serves an extensive array of clients, from large corporations with long-standing investment relationships to a growing franchise of clients in the fastest growing sectors of the New Economy.

In the Investment Bank, cash expense growth for the 2000 third quarter exceeded operating revenue growth, resulting in a decline in cash operating earnings of 9%, when compared with the third quarter of 1999. Cash expenses of \$1.26 billion in the third quarter of 2000 were up 47% from the 1999 third quarter and increased from \$1.06 billion in the second quarter of 2000. The increases were driven by acquisitions and spending to build up the investment banking platform. Management is committed to achieving a better balance of expense-to-revenue growth in the Investment Bank. Shareholder Value Added declined 67% from the third quarter of 1999, reflecting both the decrease in cash operating earnings and the higher capital allocated to the Investment Bank to support acquisitions (Flemings, Beacon and H&Q). For the first nine months of 2000, operating revenues increased 14%, while cash expense growth was 36%, resulting in a decline in cash operating earnings of 1%. Shareholder Value Added for the first nine months of 2000 declined 8% reflecting the higher capital allocation. For a further discussion of the Investment Bank's products, see the Revenue section beginning on page 15.

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

(in millions, except ratios)

THIRD QUARTER	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Global Markets	\$ 880	\$ 170	73%	(4)%	(35)%	1,700 bp
Global Investment Banking	623	74	80	54	(15)	1,600
Corporate Lending and Portfolio Management	389	143	26	1	4	(200)
Other Investment Bank	(22)	(3)	NM	NM	NM	NM
Total	\$ 1,870	\$ 384	67%	16%	(9)%	1,400 bp
NINE MONTHS						
Global Markets	\$ 3,100	\$ 880	57%	(3)%	(17)%	900 bp
Global Investment Banking	1,938	317	72	75	55	400
Corporate Lending and Portfolio Management	1,115	397	28	(2)	(1)	100
Other Investment Bank	(164)	(63)	NM	NM	NM	NM
Total	\$ 5,989	\$ 1,531	58%	14%	(1)%	1,000 bp

bp - Denotes basis points; 100 bp equals 1%.
NM - Not meaningful.

For a discussion of the profiles for each business within the Investment Bank, see page 31 of Chase's 1999 Annual Report. The following discussion focuses on the financial highlights of each business for the third quarter and first nine months of 2000.

GLOBAL MARKETS

Operating revenues for Global Markets remained strong during 2000, although slightly lower than in the third quarter and the first nine months of 1999. Total trading revenues, including related net interest income, were \$680 million in the third quarter of 2000, compared with \$679 million in the third quarter of 1999. Gains in debt, equity and foreign exchange trading were offset by a decline in interest rate derivatives, due to slower trading activity and an overall decline in market volatility, which adversely affected the flows and spreads of that business. Total trading revenues rose 14% to \$2.6 billion for the first nine months of 2000, driven by foreign exchange and equity and commodities trading. Cash operating earnings decreased 35% in the 2000 third quarter and declined 17% for the first nine months of 2000, due to higher incentives and increased investment in the Global Markets business.

Chase's treasury businesses are managed through a "total return" discipline, which measures economic value-added by capturing both realized income (securities gains and net interest income) and unrealized gains or losses on assets and liabilities. The total return (pre-tax before expenses) from the interest rate risk management activities of the treasury units amounted to \$125 million for the third quarter 2000 and \$651 million for the nine months of 2000, compared with \$(13) million and \$227 million, respectively, for the same periods in 1999.

GLOBAL INVESTMENT BANK

Revenues for the Global Investment Bank increased 54% from the 1999 third quarter. However, as a result of significantly higher cash expenses, cash operating earnings declined 15% in the 2000 third quarter, when compared with the 1999 third quarter. As a result of the strong results of the first half of 2000, revenues and cash operating earnings rose 75% and 55%, respectively, in the first nine months of 2000 when compared with the first nine months of 1999. The revenue increases were driven by record merger and acquisition advisory fees and equity underwriting fees. They were partially offset by lower loan syndication and high yield securities underwriting fees resulting from a slowdown in the leveraged finance markets. Cash operating earnings were adversely affected in each period of 2000 by higher expenses driven by acquisitions and spending to build up the investment banking platform.

CORPORATE LENDING AND PORTFOLIO MANAGEMENT

Corporate Lending and Portfolio Management revenues and cash operating earnings each remained relatively stable in the third quarter and nine months of 2000, when compared with the same periods in 1999. The effect of lower average loan levels (due to loan sales and securitizations) were offset by higher lending-related fees.

CHASE CAPITAL PARTNERS

Chase Capital Partners is one of the world's largest and most diversified private equity investment firms with approximately \$10.5 billion in direct and fund investments. In addition, CCP manages approximately \$11.4 billion of leveraged loan/high-yield funds and investments in other equity and asset funds, bringing total funds under management to approximately \$21.9 billion.

CHASE CAPITAL PARTNERS (in millions, except ratios)	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Third Quarter	\$ (88)	\$ (106)	NM	NM	NM	NM
Nine Months	611	265	34%	(46)%	(59)%	2,300 bp

bp - Denotes basis points; 100 bp equals 1%.
NM - Not meaningful.

Operating revenues, cash operating earnings and SVA each were in a negative position in the 2000 third quarter, primarily a result of unrealized write-downs of the carrying values of publicly-held securities in the portfolio (primarily telecommunication securities). Publicly-held securities comprise approximately 20% of the total portfolio at September 30, 2000. Revenues and cash operating earnings declined 46% and 59%, respectively, in the first nine months of 2000, principally due to the market declines during the 2000 third quarter, partially offset by cash gains from the sales of securities. For a further discussion of CCP's revenues and investment portfolio, see page 17.

GLOBAL SERVICES

Global Services is a recognized leader in information and transaction processing services, moving trillions of dollars daily in securities and cash for its wholesale customers. For a discussion of the profiles for each business within Global Services, see page 34 of Chase's 1999 Annual Report.

GLOBAL SERVICES (in millions, except ratios)	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Third quarter	\$ 875	\$ 183	67%	9%	24%	(400) bp
Nine months	2,604	495	70	13	26	(300)

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

In the third quarter of 2000, Global Services' operating revenues increased 9% over the prior-year quarter to \$875 million, reflecting increased activity in its securities businesses. Cash operating earnings for Global Services for the third quarter of 2000 increased 24%, when compared with the 1999 third quarter. Shareholder Value Added increased to \$93 million, an 82% increase over the prior year quarter. For the nine months of 2000, operating revenues, cash operating earnings and Shareholder Value Added increased 13%, 26% and 118%, respectively.

- Global Investor Services, Chase's custody business, experienced a 14% and 20% rise in operating revenues in the third quarter and first nine months of 2000, respectively, when compared with the same periods a year ago. These increases reflect net asset growth and higher transaction volume. During the 2000 third quarter, total assets under custody grew 16%, while the higher margin cross-border assets under custody increased 20%, when compared with the 1999 third quarter.
- Operating revenues at Capital Markets Fiduciary Services, Chase's institutional trust business, increased 20% from both the 1999 third quarter and 1999 first nine months results, reflecting continued growth through expansion into new markets and growth in structured and collateral management products, particularly in Texas and the U.K.
- Operating revenues at Chase Treasury Solutions, Chase's cash management and payments business, increased 2% in the 2000 third quarter and increased 4% in the first nine months of 2000, when compared with the prior-year periods, reflecting higher revenues from all products, rising interest rates, and increased balances maintained by customers, partially offset by the repositioning of the trade finance business. Operating leverage continues to improve through aggressive expense control, contributing to a significant improvement in SVA.

Management anticipates that Global Services will realize double-digit income growth over the remainder of the year, as a result of improved efficiencies and growth in market share in a consolidating industry.

WEALTH MANAGEMENT

Chase's Wealth Management businesses include private banking and asset management. Operating revenues and cash operating earnings were up 76% and 116%, respectively, from the 1999 third quarter, and increased 52% and 97%, respectively, from the first nine months of 1999. Flemings results are included for two months, contributing to the revenue increases; however, expenses will also be higher this year and next year as a result of the amortization of the cost of retention bonuses entered into in connection with the Flemings acquisition. SVA was negative in the 2000 third quarter, reflecting the higher capital allocation for Flemings.

WEALTH MANAGEMENT (in millions, except ratios)	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Third quarter	\$ 470	\$ 95	72%	76%	116%	-- bp
Nine months	1,168	225	70	52	97	(400)

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

- Revenues from the Global Private Bank increased to \$305 million, up 36% from the third quarter of 1999. These results reflect broad-based global growth. Cash operating earnings grew 16%, compared with the prior-year quarter. As of September 30, 2000, the Global Private Bank had more than \$180 billion in client assets (of which approximately \$62 billion were assets under management).

- Revenues from Asset Management increased to \$165 million, compared with \$43 million in the third quarter of 1999. These results include revenues from Flemings. As of September 30, 2000, assets under management were \$182 billion.

NATIONAL CONSUMER SERVICES

National Consumer Services serves over 30 million customers nationwide, offering a wide variety of financial products and services through a diverse array of distribution channels. NCS is focused on delivering financial solutions to consumers, as well as middle market and small businesses, across the U.S. Financial solutions are delivered through distribution channels that include internet banking, branch and ATM networks, telephone and direct mail.

Operating revenues for National Consumer Services increased to \$2.6 billion, an increase of 3% over the third quarter of 1999. Cash operating earnings of \$492 million increased by 13% for the third quarter of 2000. All five businesses within NCS reported double-digit cash operating earnings growth.

NCS' operating revenues for the first nine months of 2000 were relatively flat, when compared with the nine months of 1999; cash operating earnings were 3% higher than the same period in 1999, reflecting the benefits of expense management and good credit quality. The first quarter of 2000 included a \$100 million decrease in auto lease residual values, which was accounted for as a reduction in net interest income.

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

THIRD QUARTER (in millions, except ratios)	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Chase Cardmember Services	\$ 943	\$ 141	36%	--	14%	200 bp
Regional Banking Group	771	139	64	7%	36	(600)
Chase Home Finance	354	94	56	13	21	--
Diversified Consumer Services	160	36	49	5	24	(700)
Middle Markets	274	70	52	4	13	(200)
Other NCS	85	12	NM	NM	NM	NM
Total	\$ 2,587	\$ 492	50%	3%	13%	(100) bp

NINE MONTHS (in millions, except ratios)	2000			Over/(Under) 1999		
	OPERATING REVENUES	CASH OPERATING EARNINGS	CASH OVERHEAD RATIO	Operating Revenues	Cash Operating Earnings	Cash Overhead Ratio
Chase Cardmember Services	\$ 2,719	\$ 348	35%	(4)%	1%	200 bp
Regional Banking Group	2,277	390	65	8	29	(400)
Chase Home Finance	997	239	59	13	10	200
Diversified Consumer Services	404	53	62	(11)	(44)	1,000
Middle Markets	811	196	53	6	15	(300)
Other NCS	279	61	NM	NM	NM	NM
Total	\$ 7,487	\$ 1,287	52%	1%	3%	200 bp

bp - Denotes basis points; 100 bp equals 1%.
NM - Not meaningful.

For a discussion of the profiles for each business within NCS, see page 33 of Chase's 1999 Annual Report. The following discussion focuses on the 2000 third quarter and nine months financial highlights of each business.

CHASE CARDMEMBER SERVICES

Cash operating earnings for Chase Cardmember Services for the third quarter of 2000 were up 14%, when compared with the third quarter of 1999, reflecting significantly improved credit quality. Operating revenues essentially were flat from the prior year quarter as higher consumer purchase volume and higher fee-based revenues offset the impact of higher interest rates and a lower level of late fees. Expenses were up, reflecting the impact of higher marketing spending. New account acquisitions were significantly higher in the third quarter of 2000, and credit card outstandings were more than \$1 billion higher than in the second quarter of this year.

REGIONAL BANKING GROUP

Regional Banking Group revenues rose 7% from the third quarter of 1999, and cash operating earnings grew by 36%, with similar increases in revenues and cash operating earnings from the nine months of 1999. These increases reflected higher deposit levels in consumer banking and the small business sector, the benefit from higher interest rates, growth in fees (banking, debit card and brokerage) and disciplined expense management.

CHASE HOME FINANCE

Chase Home Finance revenues increased 13% for both the third quarter and first nine months of 2000. Cash operating earnings rose 21%, when compared with the 1999 third quarter and increased 10%, when compared with the first nine months of 1999. Growth in servicing fee income for both 2000 periods and gains on securities used to hedge mortgage servicing rights were partially offset by declines in residential mortgage warehouse activity. Origination volume declined in the first nine months of 2000, when compared with the 1999 level as a result of the rising interest rate environment. Originations (residential, home equity and manufactured housing) for the third quarter and first nine months of 2000 were \$20.5 billion and \$53.9 billion, respectively, and included originations from the retail, wholesale and correspondent (traditional and negotiated) channels.

DIVERSIFIED CONSUMER SERVICES

Diversified Consumer Services cash operating earnings were up 24%, and revenues increased 5% from the same 1999 quarter. Income growth was positively affected by a change in internal cost allocation as well as improving auto origination volumes and growth in the discount brokerage business, and was negatively affected by the impact of higher interest rates. As a result of a \$100 million decrease in the estimated auto lease residual value in the 2000 first quarter, operating revenues and cash operating earnings declined 11% and 44%, respectively, in the first nine months of 2000, when compared with the first nine months of 1999. Revenues from the discount brokerage business rose to \$171 million for the first nine months of 2000, a 42% increase, when compared with the same period last year.

MIDDLE MARKETS

Middle Markets revenues were \$274 million, an increase of 4% from the third quarter of 1999, and were \$811 million, an increase of 6% from the nine months of 1999. Cash operating earnings increased 13% over the prior-year quarter and 15% over the prior-year first nine months. These results reflect disciplined expense management, continued strength in new business and financing activities during 2000, and higher deposit volumes and spreads.

SUPPORT UNITS AND CORPORATE

Support Units include Chase.com, Chase Business Services and Technology Solutions. For a further discussion of the business profile of these support units, see page 35 of Chase's 1999 Annual Report.

Corporate includes the effects remaining at the corporate level after the implementation of management accounting policies. For the third quarters of 2000 and 1999, Support Units and Corporate had cash operating earnings of \$6 million and \$34 million, respectively. For the first nine months of 2000 and 1999, there was a cash operating loss of \$(5) million and \$(7) million, respectively, for these units. Chase utilizes an internal expense allocation process that aligns the cost of each of its operational and staff support services with the respective revenue-generating business. This allows Chase to evaluate the performance of each of its businesses on a fully allocated basis.

CREDIT RISK MANAGEMENT

The following discussion of Chase's credit risk management focuses primarily on developments since December 31, 1999 and should be read in conjunction with pages 37-44 and 62-64 of Chase's 1999 Annual Report.

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

(in millions)	CREDIT-RELATED ASSETS		NONPERFORMING ASSETS		PAST DUE 90 DAYS & OVER AND ACCRUING	
	SEPTEMBER 30, 2000	Dec 31, 1999	SEPTEMBER 30, 2000	Dec 31, 1999	SEPTEMBER 30, 2000	Dec 31, 1999
CONSUMER LOANS:						
Domestic Consumer:						
1-4 Family Residential Mortgages	\$ 48,858	\$ 44,262	\$ 273	\$ 286	\$ 1	\$ --
Credit Card - Reported	14,981	15,633	30(b)	40(b)	266	280
Credit Card Securitizations (a)	18,022	17,939	--	--	329	348
Credit Card - Managed	33,003	33,572	30	40	595	628
Auto Financings	19,921	18,442	80	83	1	2
Other Consumer	6,931	6,902	4	7	56	65
Total Domestic Consumer	108,713	103,178	387	416	653	695
Foreign Consumer	2,551	2,800	9	22	8	15
TOTAL CONSUMER LOANS	111,264	105,978	396	438	661	710
COMMERCIAL LOANS:						
Domestic Commercial:						
Commercial and Industrial	49,248	48,097	571	380	41	23
Commercial Real Estate	3,151	3,636	64	51	--	5
Financial Institutions	6,420	4,211	10	12	--	--
Total Domestic Commercial	58,819	55,944	645	443	41	28
Foreign Commercial:						
Commercial and Industrial	30,930	25,179	586	642	1	4
Commercial Real Estate	94	125	--	--	--	--
Financial Institutions	5,691	3,598	20	96	--	20
Foreign Governments	2,482	3,274	36	41	--	--
Total Foreign Commercial	39,197	32,176	642	779	1	24
TOTAL COMMERCIAL LOANS	98,016	88,120	1,287	1,222	42	52
Derivative and FX Contracts (c)	31,926	33,611	52	34	--	1
TOTAL COMMERCIAL CREDIT-RELATED	129,942	121,731	1,339	1,256	42	53
TOTAL MANAGED CREDIT-RELATED	\$241,206	\$227,709	\$1,735	\$1,694	\$ 703	\$ 763
Assets Acquired as Loan Satisfactions			81	102		
TOTAL NONPERFORMING ASSETS			\$1,816	\$1,796		

(in millions, except ratios)	NET CHARGE-OFFS			
	THIRD QUARTER		NINE MONTHS	
CONSUMER LOANS:	2000	1999	2000	1999
Domestic Consumer:				
1-4 Family Residential Mortgages	\$ 7	\$ 9	\$ 26	\$ 19
Credit Card - Reported	167	207	521	641
Credit Card Securitizations (a)	236	238	732	753
Credit Card - Managed	403	445	1,253	1,394
Auto Financings	20	19	63	57
Other Consumer	38	49	113	144
Total Domestic Consumer	468	522	1,455	1,614
Foreign Consumer	8	9	27	27
TOTAL CONSUMER LOANS	476	531	1,482	1,641
COMMERCIAL LOANS:				
Domestic Commercial:				
Commercial and Industrial	64	57	164	106
Commercial Real Estate	(3)	(2)	(6)	(13)
Financial Institutions	1	11	20	39
Total Domestic Commercial	62	66	178	132
Foreign Commercial:				
Commercial and Industrial	4	29	52	139
Commercial Real Estate	--	--	--	--
Financial Institutions	--	7	(1)	5
Foreign Governments	(1)	--	--	(1)

Total Foreign Commercial	3	36	51	143
TOTAL COMMERCIAL LOANS	65	102	229	275
TOTAL MANAGED LOANS	\$ 541	\$ 633	\$ 1,711	\$ 1,916

- (a) Represents the portion of Chase's credit card receivables that have been securitized.
- (b) Includes currently performing loans placed on a cash basis because of concerns as to collectibility.
- (c) Charge-offs for risk management instruments are included in trading revenue.

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Chase's managed credit-related assets of \$241 billion at September 30, 2000 increased 6%, compared with year-end 1999. Commercial loans rose \$9.9 billion, notably in the foreign commercial loan portfolio (primarily as a result of the acquisition of Flemings). Consumer managed credit-related assets increased \$5.3 billion, largely in the 1-4 family residential mortgage portfolio, while derivative and foreign exchange instruments declined \$1.7 billion. Chase's credit-related portfolio is balanced between commercial and consumer assets, with consumer assets comprising approximately 46% of Chase's managed credit-related portfolio. The credit quality of Chase's commercial credit-related assets, including derivative and foreign exchange instruments, remains strong. The portion of the commercial portfolio considered investment grade was 55% at September 30, 2000, up from 54% at December 31, 1999.

Management currently believes that Chase's nonperforming assets at December 31, 2000 will be approximately at the same level as December 31, 1999.

Net charge-offs in the managed portfolio were \$541 million in the third quarter of 2000, a decline of \$92 million from the third quarter of 1999, reflecting decreases in net charge-offs in the managed credit card portfolio. The Federal Financial Institutions Examination Council ("FFIEC") has adopted a policy statement on the classification of consumer loans. The revised policy establishes uniform guidelines for the charge-off of consumer loans to delinquent, bankrupt, deceased and fraudulent borrowers. Chase intends to implement this policy during the fourth quarter of 2000; as a result, Chase anticipates that there will be a temporary increase in its consumer net charge-offs for the fourth quarter of 2000. Absent the effects of the adoption of this policy, management expects that credit costs, on a managed basis, will remain relatively stable over the remainder of 2000 and that total credit costs for 2000 will be lower than in 1999. Over time, Chase expects annual commercial net charge-offs to be in a range of 40-60 bp of loans. For full-year 2000, management expects commercial net charge-offs will be near the lower end of that range.

AVERAGE ANNUAL NET CHARGE-OFF RATES

	THIRD QUARTER		NINE MONTHS	
	2000	1999	2000	1999
CONSUMER LOANS				
1-4 Family Residential Mortgages	.06%	.08%	.07%	.06%
Credit Card - Managed (a)	4.97	5.53	5.16	5.81
Auto Financings	.41	.41	.44	.42
Other Consumer (b)	1.84	2.25	1.78	2.05
Total Consumer Loans	1.73	2.07	1.84	2.13
COMMERCIAL LOANS				
Total Commercial Loans	.27	.46	.33	.42
Total Managed Loans	1.05	1.33	1.14	1.34

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

CONSUMER LOANS

Chase's consumer portfolio is primarily domestic and is geographically well-diversified. Chase's managed consumer portfolio totaled \$111 billion at September 30, 2000, an increase of \$5.3 billion since year-end. Consumer net charge-offs, on a managed basis, were \$476 million and \$1,482 million for the third quarter and first nine months of 2000, respectively, compared with \$531 million and \$1,641 million, respectively, for the same periods of 1999, primarily reflecting a decline in credit card net charge-offs. Management anticipates credit quality in the consumer portfolio to remain stable over the remainder of the year, although there will be a temporary increase in consumer net charge-offs for the fourth quarter of 2000 as a result of the adoption of the FFIEC policy noted above.

RESIDENTIAL MORTGAGE LOANS: Residential mortgage loans were \$48.9 billion at September 30, 2000, a \$4.6 billion increase from year-end balances, while the level of nonperforming residential mortgage loans decreased 5%. The loss rates of .06% for the third quarter of 2000 and .07% for the first nine months of 2000 reflect the continued strong credit quality of this portfolio. Residential mortgage loans have increased since year-end due to a higher level of new adjustable rate mortgages (which are more frequently retained in the portfolio), representing a greater proportion of total new originations (as borrowers more frequently select adjustable rate mortgages in an increasing interest rate environment).

CROSS-BORDER EXPOSURE

The following table presents Chase's exposure to emerging Latin America and Asia. Cross-border disclosure is based on FFIEC guidelines governing the determination of cross-border risk. For a further discussion of Chase's country exposure, see page 43 of Chase's 1999 Annual Report.

SELECTED COUNTRY EXPOSURE (a)

(in billions)	AT SEPTEMBER 30, 2000						At Dec 31, 1999	
	LENDING-RELATED (b)	TRADING-RELATED (c)	GROSS LOCAL COUNTRY ASSETS	LESS LOCAL FUNDING	NET CROSS-BORDER EXPOSURE (a)	COUNTRY-RELATED RESALE AGREEMENTS (a)	Net Cross-Border Exposure	Country-Related Resale Agreements
TOTAL LATIN AMERICA (d)	\$ 6.0	\$ 2.1	\$ 1.6	\$ 1.1	\$ 8.6	\$ 2.1	\$ 8.8	\$ 2.1
EMERGING ASIA								
International Monetary Fund ("IMF") Countries:								
South Korea	\$ 0.4	\$ 0.2	\$ 1.3	\$ 1.3	\$ 0.6	\$ --	\$ 1.4	\$ --
Indonesia	0.6	0.1	0.1	0.1	0.7	--	0.9	--
Thailand	0.1	0.1	0.7	0.3	0.6	--	0.7	--
Subtotal	1.1	0.4	2.1	1.7	1.9	--	3.0	--
Other Emerging Asia	4.8	0.7	6.5	5.7	6.3	--	3.4	--
TOTAL EMERGING ASIA (e)	\$ 5.9	\$ 1.1	\$ 8.6	\$ 7.4	\$8.2 (f)	\$ --	\$ 6.4	\$ --

- (a) Cross-border disclosure is based on FFIEC guidelines governing the determination of cross-border risk. Under FFIEC guidelines, resale agreements are reported by the country of the issuer of the underlying security. Chase, however, does not consider the cross-border risk of resale agreements to depend upon the country of the issuer of the underlying security and, as a result, has presented these amounts separately in the above table.
- (b) Includes loans and accrued interest receivable, interest-bearing deposits with banks, acceptances, other monetary assets, issued letters of credit and undrawn commitments to extend credit.
- (c) Includes cross-border trading debt and equity instruments and the mark-to-market exposure of foreign exchange and derivative contracts. The amounts associated with foreign exchange and derivative contracts are presented after taking into account the impact of legally enforceable master netting agreements.
- (d) Excludes Bermuda and Cayman Islands.
- (e) Excludes Japan, Australia and New Zealand.
- (f) The increase in the net cross-border exposure since year-end is due to the acquisition of Flemings.

ALLOWANCE FOR CREDIT LOSSES

Loans: Chase's allowance for loan losses is intended to cover probable credit losses as of September 30, 2000 for which either the asset is not specifically identified or the size of the loss has not been fully determined. Within the allowance, there are both specific and expected loss components as well as a portfolio segment and a residual component. For a further discussion of the specific, expected, portfolio segment and residual components of the allowance for loan losses, see page 44 of Chase's 1999 Annual Report.

September 30, 2000 versus September 30, 1999: The provision for loan losses decreased \$93 million or 23% when compared to the third quarter of 1999. The decrease in provision is attributable to the decreases in net charge-offs for both the consumer and commercial portfolios when compared to the second quarter of 2000 and third quarter of 1999. Net charge-offs for the overall loan portfolio decreased 23% during the third quarter of 2000 when compared to the same period in 1999.

The provision for loan losses decreased \$188 million during the first nine months of 2000. The decrease in provision is principally due to decreases in consumer and foreign commercial and industrial loan net charge-offs, partially offset by increases in domestic commercial and industrial loan charge-offs. Consumer net charge-offs decreased 16% during the first nine months of 2000 and nonperforming loans decreased 10% from December 31, 1999.

Foreign commercial and industrial loans net charge-offs decreased 63% during the first nine months of 2000 and nonperforming loans decreased 9% from December 31, 1999. However, domestic commercial and industrial net charge-offs and nonperforming loans increased 55% and 50%, respectively, during the same

periods. The net effect of the above resulted in the allowance for loan losses remaining essentially consistent with the December 31, 1999 amount.

ALLOWANCE COMPONENTS (in millions)	AT SEPTEMBER 30, 2000	At December 31, 1999	At December 31, 1998
Specific Loss	\$ 543	\$ 511	\$ 396
Expected Loss:			
Consumer	1,480	1,657	1,469
Commercial	608	674	806
Total Expected Loss	2,088	2,331	2,275
Portfolio Segment	200	--	214
Residual Component	660	615	667
Total	\$3,491	\$3,457	\$3,552

September 30, 2000 versus December 31, 1999: The specific loss component increased 6% from year-end 1999 due to an increase in loans deemed by Chase to be criticized. In addition during 2000, Chase established a portfolio segment component of \$200 million to cover increased risks in the noninvestment grade segment of its commercial loan portfolio. The expected loss component decreased 10% from year-end principally due to improvement in consumer credit loan quality during the first nine months of 2000. The residual component at September 30, 2000 was 19% compared with 18% at 1999 year-end.

December 31, 1999 versus December 31, 1998: The specific loss component increased 29% principally due to the deteriorating creditworthiness of one large customer in Asia. The expected loss component increased 2% due to higher outstanding balances in the consumer loans portfolio offset by improvement in the commercial loan portfolio. A portfolio segment component was established in 1998 to address the heightened risk profile with respect to emerging markets cross border exposures. This component was released in 1999 due to the realization of certain Asian charge-offs and the recovery of the emerging markets. The residual component at December 31, 1999 was 18% compared with 19% at December 31, 1998.

Lending-Related Commitments: Chase also has an allowance for its lending-related commitments, using a methodology similar to that for the loan portfolio. This allowance, which is reported in Other Liabilities, was \$170 million at each of September 30, 2000, December 31, 1999 and December 31, 1998.

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MARKET RISK MANAGEMENT

The following discussion of Chase's market risk management focuses primarily on developments since December 31, 1999 and should be read in conjunction with pages 45-50 and Notes 1 and 19 of Chase's 1999 Annual Report.

VAR AGGREGATE EXPOSURE

Value-at-risk ("VAR") is a measure of the dollar amount of potential loss from adverse market moves in an everyday market environment. The VAR looks forward one trading day and is the loss expected to be exceeded with a 1 in 100 chance. The table that follows represents Chase's average and period-end VARs for its trading portfolios and its A/L activities. During the 12-month period ended September 30, 2000, no daily trading loss exceeded that day's trading VAR. This compares with a statistically expected number of actual losses that exceed the VAR of approximately three days.

AGGREGATE PORTFOLIO

(in millions)	TWELVE MONTHS ENDED SEPTEMBER 30, 2000			AT SEPTEMBER 30, 2000	At September 30, 1999
	AVERAGE VAR	MINIMUM VAR	MAXIMUM VAR		
Trading Portfolio	\$ 24.9	\$ 20.2	\$ 30.9	\$ 24.4	\$ 26.6
Market Risk-Related A/L Activities	70.8	60.4	99.8	68.6	86.4
Less: Portfolio Diversification	(19.0)	NM	NM	(20.9)	(22.5)
Total VAR	\$ 76.7	\$ 67.6	\$106.3	\$ 72.1	\$ 90.5

NM- Because the minimum and maximum VAR may occur on different days for different risk components, it is not meaningful to compute a portfolio diversification effect. In addition, Chase's average and period-end VAR is less than the sum of the VARs of its market risk components, due to risk offsets resulting from portfolio diversification.

TRADING ACTIVITIES

Chase is exposed to interest rate, foreign exchange, equity and commodity market risks in its trading portfolios. No single risk statistic can reflect all aspects of market risk; in addition, market exposures change continuously through daily trading activities.

Value-at-Risk: See the VAR Aggregate Exposure section above for Chase's average and period-end VARs for its total trading portfolio.

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Histogram: The following histogram illustrates Chase's daily market risk-related revenue, which is defined as the daily change in value of the mark-to-market trading portfolios plus any trading-related net interest income or other revenue. Based on actual trading results for the 12 months ended September 30, 2000, Chase posted positive daily market risk-related revenue for 254 out of 261 business trading days, with 90 business days exceeding positive \$20 million. Chase incurred no daily trading losses in excess of negative \$10 million over the past 12 months. In addition, there were no days in the third quarter of 2000 in which Chase incurred a trading loss.

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

Stress Testing: Whereas VAR captures Chase's exposure to unlikely events in normal markets, stress testing discloses the risk under plausible events in abnormal markets. Portfolio stress testing is integral to the market risk management process and is co-equal with, and complementary to, VAR as a risk measurement and control tool. Giving equal weight to each produces a risk profile that, in Chase management's view, is diverse, disciplined and flexible enough to capture revenue-generating opportunities during times of normal market moves but that also is prepared for periods of market turmoil.

Corporate stress tests are performed monthly on randomly selected dates. As of September 30, 2000, Chase's corporate stress tests consisted of five historical and four hypothetical scenarios. The historical scenarios included the 1994 bond market sell-off and the 1998 Russian crisis. The hypothetical scenarios included examinations of potential market crises originating in the United States, Japan and the Euro bloc.

The following table represents the potential stress test loss (pre-tax) in Chase's trading portfolio predicted by Chase's stress test scenarios.

Largest Monthly Stress Test - Pre-Tax

(in millions)	TWELVE MONTHS ENDED SEPTEMBER 30, 2000			SEPTEMBER 2000	September 1999
	AVERAGE	MINIMUM	MAXIMUM		
Stress Test Loss - Pre-Tax	\$(235)	\$(132)	\$(397)	\$(213)	\$(112)

INVESTMENT PORTFOLIO AND ASSET/LIABILITY ACTIVITIES

Chase also has market risk exposure in its investment portfolio and A/L activities. Market risk measurements for Chase's investment portfolio and A/L activities do not take into account all factors that have an effect on these activities, such as changes in credit quality.

Net Interest Income Sensitivity: At September 30, 2000, Chase's NII sensitivity over the next 12 months to an immediate 100 basis point shock in interest rates was estimated to be approximately 4.6% of projected net income for full-year 2000. At September 30, 1999, Chase's exposure under the same scenario was approximately 2.9% of projected 1999 net income. The increase in NII sensitivity at September 30, 2000 was primarily due to larger balance sheet positions.

Net Interest Income Stress Test: Chase's NII stress testing uses historical and hypothetical scenarios. The historical scenario is a replay of the rate and spread changes that occurred in the 1994 bond market sell-off, while the various hypothetical scenarios examine the impact of alternative patterns in the U.S. dollar yield curve and in U.S. dollar spreads. At September 30, 2000, Chase's largest potential NII stress test loss was estimated to be approximately 5.9% of projected net income for full-year 2000. NII sensitivity and NII stress test scenarios were expanded in the 2000 third quarter to include sensitivity of mortgage servicing revenues. Also, impacting NII stress test scenarios were revisions in Chase's stress test methodology during the 2000 third quarter. The potential NII stress test loss has increased during 2000 primarily due to larger balance sheet positions.

Value-at-Risk: See the VAR Aggregate Exposure section on page 35 for Chase's average and period-end VARs for its investment portfolio and market risk-related A/L activities.

Nonstatistical Risk Measures: The table that follows shows that Chase had a directional basis point value ("BPV") of \$(5.7) million (pre-tax) at September 30, 2000, indicating that the market value of Chase's A/L positions would have declined by approximately \$5.7 million for every one basis point increase in interest rates along the interest rate yield curve. This compares with a directional BPV of \$(4.1) million at September 30, 1999. The following table also shows that the economic value of Chase's investment portfolio and A/L activities would have declined by \$14.2 million (pre-tax) for every one basis point widening of interest spreads. This compares with a decline of \$10.4 million (pre-tax) at September 30, 1999.

MARKET RISK-RELATED A/L ACTIVITIES

(in millions)	TWELVE-MONTH PERIOD ENDED SEPTEMBER 30, 2000			AT SEPTEMBER 30,	At September 30,
	AVERAGE	MINIMUM	MAXIMUM	2000	1999
Directional Risk	\$ (4.4)	\$ (1.6)	\$ (6.4)	\$ (5.7)	\$ (4.1)
Basis Risk	(11.1)	(8.0)	(14.2)	(14.2)	(10.4)

Economic Value Stress Testing. Chase utilizes several historical and hypothetical scenarios when performing its economic value stress tests. As of September 30, 2000, under the 1994 bond market sell-off scenario, the potential impact on the economic value of Chase's investment portfolio and A/L activities would have been equivalent to less than 2% of Chase's market capitalization.

IMPACT OF A/L DERIVATIVE ACTIVITY

The following table reflects the deferred gains/losses on closed derivative contracts and unrecognized gains/losses on open derivative contracts utilized in Chase's A/L activities at September 30, 2000 and December 31, 1999.

(in millions)	SEPTEMBER 30, 2000	December 31, 1999	Change
A/L Derivative Contracts:			
Net Deferred Gains (Losses)	\$(190)	\$ 205	\$(395)
Net Unrecognized Losses (a)	(743)	(877)	134
Net A/L Derivative Losses	\$(933)	\$(672)	\$(261)

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

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CAPITAL AND LIQUIDITY RISK MANAGEMENT

The following capital and liquidity discussion should be read in conjunction with the Capital and Liquidity Risk Management section on pages 51-53 and Note 18 of Chase's 1999 Annual Report.

CAPITAL

Chase's capital levels at September 30, 2000 remained strong, with capital ratios well in excess of regulatory guidelines. At September 30, 2000, the Tier 1 and Total Capital ratios were 7.9% and 11.6%, respectively, and the Tier 1 leverage ratio was 6.3%. These ratios were lower than at September 30, 1999 and lower than at June 30, 2000, primarily as a result of the acquisition of Flemings. Management's long-term target range for the Tier 1 Capital ratio is 8% to 8.25%; however, as was the case with the third quarter of 2000, this target may not always be maintained on a quarter-to-quarter basis in light of changing economic conditions and in response to changing business requirements. Management anticipates that Chase's Tier 1 Capital ratio will return to management's target range of 8% to 8.25%, by year-end 2000.

The following table shows the sources and uses of Chase's Tier 1 Capital.

(in billions)	THIRD QUARTER	NINE MONTHS	FULL YEAR	
	2000	2000	1999	1998
	----	----	-----	-----
SOURCES OF FREE TIER 1 CAPITAL				
Cash Operating Earnings Less Dividends	\$ 0.6	\$ 2.5	\$ 4.3	\$ 2.9
Preferred Stock and Equivalents/Special Items	0.1	(0.3)	0.2	(0.7)
Capital for Internal Asset Growth	--	(0.6)	(1.0)	(0.3)
	-----	-----	-----	-----
Total Sources of Free Cash Flow	\$ 0.7	\$ 1.6	\$ 3.5	\$ 1.9
	=====	=====	=====	=====
USES OF FREE TIER 1 CAPITAL				
Increases (Decreases) in Capital Ratios	\$ (2.4)	\$ (1.9)	\$ 0.1	\$ 1.2
Acquisitions	6.9	6.9	1.1	0.8
Repurchases Net of Stock Issuances for Employee Plans	(3.8)	(3.4)	2.3	(0.1)
	-----	-----	-----	-----
Total Uses of Free Cash Flow	\$ 0.7	\$ 1.6	\$ 3.5	\$ 1.9
	=====	=====	=====	=====

During the nine months of 2000, free cash flow that was generated was primarily earmarked to support the acquisition of Flemings.

Chase shareholders approved a three-for-two stock split at Chase's annual meeting on May 16, 2000. The record date for the split was May 17, 2000, and the additional shares of common stock issued as a result of the split were distributed on June 9, 2000.

Chase's dividend policy is to pay common stock dividends equal to approximately 25% to 35% of Chase's operating earnings, less preferred stock dividends. Chase's future dividend policies will be determined by its Board of Directors after taking into consideration Chase's earnings and financial condition and applicable government regulations and policies.

Chase formally terminated its equity repurchase program on October 17, 2000 in connection with its proposed merger with J.P. Morgan, which is intended to be accounted for as a pooling of interests. Prior to the formal termination of the program, Chase had not repurchased any of its shares of common stock since the end of the first quarter of 2000.

At September 30, 2000, the total capitalization of Chase (the sum of Tier 1 and Tier 2 Capital) was \$37.2 billion, an increase of \$0.7 billion from December 31, 1999. This increase reflects retained earnings (net income less common and preferred dividends) generated during the period, partially offset by common stock repurchases in the first quarter of 2000, and the redemption of \$100 million of preferred stock in the 2000 second quarter.

LIQUIDITY

While capital is held to absorb losses over time, liquidity is managed to meet Chase's known and unanticipated cash funding needs. Chase must maintain sufficient liquidity for operations to meet payment demands on borrowings and to make new loans and investments as opportunities arise. During the first nine months of 2000, Chase issued approximately \$8 billion of long-term debt and capital securities of subsidiaries, including \$1.2 billion of notes in connection with the purchase of Flemings. During the same period of 2000, \$1.7 billion of long-term debt matured.

OPERATING RISK MANAGEMENT

The following discussion of Chase's operating risk management focuses primarily on developments since December 31, 1999 and should be read in conjunction with the Operating Risk Management section on page 54 of the 1999 Annual Report.

Chase 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. In early 2000, Chase established two additional risk-management committees, each of which reports to Chase's Executive Committee: the Operating Risk Committee, which currently is reviewing the design of the control function within Chase; and the Fiduciary Risk Committee, which is responsible for approving Chase's policies for fiduciary risk.

Chase maintains systems of controls that it believes are reasonably designed to provide management and the Board of Directors with timely and accurate information about the operations of Chase. These systems have been designed to keep operating risk at appropriate levels in view of Chase's financial strength, the characteristics of its businesses and the markets in which it operates, and the competitive and regulatory environment to which it is subject. However, Chase has suffered losses from operating risk from time to time, and there can be no assurance that Chase will not suffer such losses in the future.

Chase continues its reconciliation project relating to the deficiencies identified in the computerized recordkeeping systems of the bond paying agency function within Chase's Capital Markets Fiduciary Services Group. In connection with this project, Chase incurred some immaterial costs during the first nine months of 2000. Management does not anticipate that Chase will incur any additional material costs related to this project. The Securities and Exchange Commission ("SEC") is investigating the question of whether, in connection with this matter, there have been violations of its transfer agency recordkeeping or reporting regulations and whether Chase's disclosure regarding these issues have been adequate and timely. Chase is in discussions with the staff of the SEC to resolve these issues on a mutually acceptable basis.

SUPERVISION AND REGULATION

The following discussion should be read in conjunction with the Supervision and Regulation section on pages 1-4 of Chase's 1999 Annual Report.

DIVIDENDS

Chase's bank subsidiaries could, without the approval of their relevant banking regulators, pay dividends to their respective bank holding companies in amounts up to the limitations imposed upon such banks by regulatory restrictions. These dividend limitations, in the aggregate, totaled approximately \$3.0 billion at September 30, 2000.

OTHER EVENTS

On October 16, 2000, Chase agreed to sell its interest in ChaseMellon Shareholder Services, currently a 50-50 joint venture between Chase and Mellon Financial Corporation. The transaction is expected to be completed during the fourth quarter of this year.

On September 1, 2000, Chase announced it had agreed to sell its Hong Kong-based retail banking business, including Chase Manhattan Card Company Limited, to Standard Chartered PLC for approximately \$1.3 billion in cash. The sale closed on November 1, 2000.

On August 1, 2000 Chase acquired Robert Fleming Holdings Limited. The consideration issued to Flemings' shareholders consisted of pound sterling 2.6 billion in cash, or at the option of the Flemings shareholders, notes, and 65.3 million shares of Chase common stock. Chase and Flemings also have a retention arrangement for key employees in an aggregate amount of approximately \$240 million (after-tax), which will be generally expensed over the two years following the acquisition. The transaction was accounted for under the purchase method.

Chase acquired The Beacon Group, LLC, a privately-held investment banking firm, on July 6, 2000. The acquisition was accounted for under the purchase method.

ACCOUNTING DEVELOPMENTS

The following discussion of Chase's Accounting Developments focuses primarily on developments since December 31, 1999 and should be read in conjunction with the Accounting and Reporting Development section on page 55 of the 1999 Annual Report.

SFAS 133

For a further discussion of SFAS 133, see page 55 of the 1999 Annual Report. SFAS 133 requires that an entity measure all derivatives at fair value and recognize those derivatives as either assets or liabilities on the balance sheet. In addition, under SFAS 133, the change in a derivative's fair value is generally to be recognized in current period earnings. Chase, although not required to adopt SFAS 133 until calendar year 2001, already recognizes the derivatives used in its trading activities on its balance sheet at fair value, with changes in the fair values of such derivatives included in earnings. This represents the substantial majority of the derivatives utilized by Chase.

If Chase had adopted SFAS 133 at September 30, 2000 with respect to those other derivatives used by Chase as hedges of its assets, liabilities and commitments, the adoption would not have had a material impact on Chase's results of operations or financial position. However, there is no assurance that when Chase formally adopts SFAS 133 at the beginning of calendar year 2001, the adjustment required to be made at that time would not have a material impact on Chase's results of operations or financial position. The estimated September 30 adjustment may be affected by changes during the fourth quarter in the interest rate environment and by management's actions in response to such changes. Further, events in the global markets, such as those that have occurred in past years in Asia and Russia, can create imbalances in the market, resulting in temporary volatility in hedge performance. Additionally, the Financial Accounting Standards Board ("FASB") and the Derivative Implementation Group continue to address SFAS 133 implementation issues, and their conclusions may require changes in Chase's interpretations of the standard, such as the accounting of hedges for mortgage servicing rights, and loan commitments, among other issues.

SFAS 140

In September 2000, the FASB issued SFAS 140, which revises the standards set forth in SFAS 125 for the accounting of securitizations and other transfers of financial assets and collateral. Statement 140 modifies the criteria for determining whether the transferor has relinquished control of assets and therefore whether the transfer may be accounted for as a sale. SFAS 140 requires new disclosures about securitization activities and incremental disclosures about collateral in addition to maintaining the existing disclosure requirements of SFAS 125.

As issued, the disclosure provisions of SFAS 140 are effective for the 2000 fiscal year-end (December 31, 2000), and the provisions of SFAS 140 relating to the transfer of financial assets and the extinguishment of liabilities are effective for transfers after March 31, 2001. Chase currently is assessing the impact of the adoption of SFAS 140, but management believes that the adoption of SFAS 140 will not significantly affect Chase's earnings, liquidity or capital resources.

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

	THIRD QUARTER			NINE MONTHS		
	2000	1999	Over/(Under) 3Qtr99	2000	1999	Over/(Under) 1999
AS REPORTED BASIS						
Revenue	\$5,400	\$5,191	4%	\$16,741	\$15,951	5%
Noninterest Expense (Excluding Restructuring Costs)	3,656	2,981	23	10,503	8,994	17
Restructuring Costs	79	--	NM	129	--	NM
Provision for Loan Losses	305	398	(23)	979	1,167	(16)
Net Income	884	1,187	(26)	3,335	3,753	(11)
Net Income per Common Share:						
Basic	0.69	0.95	(27)	2.66	2.96	(10)
Diluted	0.66	0.92	(28)	2.57	2.86	(10)
Cash Dividends Declared	0.32	0.27	19	0.96	0.81	19
Book Value at Period End				21.84	17.34	26
Share Price at Period End				46.19	50.25	(8)
Performance Ratios:						
Return on Average Common Equity (a)	13%	22%	(900) bp	18%	23%	(500) bp
Return on Average Assets (a)	0.85	1.29	(44)	1.11	1.38	(27)
OPERATING BASIS (b)						
Revenue	\$5,590	\$5,429	3%	\$17,568	\$16,538	6%
Noninterest Expense	3,656	2,981	23	10,503	8,894	18
Credit Costs (c)	541	636	(15)	1,711	1,920	(11)
Earnings	905	1,187	(24)	3,480	3,711	(6)
Earnings per Common Share:						
Basic	0.70	0.95	(26)	2.78	2.93	(5)
Diluted	0.68	0.92	(26)	2.68	2.83	(5)
Performance Ratios:						
Return on Average Common Equity (a)	14%	22%	(800) bp	19%	22%	(300) bp
Return on Average Managed Assets (a)	0.83	1.23	(40)	1.11	1.30	(19)
Common Dividend Payout Ratio	47	29	1,800	35	28	700
Overhead Ratio	65	55	1,000	60	54	600
Cash Basis:						
Cash Earnings (d)	\$1,054	\$1,257	(16)%	\$3,798	\$3,930	(3)%
Diluted Cash Earnings per Common Share	0.79	0.97	(19)	2.93	3.00	(2)
Shareholder Value Added	181	539	(66)	1,424	1,736	(18)
Cash Return on Average Common Equity (a)	16%	23%	(700) bp	21%	24%	(300) bp
Selected Balance Sheet Items at Period End: (e)						
Managed Loans				\$209,280	\$191,486	9%
Total Managed Assets				443,838	389,072	14

(a) Based on annualized amounts.

(b) Excludes the impact of credit card securitizations, restructuring costs and special items.

(c) Includes provision for loan losses and credit costs related to the securitized credit card portfolio.

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

(e) Excludes the impact of credit card securitizations.

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

NM - Not meaningful.

Part I
Item 2 (continued)THE CHASE MANHATTAN CORPORATION
AVERAGE CONSOLIDATED BALANCE SHEET, INTEREST AND RATES
(TAXABLE-EQUIVALENT INTEREST AND RATES; IN MILLIONS)

	THREE MONTHS ENDED SEPTEMBER 30, 2000			Three Months Ended September 30, 1999		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	\$ 4,059	\$ 96	9.35%	\$5,134	\$ 195	15.09%
Federal Funds Sold and Securities Purchased under Resale Agreements	31,737	452	5.66%	32,281	352	4.32%
Trading Assets - Debt and Equity Instruments	34,206	530	6.17%	26,568	399	5.95%
Securities:						
Available-for-Sale	64,069	989	6.14% (b)	51,977	750	5.72% (b)
Held-to-Maturity	671	11	6.66%	1,039	17	6.39%
Loans	187,210	3,997	8.50%	173,246	3,289	7.53%
Total Interest-Earning Assets	321,952	6,075	7.51%	290,245	5,002	6.84%
Allowance for Loan Losses	(3,416)			(3,484)		
Cash and Due from Banks	15,656			13,799		
Trading Assets - Risk Management Instruments	29,743			28,938		
Other Assets	49,925			35,347		
Total Assets	\$ 413,860			\$ 364,845		
LIABILITIES						
Domestic Retail Deposits	\$ 62,427	614	3.92%	\$ 61,438	573	3.70%
Domestic Negotiable Certificates of Deposit and Other Deposits	18,530	321	6.88%	17,032	156	3.62%
Deposits in Foreign Offices	92,983	1,316	5.62%	82,350	921	4.43%
Total Time and Savings Deposits	173,940	2,251	5.15%	160,820	1,650	4.07%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold under Repurchase Agreements	64,346	964	5.96%	49,290	543	4.37%
Commercial Paper	6,105	100	6.53%	5,032	61	4.84%
Other Borrowings (c)	18,073	269	5.93%	16,786	266	6.28%
Total Short-Term and Other Borrowings	88,524	1,333	5.99%	71,108	870	4.85%
Long-Term Debt	25,399	492	7.71%	19,291	306	6.30%
Total Interest-Bearing Liabilities	287,863	4,076	5.63%	251,219	2,826	4.46%
Noninterest-Bearing Deposits	50,731			48,636		
Trading Liabilities - Risk Management Instruments	24,943			27,640		
Other Liabilities	22,655			14,446		
Total Liabilities	386,192			341,941		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	828			1,026		
Common Stockholders' Equity	26,290			21,328		
Total Stockholders' Equity	27,118			22,354		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	\$ 413,860			\$364,845		
INTEREST RATE SPREAD			1.88%			2.38%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		\$ 1,999 (a)	2.47%		\$ 2,176 (a)	2.97%

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

(b) For the three months ended September 30, 2000 and September 30, 1999, the annualized rate for available-for-sale securities based on historical cost was 5.95% and 5.53%, respectively.

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

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

	NINE MONTHS ENDED SEPTEMBER 30, 2000			Nine Months Ended September 30, 1999		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	\$ 5,105	\$ 331	8.65%	\$ 6,058	\$ 540	11.92%
Federal Funds Sold and Securities Purchased under Resale Agreements	32,269	1,349	5.58%	30,527	1,122	4.91%
Trading Assets - Debt and Equity Instruments	31,131	1,425	6.12%	25,412	1,228	6.46%
Securities:						
Available-for-Sale	62,634	2,860	6.10% (b)	53,710	2,297	5.72% (b)
Held-to-Maturity	775	38	6.54%	1,238	58	6.28%
Loans	181,111	11,111	8.20%	173,078	9,666	7.47%
	-----	-----		-----	-----	
Total Interest-Earning Assets	313,025	17,114	7.30%	290,023	14,911	6.87%
Allowance for Loan Losses	(3,415)			(3,489)		
Cash and Due from Banks	15,445			14,666		
Trading Assets - Risk Management Instruments	30,573			28,478		
Other Assets	44,782			34,591		
	-----			-----		
Total Assets	\$400,410			\$364,269		
	=====			=====		
LIABILITIES						
Domestic Retail Deposits	\$62,667	1,754	3.74%	\$61,463	1,614	3.51%
Domestic Negotiable Certificates of Deposit and Other Deposits	17,065	847	6.63%	19,564	525	3.59%
Deposits in Foreign Offices	92,782	3,701	5.33%	79,782	2,667	4.47%
	-----	-----		-----	-----	
Total Time and Savings Deposits	172,514	6,302	4.88%	160,809	4,806	4.00%
	-----	-----		-----	-----	
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold under Repurchase Agreements	61,351	2,593	5.65%	50,260	1,660	4.42%
Commercial Paper	6,028	276	6.12%	5,091	179	4.69%
Other Borrowings (c)	17,644	809	6.13%	15,123	796	7.04%
	-----	-----		-----	-----	
Total Short-Term and Other Borrowings	85,023	3,678	5.78%	70,474	2,635	5.00%
Long-Term Debt	23,112	1,243	7.18%	19,255	936	6.50%
	-----	-----		-----	-----	
Total Interest-Bearing Liabilities	280,649	11,223	5.34%	250,538	8,377	4.47%
	-----	-----		-----	-----	
Noninterest-Bearing Deposits	50,796			48,091		
Trading Liabilities - Risk Management Instruments	25,444			27,867		
Other Liabilities	18,164			14,199		
	-----			-----		
Total Liabilities	375,053			340,695		
	-----			-----		
PREFERRED STOCK OF SUBSIDIARY	550			550		
	-----			-----		
STOCKHOLDERS' EQUITY						
Preferred Stock	894			1,027		
Common Stockholders' Equity	23,913			21,997		
	-----			-----		
Total Stockholders' Equity	24,807			23,024		
	-----			-----		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	\$400,410			\$364,269		
	=====			=====		
INTEREST RATE SPREAD			1.96%			2.40%
			=====			=====
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		\$ 5,891 (a)	2.51%		\$ 6,534 (a)	3.01%
		=====	=====		=====	=====

- (a) Reflects a pro forma adjustment to the net interest income amount included in the Consolidated Statement of Income to permit comparisons of yields on tax-exempt and taxable assets.
- (b) For the nine months ended September 30, 2000 and September 30, 1999, the annualized rate for available-for-sale securities based on historical cost was 5.87% and 5.63%, respectively.
- (c) Includes securities sold but not yet purchased and structured notes.

THE CHASE MANHATTAN CORPORATION
QUARTERLY FINANCIAL INFORMATION
(IN MILLIONS, EXCEPT PER SHARE DATA)

	2000			1999			
	THIRD QUARTER	SECOND QUARTER	FIRST QUARTER	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
INTEREST INCOME							
Loans	\$ 3,997	\$ 3,631	\$ 3,480	\$ 3,451	\$ 3,288	\$ 3,165	\$ 3,209
Securities	994	952	933	872	762	747	835
Trading Assets	530	479	416	477	399	411	418
Federal Funds Sold and Securities Purchased under Resale Agreements	452	451	446	329	352	389	381
Deposits with Banks	96	101	134	212	195	161	184
Total Interest Income	6,069	5,614	5,409	5,341	4,996	4,873	5,027
INTEREST EXPENSE							
Deposits	2,251	2,086	1,965	1,786	1,650	1,558	1,598
Short-Term and Other Borrowings	1,333	1,216	1,129	1,018	870	851	914
Long-Term Debt	492	397	354	312	306	319	311
Total Interest Expense	4,076	3,699	3,448	3,116	2,826	2,728	2,823
NET INTEREST INCOME	1,993	1,915	1,961	2,225	2,170	2,145	2,204
Provision for Loan Losses	305	332	342	454	398	388	381
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,688	1,583	1,619	1,771	1,772	1,757	1,823
NONINTEREST REVENUE							
Investment Banking Fees	613	639	648	499	486	585	317
Trust, Custody and Investment Management Fees	664	545	509	469	457	461	414
Credit Card Revenue	471	443	397	440	441	438	379
Fees for Other Financial Services	775	695	731	719	637	587	553
Trading Revenue	603	824	1,021	531	462	526	618
Securities Gains (Losses)	96	57	14	(59)	(1)	5	156
Private Equity Gains (Losses)	(25)	298	500	1,307	377	513	325
Other Revenue	210	--	144	135	162	356	178
Total Noninterest Revenue	3,407	3,501	3,964	4,041	3,021	3,471	2,940
NONINTEREST EXPENSE							
Salaries	1,761	1,614	1,753	1,461	1,417	1,416	1,384
Employee Benefits	256	252	287	233	238	238	255
Occupancy Expense	247	216	226	224	218	206	218
Equipment Expense	297	274	285	278	255	239	243
Restructuring Costs	79	50	--	48	--	--	--
Other Expense	1,095	1,001	939	983	853	969	845
Total Noninterest Expense	3,735	3,407	3,490	3,227	2,981	3,068	2,945
INCOME BEFORE INCOME TAX EXPENSE	1,360	1,677	2,093	2,585	1,812	2,160	1,818
Income Tax Expense	476	586	733	892	625	767	645
NET INCOME	\$ 884	\$ 1,091	\$ 1,360	\$ 1,693	\$ 1,187	\$ 1,393	\$ 1,173
NET INCOME APPLICABLE TO COMMON STOCK	\$ 871	\$ 1,074	\$ 1,344	\$ 1,677	\$ 1,168	\$ 1,375	\$ 1,155
NET INCOME PER COMMON SHARE							
Basic	\$ 0.69	\$ 0.88	\$ 1.10	\$ 1.37	\$ 0.95	\$ 1.10	\$ 0.91
Diluted	\$ 0.66	\$ 0.85	\$ 1.06	\$ 1.32	\$ 0.92	\$ 1.06	\$ 0.88

GLOSSARY OF TERMS

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

1999 Annual Report: Annual Report on Form 10-K for the year ended December 31, 1999. (Pages 7-11, 14-15, 18, 23-25, 27-30, 32-33, 35, 38-40, 46, 50)

Asset/Liability ("A/L") Activities: The management of the sensitivity of Chase's net interest income to changes in market interest rates. (Pages 8, 35, 37)

Basis Point Value ("BPV"): This measurement quantifies the change in the market value of Chase's assets and liabilities (that are not part of its trading activities) that would result from a one basis point change in interest rates. (Page 37)

Cash Operating Earnings: Operating earnings excluding the impact of amortization of goodwill and certain other intangibles. (Pages 10, 24-29)

Chase USA: Chase Manhattan Bank USA, National Association. (Page 11)

Derivative and Foreign Exchange ("FX") Contracts: Interest rate swaps, forward rate agreements, futures, forwards, options, debt, equity, commodity and other contracts used for asset/liability or trading purposes. The instruments represent contracts with counterparties where payments are made to or from the counterparty based upon specific interest rates, currency levels, other market rates or on terms predetermined by the contract. (Pages 9, 32)

Managed Credit Card Receivables or Managed Basis: Consistent with industry practice, Chase uses this terminology to define its credit card receivables on the balance sheet plus securitized credit card receivables. (Page 30)

Net Yield on Interest-Earning Assets: The average rate for interest-earning assets less the average rate paid for all sources of funds. (Page 18)

New Economy: Represents the industry sectors and companies (e.g., media/telecommunications, technology/information services, life sciences) and the technologists and entrepreneurs who are at the forefront of future innovations (e.g., microprocessors, internet). (Page 15)

Operating Basis or Operating Earnings: Reported results excluding the impact of credit card securitizations, restructuring costs and special items. (Pages 10-12, 24-28)

Overhead Ratio: Noninterest expense as a percentage of the total of net interest income and noninterest revenue (excluding restructuring costs, special items and costs associated with the REIT). (Pages 12, 22, 24)

REIT: A real estate investment trust subsidiary of Chase. (Pages 22-23)

SFAS: Statement of Financial Accounting Standards.

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

SFAS 115: "Accounting for Certain Investments in Debt and Equity Securities." (Pages 8, 11)

SFAS 125: "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." (Page 40)

SFAS 133: "Accounting for Derivative Instruments and Hedging Activities." (Page 40)

SFAS 140: "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - a replacement of FASB Statement No. 125." (Page 40)

Shareholder Value Added ("SVA"): Represents operating earnings excluding the amortization of goodwill and certain other intangibles (i.e., cash operating earnings) minus preferred dividends and an explicit charge for capital. (Pages 10, 12, 24)

Special Items: The 2000 third quarter results included an \$81 million gain (the same for the nine months) from the sale of a business in Panama, a \$35 million loss (\$176 million loss in the nine months) resulting from the economic hedge of the purchase price of Flemings prior to its acquisition, and \$79 million (\$129 million for the nine months) of restructuring costs associated with previously announced relocation initiatives. There were no special items in the third quarter of 1999. The results for the nine months of 1999 included \$166 million in gains from sales of nonstrategic assets (of which \$95 million was from the sale of a building and \$71 million was from the sale of branches in Texas) and a special contribution to The Chase Manhattan Foundation of \$100 million. (Pages 11, 14, 21)

Stress Testing: A risk management tool used to measure market risk in an extreme market environment. (Page 36)

Value-at-Risk ("VAR"): A risk measurement tool used to measure the potential overnight loss from adverse market movements. (Pages 35-37)

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

The following updates the legal proceedings discussion in Chase's 1999 Annual Report on page 8.

In June 1999, Sumitomo Corporation filed a lawsuit against The Chase Manhattan Bank in the United States District Court for the Southern District of New York. The complaint alleges that during the period from 1994 to 1996, the Bank assisted a Sumitomo employee in making copper trades by funding unauthorized loans to the Sumitomo employee. The complaint alleges that the Bank knew the employee did not have authority to enter into the transactions on behalf of Sumitomo. The complaint asserts claims under the Racketeer Influenced and Corrupt Practices Act ("RICO") and New York common law and alleges damages of \$532 million (subject to trebling under RICO), plus punitive damages.

Chase Securities Inc. ("CSI") has been named as a defendant or third-party defendant in twelve actions that were filed in either the United States District Court for the Northern District of Oklahoma or in Oklahoma state court beginning in October 1999 arising out of the failure of Commercial Financial Service, Inc. ("CFS"). Plaintiffs in these actions are institutional investors who purchased over \$1.6 billion in original face amount of asset-backed securities issued by CFS. The securities were backed by delinquent credit card receivables. In addition to CSI, the defendants in various of the actions are the founders and key executives of CFS, as well as its auditors, its outside counsel and the rating agencies that rated the securities. CSI is alleged to have been the investment banker to CFS and to have acted as an initial purchaser and as placement agent in connection with the issuance of certain of the securities. Plaintiffs allege that defendants either knew or were reckless in not knowing that the securities were sold to plaintiffs on the basis of misleading misrepresentations and omissions of material facts. The complaints against CSI assert claims under the Securities Exchange Act of 1934, the Oklahoma Securities Act, and under common law theories of fraud and negligent misrepresentation. In the actions against CSI, damages in the amount of approximately \$1.45 billion allegedly suffered as a result of defendants' misrepresentations and omissions, plus punitive damages, are being claimed.

In addition to the matters described above, Chase and its subsidiaries have been named from time to time as defendants in various legal actions and proceedings arising in connection with their respective businesses and have been involved from time to time in investigations and proceedings by governmental agencies. In view of the inherent difficulty of predicting the outcome of such matters, Chase cannot state what the eventual outcome of pending matters will be. Chase is contesting the allegation made in each pending matter and believes, based on current knowledge and after consultation with counsel, that the outcome of such matters will not have a material adverse effect on the consolidated financial condition of Chase, but may be material to Chase's operating results for any particular period, depending on the level of Chase's income for such period.

Item 2 Sales of Unregistered Common Stock

During the third quarter of 2000, shares of common stock of Chase were issued in transactions exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. Shares of common stock were issued to retired directors who had deferred receipt of such common stock pursuant to the Deferred Compensation Plan for Non-Employee Directors as follows: July 3, 2000 - 488 shares.

PART II - OTHER INFORMATION (continued)

Item 6 Exhibits and Reports on Form 8-K
(A) Exhibits:

- 11 - Computation of Earnings per Common Share
- 12(a) - Computation of Ratio of Earnings to Fixed Charges
- 12(b) - Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements
- 27 - Financial Data Schedule

(B) Reports on Form 8-K:

Chase filed three reports on Form 8-K during the quarter ended September 30, 2000, as follows:

Form 8-K dated July 19, 2000: Chase announced the results of operations for the second quarter of 2000.

Form 8-K dated August 1, 2000: Chase declared offer unconditional for Robert Fleming Holdings Limited.

Form 8-K dated September 12, 2000: Chase announced intent of merger with J.P. Morgan to form J.P. Morgan Chase & Co.

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 November 14, 2000

By /s/ Joseph L. Sclafani

Joseph L. Sclafani

Executive Vice President and Controller
[Principal Accounting Officer]

INDEX TO EXHIBITS
SEQUENTIALLY NUMBERED

EXHIBIT NO. -----	EXHIBITS -----	PAGE AT WHICH LOCATED -----
11	Computation of Earnings per Common Share	50
12(a)	Computation of Ratio of Earnings to Fixed Charges	51
12(b)	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements	52
27	Financial Data Schedule	53

APPENDIX 1

NARRATIVE DESCRIPTION OF GRAPHIC IMAGE MATERIAL

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

GRAPHIC NUMBER	PAGE	DESCRIPTION						
1	36	Bar Graph entitled "Histogram of Daily Market Risk-Related Revenue for the twelve months ended September 30, 2000" 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	21	43	57	43	40	22
			30 - 35 -----	Over 35 -----				
			10	18				
		Millions of Dollars -----	0 - (5) -----	(5) - (10) -----	(10) - (15) -----	(15) - (20) -----	Over (20) -----	
		Number of trading days revenue was within the above prescribed negative range	6	1	0	0	0	0

EXHIBIT 11
THE CHASE MANHATTAN CORPORATION
COMPUTATION OF EARNINGS PER COMMON SHARE

For a discussion of the computation of basic and diluted earnings per common share, see Note 10 of Chase's 1999 Annual Report.

(in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	----- September 30, 2000 1999 -----		----- September 30, 2000 1999 -----	
BASIC EARNINGS PER SHARE				
Earnings:				
Net Income	\$ 884	\$ 1,187	\$ 3,335	\$ 3,753
Less: Preferred Stock Dividends	13	19	46	55
	-----	-----	-----	-----
Net Income Applicable to Common Stock	\$ 871	\$ 1,168	\$ 3,289	\$ 3,698
	=====	=====	=====	=====
Shares:				
Basic Average Common Shares Outstanding	1,267.3	1,232.3	1,235.4	1,248.9
Net Income per Share	\$ 0.69	\$ 0.95	\$ 2.66	\$ 2.96
	=====	=====	=====	=====
DILUTED EARNINGS PER SHARE				
Earnings:				
Net Income Applicable to Common Stock	\$ 871	\$ 1,168	\$ 3,289	\$ 3,698
	=====	=====	=====	=====
Shares:				
Basic Average Common Shares Outstanding	1,267.3	1,232.3	1,235.4	1,248.9
Additional Shares Issuable upon Exercise of Stock Options for Dilutive Effect	44.5	42.2	43.7	42.5
	-----	-----	-----	-----
Average Common Shares Outstanding Assuming Dilution	1,311.8	1,274.5	1,279.1	1,291.4
Net Income per Share	\$ 0.66	\$ 0.92	\$ 2.57	\$ 2.86
	=====	=====	=====	=====

EXHIBIT 12(A)

THE CHASE MANHATTAN CORPORATION

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

	Nine Months Ended September 30, 2000 -----
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	\$ 5,130 -----
Fixed charges:	
Interest expense	4,921
One-third of rents, net of income from subleases (a)	126 -----
Total fixed charges	5,047 -----
Less: Equity in undistributed income of affiliates	(55) -----
Earnings before taxes and fixed charges, excluding capitalized interest	\$ 10,122 =====
Fixed charges, as above	\$ 5,047 =====
Ratio of earnings to fixed charges	2.01 =====
INCLUDING INTEREST ON DEPOSITS	
Fixed charges, as above	\$ 5,047
Add: Interest on deposits	6,302 -----
Total fixed charges and interest on deposits	\$ 11,349 =====
Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$ 10,122
Add: Interest on deposits	6,302 -----
Total earnings before taxes, fixed charges and interest on deposits	\$ 16,424 =====
Ratio of earnings to fixed charges	1.45 =====

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

EXHIBIT 12(B)

THE CHASE MANHATTAN CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AND PREFERRED STOCK DIVIDEND REQUIREMENTS
(IN MILLIONS, EXCEPT RATIOS)

	Nine Months Ended September 30, 2000 -----
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	\$ 5,130 -----
Fixed charges:	
Interest expense	4,921
One-third of rents, net of income from subleases (a)	126 -----
Total fixed charges	5,047 -----
Less: Equity in undistributed income of affiliates	(55) -----
Earnings before taxes and fixed charges, excluding capitalized interest	\$ 10,122 =====
Fixed charges, as above	\$ 5,047
Preferred stock dividends	46 -----
Fixed charges including preferred stock dividends	\$ 5,093 =====
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.99 =====
INCLUDING INTEREST ON DEPOSITS	
Fixed charges including preferred stock dividends, as above	\$ 5,093
Add: Interest on deposits	6,302 -----
Total fixed charges including preferred stock dividends and interest on deposits	\$ 11,395 =====
Earnings before taxes and fixed charges, excluding capitalized interest, as above	\$ 10,122
Add: Interest on deposits	6,302 -----
Total earnings before taxes, fixed charges and interest on deposits	\$ 16,424 =====
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.44 =====

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

THIS SCHEDULE CONTAINS SELECTED SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE SEPTEMBER 30, 2000 FORM 10-Q FOR THE CHASE MANHATTAN CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENT AND DISCLOSURES.

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

9-MOS	DEC-31-2000	JAN-01-2000	SEP-30-2000
			1
			19,403
	3,513		
		27,175	
		67,592	
65,600			
	632		
	625		
		191,258	
		3,491	
	425,816		
		229,601	
		76,533	
62,255			
		24,157	
	0		
		828	
		1,323	
		27,289	
425,816			
	11,108		
	2,879		
	1,680		
	17,092		
	6,302		
	11,223		
5,869			
		979	
	167		
	10,632		
	5,130		
3,335			
	0		
		0	
	3,335		
	2.66		
	2.57		
	2.51		
	1,683		
	374		
	0		
	0		
	3,457		
	1,161		
	182		
	3,491		
	0		
	0		
0			

ON MAY 16, 2000, STOCKHOLDERS APPROVED A 3 FOR 2 COMMON STOCK SPLIT EFFECTIVE JUNE 12, 2000.