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, 1999 COMMISSION FILE NUMBER 1-5805

THE CHASE MANHATTAN CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	13-2624428
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NO.)
270 PARK AVENUE, NEW YORK, NEW YORK	10017
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (212) 270-6000

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES.X.. NO....

COMMON STOCK, $1 PAR VALUE 824,776,623

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

FORM 10-Q INDEX

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

Item 1.

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

	SEPTEMBER 30, 1999	December 31, 1998
ASSETS		
Cash and Due from Banks	$ 16,490	$ 17,068
Deposits with Banks	5,856	7,212
Federal Funds Sold and Securities Purchased Under Resale Agreements	28,368	18,487
Trading Assets:		
Debt and Equity Instruments	26,069	24,844
Risk Management Instruments	31,123	32,848
Securities:		
Available-for-Sale	54,138	62,803
Held-to-Maturity (Market Value: $970 at September 30, 1999 and $1,703 at December 31, 1998)	975	1,687
Loans (Net of Allowance for Loan Losses of $3,555 in 1999 and $3,552 in 1998)	169,903	169,202
Premises and Equipment	4,306	4,055
Due from Customers on Acceptances	728	1,223
Accrued Interest Receivable	2,267	2,316
Other Assets	30,821	24,130
TOTAL ASSETS	$ 371,044	$ 365,875
LIABILITIES		
Deposits:		
Domestic:		
Noninterest-Bearing	$ 49,722	$ 47,541
Interest-Bearing	78,993	85,886
Foreign:		
Noninterest-Bearing	6,363	4,082
Interest-Bearing	84,545	74,928
Total Deposits	219,623	212,437
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	43,879	41,632
Commercial Paper	5,996	7,788
Other Borrowed Funds	7,046	7,239
Acceptances Outstanding	728	1,223
Trading Liabilities	37,084	38,502
Accounts Payable, Accrued Expenses and Other Liabilities, Including the Allowance for Credit Losses of $170 in 1999 and 1998	14,615	14,291
Long-Term Debt	16,644	16,187
Guaranteed Preferred Beneficial Interests in Corporation's Junior Subordinated Deferrable Interest Debentures	2,538	2,188
TOTAL LIABILITIES	348,153	341,487
COMMITMENTS AND CONTINGENCIES (SEE NOTE 9)		
PREFERRED STOCK OF SUBSIDIARY	550	550
STOCKHOLDERS' EQUITY		
Preferred Stock	928	1,028
Common Stock (Authorized 1,500,000,000 Shares, Issued 881,862,887 Shares at September 30, 1999 and 881,688,611 Shares at December 31, 1998)	882	882
Capital Surplus	9,635	9,836
Retained Earnings	16,210	13,544
Accumulated Other Comprehensive Income (Loss)	(1,038)	392
Treasury Stock, at Cost (58,646,535 Shares at September 30, 1999 and 33,703,249 Shares at December 31, 1998)	(4,276)	(1,844)
TOTAL STOCKHOLDERS' EQUITY	22,341	23,838
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	$ 371,044	$ 365,875

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

Item 1. (continued)

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

	THIRD QUARTER		NINE MONTHS	
	1999	1998	1999	1998
INTEREST INCOME				
Loans	$ 3,288	$ 3,287	$ 9,662	$ 10,008
Securities	762	874	2,344	2,652
Trading Assets	399	604	1,228	1,996
Federal Funds Sold and Securities Purchased Under Resale Agreements	352	517	1,122	1,742
Deposits with Banks	195	150	540	450
Total Interest Income	4,996	5,432	14,896	16,848
INTEREST EXPENSE				
Deposits	1,650	1,524	4,806	5,123
Short-Term and Other Borrowings	870	1,378	2,635	4,365
Long-Term Debt	306	324	936	954
Total Interest Expense	2,826	3,226	8,377	10,442
NET INTEREST INCOME	2,170	2,206	6,519	6,406
Provision for Loan Losses	398	272	1,167	932
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,772	1,934	5,352	5,474
NONINTEREST REVENUE				
Investment Banking Fees	486	322	1,388	1,121
Trust, Custody and Investment Management Fees	457	398	1,332	1,129
Credit Card Revenue	441	381	1,258	1,046
Fees for Other Financial Services	637	522	1,777	1,541
Trading Revenue	462	(69)	1,606	722
Securities Gains	(1)	261	160	442
Private Equity Gains	377	60	1,215	723
Other Revenue	162	137	696	466
Total Noninterest Revenue	3,021	2,012	9,432	7,190
NONINTEREST EXPENSE				
Salaries	1,417	1,205	4,217	3,729
Employee Benefits	238	221	731	660
Occupancy Expense	218	198	642	578
Equipment Expense	255	219	737	640
Restructuring Costs	--	--	--	529
Other Expense	853	804	2,667	2,374
Total Noninterest Expense	2,981	2,647	8,994	8,510
INCOME BEFORE INCOME TAX EXPENSE	1,812	1,299	5,790	4,154
Income Tax Expense	625	462	2,037	1,518
NET INCOME	$ 1,187	$ 837	$ 3,753	$ 2,636
NET INCOME APPLICABLE TO COMMON STOCK	$ 1,168	$ 815	$ 3,698	$ 2,556
NET INCOME PER COMMON SHARE:				
Basic	$ 1.42	$ 0.96	$ 4.44	$ 3.02
Diluted	$ 1.37	$ 0.94	$ 4.30	$ 2.93

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

Item 1. (continued)

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

	1999	1998
PREFERRED STOCK		
Balance at Beginning of Year	$ 1,028	$ 1,740
Issuance of Stock	--	200
Redemption of Stock	(100)	(912)
Balance at End of Period	$ 928	$ 1,028
COMMON STOCK		
Balance at Beginning of Year	$ 882	$ 441
Issuance of Common Stock for a Two-for-One Stock Split	--	441
Balance at End of Period	$ 882	$ 882
CAPITAL SURPLUS		
Balance at Beginning of Year	$ 9,836	$ 10,360
Issuance of Common Stock for a Two-for-One Split	--	(441)
Shares Issued and Commitments to Issue Common Stock for Employee Stock-Based Awards and Related Tax Effects	(201)	(67)
Balance at End of Period	$ 9,635	$ 9,852
RETAINED EARNINGS		
Balance at Beginning of Year	$ 13,544	$ 11,086
Net Income	3,753	2,636
Cash Dividends Declared:		
Preferred Stock	(55)	(80)
Common Stock	(1,032)	(920)
Balance at End of Period	$ 16,210	$ 12,722
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance at Beginning of Year	$ 392	$ 112
Other Comprehensive Income (Loss)	(1,430)	589
Balance at End of Period	$ (1,038)	$ 701
TREASURY STOCK, AT COST		
Balance at Beginning of Year	$ (1,844)	$ (1,997)
Purchase of Treasury Stock	(4,172)	(1,038)
Reissuance of Treasury Stock	1,740	1,068
Balance at End of Period	$ (4,276)	$ (1,967)
TOTAL STOCKHOLDERS' EQUITY	$ 22,341	$ 23,218
COMPREHENSIVE INCOME		
Net Income	$ 3,753	$ 2,636
Other Comprehensive Income (Loss)	(1,430)	589
Comprehensive Income	$ 2,323	$ 3,225

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

Item 1. (continued)

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

	1999	1998
OPERATING ACTIVITIES		
Net Income	$ 3,753	$ 2,636
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Provision for Loan Losses	1,167	932
Restructuring Costs	--	529
Depreciation and Amortization	1,028	836
Net Change In:		
Trading-Related Assets	1,519	10,498
Accrued Interest Receivable	49	786
Other Assets	(4,870)	(6,181)
Trading-Related Liabilities	(1,338)	(7,947)
Accrued Interest Payable	(1,848)	(384)
Other Liabilities	1,139	1,296
Other, Net	(50)	(617)
Net Cash Provided by Operating Activities	549	2,384
INVESTING ACTIVITIES		
Net Change In:		
Deposits with Banks	1,356	(991)
Federal Funds Sold and Securities Purchased Under Resale Agreements	(11,233)	1,582
Loans Due to Sales and Securitizations	35,621	30,935
Other Loans, Net	(37,638)	(30,226)
Other, Net	(592)	136
Proceeds from the Maturity of Held-to-Maturity Securities	712	1,020
Purchases of Held-to-Maturity Securities	--	(67)
Proceeds from the Maturity of Available-for-Sale Securities	7,119	19,703
Proceeds from the Sale of Available-for-Sale Securities	74,575	129,014
Purchases of Available-for-Sale Securities	(75,313)	(153,000)
Proceeds from Sales of Nonstrategic Assets	182	--
Cash Used in Acquisitions	(1,252)	(254)
Net Cash (Used) by Investing Activities	(6,463)	(2,148)
FINANCING ACTIVITIES		
Net Change In:		
Noninterest-Bearing Domestic Demand Deposits	2,181	(372)
Domestic Time and Savings Deposits	(6,893)	4,539
Foreign Deposits	11,898	2,464
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	3,599	(7,215)
Other Borrowed Funds	(1,985)	47
Other, Net	(478)	(384)
Proceeds from the Issuance of Long-Term Debt and Capital Securities	3,430	2,580
Maturity and Redemption of Long-Term Debt	(2,640)	(1,307)
Proceeds from the Issuance of Stock	1,539	1,201
Redemption of Preferred Stock	(100)	(912)
Treasury Stock Purchased	(4,172)	(1,038)
Cash Dividends Paid	(1,048)	(956)
Net Cash Provided (Used) by Financing Activities	5,331	(1,353)
Effect of Exchange Rate Changes on Cash and Due from Banks	5	(2)
Net (Decrease) in Cash and Due from Banks	(578)	(1,119)
Cash and Due from Banks at January 1,	17,068	15,704
Cash and Due from Banks at September 30,	$ 16,490	$ 14,585
Cash Interest Paid	$ 10,225	$ 10,828
Taxes Paid	$ 459	$ 1,025

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

Item 1. (continued)

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See Glossary of Terms on page 41 for definition of terms used throughout the Notes to Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - SECURITIES

For a discussion of the accounting policies relating to securities, see Note One of Chase's 1998 Annual Report. Net losses from Available-for-Sale ("AFS") securities sold in the third quarter of 1999 amounted to $1 million (gross gains of $88 million and gross losses of $89 million) and for the nine months of 1999 net gains amounted to $160 million (gross gains of $372 million and gross losses of $212 million). Net gains on sales of these types of securities for the same periods in 1998 amounted to $261 million (gross gains of $354 million and gross losses of $93 million), and $442 million (gross gains of $632 million and gross losses of $190 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:

	SEPTEMBER 30, 1999		December 31, 1998	
(in millions) AVAILABLE-FOR-SALE SECURITIES:	AMORTIZED COST	FAIR VALUE (a)	Amortized Cost	Fair Value (a)
U.S. Government and Federal Agency/Corporation Obligations:				
Mortgage-Backed Securities	$ 28,383	$ 27,103	$ 42,916	$ 42,994
CMOs & U.S. Treasuries	16,762	16,194	9,104	9,376
Debt Securities Issued by Foreign Governments	9,271	9,137	8,176	8,226
Corporate Debt and Equity Securities	924	1,043	1,093	1,313
Other, primarily Asset-Backed Securities (b)	623	661	854	894
Total Available-for-Sale Securities (c)	$ 55,963	$ 54,138	$ 62,143	$ 62,803
HELD-TO-MATURITY SECURITIES (d)	$ 975	$ 970	$ 1,687	$ 1,703

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(a) Gross unrealized gains and losses on available-for-sale securities were $679 million and $2,504 million, respectively, at September 30, 1999 and $771 million and $111 million, respectively, at December 31, 1998. Gross unrealized losses on held-to-maturity securities were $5 million at September 30, 1999. Gross unrealized gains and losses on held-to-maturity securities were $17 million and $1 million, respectively, at December 31, 1998.

(b) Includes collateralized mortgage obligations of private issuers, which generally have underlying collateral consisting of obligations of U.S. Government and Federal Agency/Corporation Obligations and obligations of State and Political Subdivisions.

(c) Excludes securities classified as loans, which are subject to the provisions of SFAS 115. The amortized cost and fair value of these loans were $195 million and $175 million, respectively, at September 30, 1999. This compares with $623 million and $569 million, respectively, at December 31, 1998.

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

Item 1. (continued)

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

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

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

NOTE 4 - RESTRUCTURING COSTS

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

During the 1998 first quarter, Chase incurred a pre-tax charge of $510 million taken in connection with initiatives to streamline support functions and realign certain business activities. As of September 30, 1999, the reserve balance was $198 million, of which $100 million related to staff reductions, $91 million related to dispositions of certain premises and equipment and $7 million related to other expenses. Chase expects that the remaining reserve related to staff reductions will be largely used during the next three to six months.

NOTE 5 - COMPREHENSIVE INCOME

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

For Nine Months Ended September 30,
(in millions)

	1999			1998		
	ACCUMULATED TRANSLATION ADJUSTMENT	NET UNREALIZED GAIN(LOSS) ON SECURITIES AVAILABLE-FOR-SALE	ACCUMULATED OTHER COMPREHENSIVE INCOME	Accumulated Translation Adjustment	Net Unrealized Gain(Loss) on Securities Available-for-Sale	Accumulated Other Comprehensive Income
Beginning Balance	$ 17	$ 375	$ 392	$ 17	$ 95	$ 112
Change During Period	--	(1,430) (a)	(1,430)	--	589	589
Ending Balance	$ 17	$(1,055) (b)	$ (1,038)	$ 17	$ 684 (b)	$ 701

(a) The increase in net unrealized loss on AFS securities is due to the rise in interest rates during 1999.

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

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	SEPTEMBER 30, 1999			December 31, 1998		
(in millions)	CARRYING VALUE	ESTIMATED FAIR VALUE	APPRECIATION/ (DEPRECIATION)	Carrying Value	Estimated Fair Value	Appreciation/ (Depreciation)
Total Financial Assets	$ 358,978	$ 361,668	$ 2,690	$ 355,738	$ 358,559	$ 2,821
Total Financial Liabilities	$ 347,297	$ 346,848	449	$ 340,643	$ 340,519	124
Estimated Fair Value in Excess of Carrying Value			$ 3,139			$ 2,945

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Derivative contracts used in connection with Chase's ALM activities had an unrecognized net loss of $827 million at September 30, 1999 and an unrecognized net gain of $110 million at December 31, 1998, both of which are included in the above amounts.

Item 1. (continued)

NOTE 7 - CAPITAL

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

The following table presents the risk-based capital ratios for Chase and its significant banking subsidiaries. At September 30, 1999, Chase and each of its depository institutions were "well capitalized" as defined by banking regulators.

SEPTEMBER 30, 1999 (in millions, except ratios)	Chase (a)	The Chase Manhattan Bank	Chase Texas	Chase USA
Tier 1 Capital (d)	$ 24,451	$ 18,532	$ 1,642	$ 2,404
Total Capital	35,063	26,342	2,306	3,555
Risk-Weighted Assets	297,624	238,569	18,912	32,293
Adjusted Average Assets	363,704	286,260	22,197	34,842
Tier 1 Capital Ratio (b)(d)	8.22%	7.77%	8.68%	7.44%
Total Capital Ratio (b)(d)	11.78%	11.04%	12.19%	11.01%
Tier 1 Leverage Ratio (c)(d)	6.72%	6.47%	7.40%	6.90%

(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.

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

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

NOTE 8 - DERIVATIVE AND FOREIGN EXCHANGE CONTRACTS

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

The following table summarizes the aggregate notional amounts of derivative, foreign exchange and other 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) SEPTEMBER 30, 1999	NOTIONAL AMOUNTS (a) December 31, 1998	CREDIT EXPOSURE SEPTEMBER 30, 1999	CREDIT EXPOSURE December 31, 1998
Interest Rate Contracts	$ 11,022.0	$ 8,171.9	$ 11.9	$ 13.0
Foreign Exchange Contracts	1,931.4	2,040.6	13.8	16.0
Debt, Equity, Commodity and Other Contracts	163.7	140.5	5.7	4.3
Total Credit Exposure Recorded on the Balance Sheet			$ 31.4	$ 33.3

(a) Includes notional amount relating to ALM activities totaling $290.5 billion at September 30, 1999, of which $278.0 billion relates to interest rate contracts and $12.5 billion relates to foreign exchange contracts. These amounts compare with $310.7 billion, $252.5 billion and $58.2 billion, respectively, at December 31, 1998.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

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

Item 1. (continued)

NOTE 10 - SEGMENT INFORMATION

Chase's businesses are organized into three major franchises (segments): Global Bank, National Consumer Services ("NCS") and Global Services. These franchises are based on the nature of the products and services provided, the type or class of customer, and Chase's management organization. Segment results are subject to restatement as appropriate whenever there are refinements in management reporting policies or changes to the management organization. During the third quarter of 1999, organizational changes occurred that are reflected in the lines of business results. The Middle Markets business, which previously reported into the Global Bank franchise, now reports into the National Consumer franchise. The Global Asset Management and Mutual Fund business, which previously was in Corporate, now reports into the Global Bank franchise. All prior periods have been restated to reflect these organizational changes.

Chase uses SVA, Operating Earnings and Cash Operating Earnings as measures of franchise profitability. For a definition of these measurements, see Glossary of Terms on page 41. The following table provides Chase's segment results on an operating basis.

(in millions)	GLOBAL BANK	NATIONAL CONSUMER SERVICES	GLOBAL SERVICES	CORPORATE/ RECONCILING ITEMS (a)	TOTAL
THIRD QUARTER 1999					
Operating Revenue (b)	$ 2,234	$ 2,498	$ 801	$ (104)	$ 5,429
Intersegment Revenue (b)	(11)	--	30	(19)	--
Operating Earnings	663	399	134	(9)	1,187
Cash Operating Earnings (c)	674	435	150	(2)	1,257
Average Managed Assets	231,811	129,561	15,462	5,260	382,094
SVA	247	173	55	64	539
Third Quarter 1998					
Operating Revenue (b)	$ 1,390	$ 2,295	$ 710	$ (70)	$ 4,325
Intersegment Revenue (b)	(42)	--	18	24	--
Operating Earnings	291	307	115	25	738
Cash Operating Earnings (c)	301	348	120	32	801
Average Managed Assets	244,707	118,772	11,481	6,332	381,292
SVA	(104)	86	53	33	68

(in millions)	GLOBAL BANK	NATIONAL CONSUMER SERVICES	GLOBAL SERVICES	CORPORATE/ RECONCILING ITEMS (a)	TOTAL
NINE MONTHS 1999					
Operating Revenue (b)	$ 7,179	$ 7,343	$ 2,308	$ (292)	$ 16,538
Intersegment Revenue (b)	(42)	1	69	(28)	--
Operating Earnings	2,338	1,131	351	(109)	3,711
Cash Operating Earnings (c)	2,371	1,251	397	(89)	3,930
Average Managed Assets	232,104	127,119	15,576	7,105	381,904
SVA	1,117	481	116	22	1,736
Nine Months 1998					
Operating Revenue (b)	$ 5,764	$ 6,685	$ 2,059	$ (239)	$ 14,269
Intersegment Revenue (b)	(84)	3	50	31	--
Operating Earnings	1,699	899	334	(62)	2,870
Cash Operating Earnings (c)	1,730	1,024	349	(45)	3,058
Average Managed Assets	253,090	117,989	12,370	5,975	389,424
SVA	522	246	150	18	936

(a) Corporate/Reconciling Items includes Chase.com and the effects remaining at the Corporate level after the implementation of management accounting policies.

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

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

Item 1. (continued)

The table below presents a reconciliation of the combined segment information to Chase's consolidated net income as included in the Consolidated Statement of Income. For a further discussion concerning the results of Chase's business franchises (segments), see Lines of Business Results in the MD&A on pages 13-18.

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
SEGMENTS' CASH OPERATING EARNINGS	$ 1,259	$ 769	$ 4,019	$ 3,103
Corporate/Reconciling Items	(2)	32	(89)	(45)
CONSOLIDATED CASH OPERATING EARNINGS	1,257	801	3,930	3,058
Amortization of Goodwill and Certain Intangibles	(70)	(63)	(219)	(188)
CONSOLIDATED OPERATING EARNINGS	1,187	738	3,711	2,870
Special Items and Restructuring Costs	--	99	42	(234)
CONSOLIDATED NET INCOME	$ 1,187	$ 837	$ 3,753	$ 2,636

Part I
Item 2.

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

OVERVIEW

(in millions, except per share and ratio data)	THIRD QUARTER			NINE MONTHS		
	1999	Over(Under) 1998		1999	Over(Under) 1998	
OPERATING BASIS (a)						
Operating Revenue	$ 5,429	$ 1,104	26%	$ 16,538	$ 2,269	16%
Operating Earnings	1,187	449	61	3,711	841	29
Diluted Earnings Per Share	1.37	.55	67	4.25	1.05	33
Shareholder Value Added	539	471	693	1,736	800	85
Cash Operating Earnings	1,257	456	57	3,930	872	29
Return on Average Common Equity	21.7%		860 bp	22.2%		440 bp
Efficiency Ratio	55		(500)	53		(200)
REPORTED BASIS						
Net Income	$ 1,187	$ 350	42%	$ 3,753	$ 1,117	42%
Diluted Earnings Per Share	1.37	.43	46	4.30	1.37	47
Return on Average Common Equity	21.7%		680 bp	22.5%		620 bp

(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 41.

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

Chase's 1999 third quarter operating earnings were $1.19 billion, diluted earnings per share on an operating basis were $1.37, and return on average common equity was 22%. Operating earnings and diluted earnings per share increased 61% and 67%, respectively, from the third quarter of 1998. For the nine months of 1999, operating earnings and diluted earnings per share rose 29% and 33%, respectively, from the nine months of 1998.

Reported diluted earnings per share were $1.37 in the 1999 third quarter, an increase of 46% from the same period in 1998. For the nine months of 1999, reported diluted earnings per share were $4.30, 47% higher than the same prior year period. Reported net income in the 1999 third quarter and for the first nine months of 1999 increased 42% from the same 1998 periods. For a reconciliation of Chase's results as reported in its consolidated financial statements and as presented on an operating basis, see page 19.

Operating highlights for the third quarter of 1999 included:

- Operating revenues of $5.4 billion, an increase of 26%.
- Operating earnings per share of $1.37, an increase of 67%.
- Return on average common stockholders' equity ("ROCE") of 22%, with Shareholder Value Added (SVA) of $539 million.
- Common stock repurchases of $780 million, on a net basis, with a Tier 1 capital ratio of 8.2%.

The strong 1999 third quarter results continued to demonstrate Chase's disciplined approach to managing capital and making investments that propel future growth.

BUSINESS FRANCHISES: Each of Chase's three business franchises, Global Banking, National Consumer Services and Global Services, produced third quarter cash operating earnings growth of 25% or more and a return on equity in excess of 20%. In Global Banking, the efficiency ratio was better than 50%, with a cash ROCE of 21%, for the 1999 third quarter. Chase's investment banking businesses continued to gain market share and improve its rankings in league tables. For the nine months of 1999 in the U.S., Chase ranked #1 in loan syndications, #3 in both high yield and investment grade corporate debt securities, and #8 in merger and acquisition advisory. In Global Services, revenue and cash operating earnings growth for the 1999 third quarter were 13% and 25%, respectively. National Consumer Services had revenue growth of 9%, and when combined with improvements in asset quality and expense management, resulted in income growth of 25%.

FINANCIAL DISCIPLINE: Expense, credit and capital discipline also contributed to the results. Total operating noninterest expense for the third quarter was almost flat when compared to the 1999 second quarter. Chase continues to manage its operating noninterest expense to support its revenue growth. Credit costs remained stable with second quarter 1999. Although nonperforming assets increased from the second quarter due to a single foreign customer, nonperforming assets as a percentage of total assets remained low at .54%. Finally, the capital discipline imposed by Chase's Shareholder Value Added ("SVA") methodology enabled Chase to repurchase $780 million of its common stock on a net basis during the 1999 third quarter, while maintaining a Tier 1 capital ratio at 8.2%.

STRATEGIC PRIORITIES: Actions during the third quarter continue to demonstrate Chase's strategic priorities: a commitment to use resources to strengthen its competitive positions where it has leadership positions. Recent investments by Chase include an acquisition of a major mortgage business, a private-label credit card acquisition and the pending acquisition of Hambrecht & Quist. Progress also continued on Chase.com initiatives, including an initial public offering by Shopnow.com, an internet company in which Chase has both an equity investment and a credit card alliance; and an equity investment in Intellisys, an e-commerce procurement company.

Chase has targeted its financial performance goals over time as:

- average ROCE of 18% or higher
- growth in operating revenues accelerating to 10% per year
- double-digit growth in operating earnings per share

This Management's Discussion and Analysis contains certain forward-looking statements, including without limitation, statements related to credit, market, liquidity and operating risk. These forward-looking statements are subject to risks and uncertainties and Chase's actual results may differ materially from those included in these statements. Reference is made to Chase's reports filed with the Securities and Exchange Commission, in particular the 1998 Annual Report, for a discussion of factors that may cause such differences to occur. See Glossary of Terms on page 41 for a definition of terms used throughout this Form 10-Q.

LINES OF BUSINESS RESULTS

The table below provides summary financial information on an operating basis for Chase's three major business franchises. For a description of the basis of presentation that management uses to measure and evaluate business unit profitability, see page 19 of the 1998 Annual Report.

Third Quarter	GLOBAL BANK 1999	GLOBAL BANK Over/(Under) 1998		NATIONAL CONSUMER SERVICES 1999	NATIONAL CONSUMER SERVICES Over/(Under) 1998	
(in millions, except ratios)						
Operating Revenue	$ 2,234	$ 844	61%	$ 2,498	$ 203	9%
Operating Earnings	663	372	128	399	92	30
Cash Operating Earnings (a)	674	373	124	435	87	25
Average Common Equity	12,707	719	6	7,802	51	1
Average Managed Assets	231,811	(12,896)	(5)	129,561	10,789	9
Shareholder Value Added	247	351	NM	173	87	101
Cash Return on Common Equity	20.7%		1,110 bp	21.8%		440 bp
Cash Efficiency Ratio	49		(1,700)	50		(100)

Third Quarter	GLOBAL SERVICES 1999	GLOBAL SERVICES Over/(Under) 1998		TOTAL (b) 1999	TOTAL (b) Over/(Under) 1998	
(in millions, except ratios)						
Operating Revenue	$ 801	$ 91	13%	$ 5,429	$ 1,104	26%
Operating Earnings	134	19	17	1,187	449	61
Cash Operating Earnings (a)	150	30	25	1,257	456	57
Average Common Equity	2,827	860	44	21,328	(353)	(2)
Average Managed Assets	15,462	3,981	35	382,094	802	--
Shareholder Value Added	55	2	4	539	471	693
Cash Return on Common Equity	20.7%		(310) bp	23.0%		870 bp
Cash Efficiency Ratio	71		(100)	53		(600)

(a) CASH OPERATING EARNINGS represent operating earnings excluding the amortization of goodwill and certain intangibles.

(b) Total column includes Corporate results. See description of Corporate results on page 18.

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

Note: The Middle Market business, which previously reported into the Global Bank franchise, now reports into the National Consumer Services franchise. The Global Assets Management and Mutual Funds business, which previously was in Corporate, now reports into the Global Bank franchise. Prior periods have been restated.

For Nine Months Ended September 30, (in millions, except ratios)	GLOBAL BANK 1999	Over/ (Under) 1998		NATIONAL CONSUMER SERVICES 1999	Over/(Under) 1998	
Operating Revenue	$ 7,179	$ 1,415	25%	$ 7,343	$ 658	10%
Operating Earnings	2,338	639	38	1,131	232	26
Cash Operating Earnings (a)	2,371	641	37	1,251	227	22
Average Common Equity	12,588	598	5	7,726	(1)	--
Average Managed Assets	232,104	(20,986)	(8)	127,119	9,130	8
Shareholder Value Added	1,117	595	114	481	235	96
Cash Return on Common Equity	24.9%		610 bp	21.3%		400 bp
Cash Efficiency Ratio	45		(500)	50		--

For Nine Months Ended September 30, (in millions, except ratios)	GLOBAL SERVICES 1999	Over/ (Under) 1998		TOTAL (b) 1999	Over/(Under) 1998	
Operating Revenue	$ 2,308	$ 249	12%	$ 16,538	$ 2,269	16%
Operating Earnings	351	17	5	3,711	841	29
Cash Operating Earnings (a)	397	48	14	3,930	872	29
Average Common Equity	2,821	840	42	21,997	998	5
Average Managed Assets	15,576	3,206	26	381,904	(7,520)	(2)
Shareholder Value Added	116	(34)	(23)	1,736	800	85
Cash Return on Common Equity	18.5%		(460) bp	23.6%		460 bp
Cash Efficiency Ratio	73		100	52		(200)

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

(b) Total column includes Corporate results. See description of Corporate results on page 18.

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

Note: The Middle Market business, which previously reported into the Global Bank franchise, now reports into the National Consumer Services franchise. The Global Assets Management and Mutual Funds business, which previously was in Corporate, now reports into the Global Bank franchise. Prior periods have been restated.

GLOBAL BANK

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

Cash operating earnings in the 1999 third quarter were more than double the amount in the same quarter of the prior year, but less than the record breaking second quarter 1999, when Chase benefited from unusually high market-sensitive revenues. For the Global Bank, the 1999 third quarter results were significantly higher than the prior year quarter, as the 1998 third quarter results reflected the adverse market conditions in effect at that time. The 1999 third quarter results continued to reflect Chase's strong competitive position. The efficiency ratio was better than 50%, with a cash ROCE of 21%, for the 1999 third quarter. For the nine months of 1999, operating revenues and cash operating earnings increased 25% and 37%, respectively, over the same period in 1998. These favorable results were driven by strong trading-related revenue, investment banking fees and private equity gains, partially offset by lower securities gains. Chase anticipates that the financial markets may slow down later in the 1999 fourth quarter, as corporations and customers prepare for the Year 2000 implementation.

THREE MONTHS ENDED SEPTEMBER 30, (in millions, except ratios)	1999 OPERATING REVENUES	1999 CASH OPERATING EARNINGS	1999 CASH EFFICIENCY RATIO	Over(Under) 1998 Operating Revenues	Over(Under) 1998 Cash Operating Earnings	Over(Under) 1998 Cash Efficiency Ratio
Global Markets	$ 922	$ 280	54%	64%	359%	(2,600) bp
Global Investment Banking	402	94	61	100	571	(3,100)
Corporate Lending	398	144	27	(1)	2	(100)
Chase Capital Partners	294	165	13	NM	NM	NM
Global Private Banking	229	49	63	8	7	--
Other Global Bank (a)	(11)	(58)	NM	NM	NM	NM
Total	$ 2,234	$ 674	49%	61%	124%	(1,700) bp
NINE MONTHS ENDED SEPTEMBER 30, (in millions, except ratios)						
Global Markets	$ 3,192	$ 1,097	47%	34%	73%	(1,100) bp
Global Investment Banking	1,096	232	66	15	13	200
Corporate Lending	1,164	418	27	1	7	(100)
Chase Capital Partners	1,058	608	10	82	95	(600)
Global Private Banking	661	133	65	4	(5)	300
Other Global Bank (a)	8	(117)	NM	NM	NM	NM
Total	$ 7,179	$ 2,371	45%	25%	37%	(500) bp

(a) Other Global Bank includes Chase's Global Asset Management and Mutual Funds business and discontinued operations. Total assets under management amounted to $211 billion at September 30, 1999.

NM - Not meaningful

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

GLOBAL MARKETS

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

Chase's trading-related revenues for the third quarter and nine months of 1999 were $679 million and $2,249 million, respectively. The results reflect strong performance in traditional products, including interest rate derivatives, and in other products such as equity derivatives. The total return (pretax before expenses) from interest rate risk management activities amounted to $(14) million and $226 million for the third quarter and nine months of 1999, compared with $351 million and $529 million for the third quarter and nine months of 1998, respectively. The decline in total return is due to the significant rise in interest rates during 1999.

GLOBAL INVESTMENT BANKING

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

Cash operating earnings for Global Investment Banking rose 571% in the third quarter of 1999 to $94 million, when compared with the same quarter in 1998, reflecting continued growth in market share in mergers and acquisitions advisory, high-yield bond underwriting, and loan syndications. For the nine months of 1999, cash operating earnings increased 13%, reflecting the strong growth over the past two quarters partially offset by the impact of lower trading results on high-yield securities during the first quarter of 1999.

CORPORATE LENDING

Corporate Lending provides credit and lending services to clients globally within a strategy that emphasizes origination for distribution. An active portfolio management effort is an integral part of corporate lending activities and is focused on managing concentrations by product, borrower, risk grade, industry and geography. The use of SVA for product and customer decisions resulted in higher spreads on retained assets and the disposition of less-SVA-attractive loans. Management expects to continue to manage the commercial loan portfolio for shareholder value rather than revenue growth. In addition, as the largest structurer and syndicator of commercial loans, Chase originates loans for distribution to other financial institutions. In this process, Chase targets retaining, for its own account, approximately 9% of the principal amount of the loan. Revenues and cash operating earnings in the third quarter of 1999 remained flat when compared with the 1998 third quarter. For the nine months of 1999, revenues increased 1%, while cash operating earnings increased 7%, reflecting lower credit costs.

CHASE CAPITAL PARTNERS

Chase Capital Partners ("CCP") is one of the largest global private equity organizations with approximately $8.5 billion under management, including $5.7 billion in direct equity and equity-related investments and $1.6 billion in fund investments. CCP provides equity and mezzanine financing for a wide variety of investment opportunities in the United States and, to a lesser extent, abroad. During the nine months of 1999, CCP's direct investments totaled approximately $1.5 billion in 102 venture capital, management buyout, recapitalization, growth equity and mezzanine transactions, compared with approximately $1.2 billion in 84 direct investments for the nine months of 1998. Earnings reflected continued strength in the equity markets, a favorable environment for technology and internet initial public offerings (IPOs) (particularly in the second and third quarters of 1999), and the positive impact of maturing investments within the portfolio, partially offset by higher costs to support a higher level of investments.

GLOBAL PRIVATE BANK

The Global Private Bank serves a global client base of high net worth individuals and families, offering a full range of private banking services as well as access to the broad product capabilities of the Global Bank. Services include investment management, global capital market products and services, risk management, alternative investments such as private equity funds, trust and estate planning, global custody, mutual funds, credit and banking, and philanthropic advisory services. Revenues for the third quarter and the nine months of 1999 grew 8% and 4%, when compared with the same 1998 periods. The revenue growth in the business continues to reflect strong growth rates in the U.S. Cash operating earnings increased 7% and decreased 5% for the third quarter and nine months of 1999, respectively, from comparable 1998 periods, reflecting an increase in expenses due primarily to on-going technology and productivity initiatives.

NATIONAL CONSUMER SERVICES

National Consumer Services ("NCS") serves more than 30 million customers nationwide offering a wide variety of financial products and services through a diverse array of channels. Characterized by significant scale, and operating under the strong Chase brand, NCS combines nationwide presence with a leading consumer and small business banking franchise in the New York metropolitan tri-state region and key Texas markets.

For the third quarter and nine months of 1999, NCS's cash operating earnings increased $87 million and $227 million, respectively, over the same 1998 periods. These increases in cash operating earnings are attributable to growth in origination and servicing volume of residential mortgages and auto loans, higher deposit levels and higher fees including increased level of customer activity through Brown & Company, Chase's discount brokerage firm.

Management expects that the rate of growth in NCS revenues for the fourth quarter of 1999 (in comparison to the same quarter of 1998) to be somewhat lower than the 10% year-to-date growth rate. This anticipated moderation in growth rate will be due, in part, to pricing initiatives in the latter part of 1998.

THREE MONTHS ENDED SEPTEMBER 30, (in millions, except ratios)	1999 OPERATING REVENUES	1999 CASH OPERATING EARNINGS	1999 CASH EFFICIENCY RATIO	Over(Under) 1998 Operating Revenues	Over(Under) 1998 Cash Operating Earnings	Over(Under) 1998 Cash Efficiency Ratio
Chase Cardmember Services	$ 1,003	$ 133	35%	3%	36%	(100) bp
Regional Consumer Banking	611	103	70	9	11	(100)
Chase Home Finance	307	73	55	17	18	(100)
Diversified Consumer Services	262	36	57	13	--	400
Middle Markets	252	63	53	4	15	(200)
Other NCS	63	27	NM	NM	NM	NM
Total	$ 2,498	$ 435	50%	9%	25%	(100) bp
NINE MONTHS ENDED SEPTEMBER 30, (in millions, except ratios)						
Chase Cardmember Services	$ 3,020	$ 383	35%	5%	17%	-- bp
Regional Consumer Banking	1,779	304	70	9	18	(300)
Chase Home Finance	870	205	56	16	15	100
Diversified Consumer Services	845	148	52	29	80	(300)
Middle Markets	729	172	55	2	6	--
Other NCS	100	39	NM	NM	NM	NM
Total	$ 7,343	$ 1,251	50%	10%	22%	-- bp

NM - Not meaningful

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

CHASE CARDMEMBER SERVICES

Chase Cardmember Services ("CCS") ranks as the fifth-largest card issuer in the United States. CCS also reflects the results of Chase's international consumer business, which includes Chase Manhattan Card Company Limited, the third largest credit card issuer in Hong Kong, as well as consumer banking activities primarily in Hong Kong. At September 30, 1999, CCS had a $33 billion world-wide managed credit card portfolio. CCS's cash operating earnings for the third quarter of 1999 were $133 million, a 36% increase over 1998. Cash operating earnings for the nine months of 1999 rose 17% to $383 million. The increases in cash operating earnings reflect higher card usage, pricing initiatives started in late 1998 and improved credit quality. These favorable results were partially offset by higher marketing costs.

REGIONAL CONSUMER BANKING

Regional Consumer Banking has a leading share of primary bank relationships among consumers and small businesses in the New York metropolitan tri-state area and is a leading retail institution in key Texas markets. Regional Consumer Banking offers customers convenient access to financial services through their choice of distribution channels, including the largest branch and proprietary ATM networks in the New York metropolitan region, plus telephone, PC and Internet services. For the third quarter and nine months of 1999, cash operating earnings increased 11% to $103 million and 18% to $304 million, respectively, compared with the same periods in 1998, benefiting from higher deposit levels coupled with growth in consumer banking fees and strong expense discipline.

CHASE HOME FINANCE

Chase Home Finance serves more than 3.2 million customers nationwide and is the largest originator and servicer of residential mortgage loans (after the acquisition of the Mellon Mortgage business on September 30, 1999) in the U.S. It is also a leading provider of home-equity secured lending and manufactured housing financing. During the nine months of 1999, $79 billion in residential first-mortgage loans, home-equity and manufactured housing financing were originated, a 40% increase over the same period last year. Management anticipates a decline in origination volume for the fourth quarter of 1999 compared with the same period in the prior year, as a result of increasing interest rates. Chase Home Finance's servicing portfolio increased 58% over the past twelve months and totaled $301 billion at September 30, 1999. Cash operating earnings increased 18% to $73 million and 15% to $205 million for the third quarter and nine months of 1999, respectively. The increases were fueled by growth in originations and servicing revenue, partially offset by lower net interest income as a result of higher funding costs associated with the increase in servicing balances and higher expenses stemming from greater business volume and technology investments.

DIVERSIFIED CONSUMER SERVICES

Diversified Consumer Services ("DCS") is one of the largest bank originator of auto loans and leases in the United States and a leading provider of student loans and unsecured consumer lending. In addition to its financing activities, DCS offers brokerage services and investment products nationwide and is one of the most diversified bank insurance providers in the U.S. At September 30, 1999, Chase Auto Finance had $24 billion in managed receivables including $21 billion in balance sheet receivables. Cash operating earnings increased 80% in the first nine months of 1999 and was driven by the strong growth in auto finance and by higher revenues in Chase's investment and insurance businesses, offset partially by higher expenses due to increased business volumes. Also included in revenues for the nine months of 1999 were $49 million of gains on sales of student loans, which occurred in the first half of 1999 and reflected a shift to a loan origination and sale strategy.

MIDDLE MARKETS

Chase is the premier provider of financial services to middle-market companies (companies with sales ranging from $10 million to $500 million) regionally, with a national focus in selected industries. It is the market leader in the New York metropolitan tri-state area. Cash operating earnings increased in the third quarter and nine months of 1999, compared with the respective 1998 periods, reflecting growth in loan volume along with improved credit quality and disciplined expense management.

GLOBAL SERVICES

Global Services is a leading provider of information and transaction services globally and includes custody, cash management, trust and other fiduciary services. As the world's largest provider of global custody and a leader in trust and agency services, Global Services was custodian for over $5 trillion in assets and serviced over $3 trillion in outstanding debt at September 30, 1999. Global Services also operates the largest U.S. dollar funds transfer business in the world and is a market leader in FedWire, ACH and CHIPS volume.

For the third quarter and nine months ended September 30, 1999, cash operating earnings for Global Services increased $30 million and $48 million, respectively, when compared with the same periods in 1998. Revenue growth was 13% in the third quarter and 12% for the nine months of 1999, driven in part by acquisitions completed in 1998. These increases were offset partially by a decline in excess deposit balances in cash management services. Expenses for the nine months of 1999 were higher than the same period in 1998, reflecting ongoing investment spending and costs related to Year 2000 initiatives.

Management expects that the rate of growth in Global Services revenue for the fourth quarter of 1999 (in comparison to the same quarter of 1998) may be lower than the 12% year-to-date growth rate. This anticipated moderation in the growth rate is due to the inclusion of revenues from an acquisition in the 1998 fourth quarter and the possibility of lower business transaction volume as a result of customer concerns involving the Year 2000.

CORPORATE

Corporate includes Chase.com and the effects remaining at the Corporate level after the implementation of management accounting policies. Chase.com has a direct management responsibility for new internet related ventures and for working with Chase's lines of businesses to capitalize on internet opportunities.

For the third quarter and nine months ended September 30, 1999, Corporate had a cash operating loss of $2 million and $89 million, respectively, compared with cash operating earnings of $32 million and a cash operating loss of $45 million for the same periods in 1998. Prior periods have been restated to reflect refinements in management reporting policies or changes to the management organization.

RESULTS OF OPERATIONS

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

The following table provides a reconciliation between Chase's results as reported in its Consolidated Financial Statements and as presented on an operating basis. Charge-offs and provisions for risk management instruments, included in credit costs prior to 1999, are now netted against trading revenue. All prior periods have been restated.

(in millions, except per share data)

	THIRD QUARTER 1999				Third Quarter 1998			
Revenue:	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	Reported Results (a)	Credit Card (b)	Special Items (c)	Operating Basis
Market-Sensitive	$ 1,541	$ --	$ --	$ 1,541	$ 719	$ --	$ --	$ 719
Less-Market-Sensitive	3,650	238	--	3,888	3,499	298	(191)	3,606
Total Revenue	5,191	238	--	5,429	4,218	298	(191)	4,325
Noninterest Expense	2,975	--	--	2,975	2,651	--	(37)	2,614
Operating Margin	2,216	238	--	2,454	1,567	298	(154)	1,711
Credit Costs	404	238	--	642	268	298	--	566
Income Before Taxes	1,812	--	--	1,812	1,299	--	(154)	1,145
Tax Expense	625	--	--	625	462	--	(55)	407
Net Income	$ 1,187	$ --	$ --	$ 1,187	$ 837	$ --	$ (99)	$ 738
NET INCOME PER COMMON SHARE								
Basic	$ 1.42			$ 1.42	$ 0.96			$ 0.84
Diluted	$ 1.37			$ 1.37	$ 0.94			$ 0.82

	NINE MONTHS 1999				Nine Months 1998			
Revenue:								
Market-Sensitive	$ 5,012	$ --	$ --	$ 5,012	$ 3,549	$ --	$ --	$ 3,549
Less-Market-Sensitive	10,939	753	(166)	11,526	10,047	864	(191)	10,720
Total Revenue	15,951	753	(166)	16,538	13,596	864	(191)	14,269
Noninterest Expense	8,980	--	(100)	8,880	7,979	--	(37)	7,942
Operating Margin	6,971	753	(66)	7,658	5,617	864	(154)	6,327
Credit Costs	1,181	753	--	1,934	934	864	--	1,798
Income Before Restructuring Costs	5,790	--	(66)	5,724	4,683	--	(154)	4,529
Restructuring Costs	--	--	--	--	529	--	(529)	--
Income Before Taxes	5,790	--	(66)	5,724	4,154	--	375	4,529
Tax Expense	2,037	--	(24)	2,013	1,518	--	141	1,659
Net Income	$ 3,753	$ --	$ (42)	$ 3,711	$ 2,636	$ --	$ 234	$ 2,870
NET INCOME PER COMMON SHARE								
Basic	$ 4.44			$ 4.39	$ 3.02			$ 3.29
Diluted	$ 4.30			$ 4.25	$ 2.93			$ 3.20

(a) Represents results as reported in Chase's financial statements, except that revenues are categorized between market-sensitive and less-market-sensitive revenues, foreclosed property expense is reclassified from noninterest expense to credit costs, and restructuring costs have been separately displayed. Market-sensitive revenues include trading revenues (including trading-related net interest income), investment banking fees, securities gains and private equity gains.

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

(c) Includes restructuring costs and special items. For a description of special items, see Glossary of Terms on page 41.

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MARKET-SENSITIVE REVENUE

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

For the third quarter and nine months, market-sensitive revenues in 1999 increased 114% and 41%, respectively, over the same 1998 periods, reflecting increases in trading-related revenues, investment banking fees and private equity gains. Chase anticipates that the financial markets in the latter part of the 1999 fourth quarter may slow down, as corporations and customers prepare for the Year 2000 implementation.

INVESTMENT BANKING FEES

Investment banking fees of $486 million in the 1999 third quarter were up 51% from the prior-year quarter and represent the second highest quarter for Chase, immediately following the record 1999 second quarter results. Fees of $1,388 million for the nine months of 1999 were 24% higher than the nine months of 1998. These strong results reflect market share gains in loan syndications, mergers and acquisitions advisory, and corporate bond underwriting, as Chase leverages its broad customer base and leadership positions in attractive markets.

TRADING-RELATED REVENUE

Trading revenues and related net interest income increased to $679 million for the 1999 third quarter and to $2,249 million for the first nine months of 1999. The results reflect strong performance across a wide variety of trading products.

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
Trading Related Revenue by Type				
Trading Revenue (a)	$ 462	$ (69)	$ 1,606	$ 722
Trading Related NII (b)	217	145	643	541
Total	$ 679	$ 76	$ 2,249	$ 1,263
Product Diversification				
Interest Rate Contracts (c)	$ 223	$ 66	$ 805	$ 292
Foreign Exchange Spot and Option Contracts	199	250	616	796
Equities and Commodities (d)	129	19	303	124
Debt Instruments and Other (e)	128	(259)	525	51
Total	$ 679	$ 76	$ 2,249	$ 1,263

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

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

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

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

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

Interest rate contract revenue increased in the third quarter and nine months of 1999 as a result of interest rate movements in the European markets. Foreign exchange spot and option contract revenue declined in the third quarter and for the nine months of 1999, due to reduced volume because of a return to normal volatility in the Asian markets. Equities and commodities revenue increased for both 1999 periods as a result of favorable market conditions for equity derivative products throughout the nine months of 1999. The increase in debt instruments and other resulted from continued improvement in emerging markets activities and high-grade bonds due to the unsettled markets in the 1998 third quarter.

Chase disclosed on November 1, 1999 that trading revenues in the fourth quarter would be reduced by approximately $60 million before tax ($40 million after tax) as a result of a correction of trading revenues from previous periods.

SECURITIES GAINS

Securities losses realized for the 1999 third quarter were $1 million, compared with securities gains of $261 million in the prior year's third quarter. The 1998 third quarter gains were largely from sales of U.S. Government and agency securities. Due to adverse market conditions during the 1998 third quarter, many investors chose safer investments, such as U.S. Treasuries. Total securities gains for the nine months of 1999 were $160 million, a 64% decrease over the same period in 1998. The decline in securities gains was due to a lower level of sales as a result of higher market interest rates, which reduced the market value of these securities. Unrealized net losses in Chase's available-for-sale securities portfolio were approximately $1.8 billion, before taxes, at September 30, 1999, a decrease from a net unrealized gain of approximately $.6 billion, before taxes, at year-end 1998, reflecting a rise in interest rates during 1999. The market valuation does not include the favorable impact of changes in interest rates on related funding.

PRIVATE EQUITY GAINS

Private equity gains include income from a wide variety of investments in the United States and, to a lesser extent, abroad. Private equity gains in the third quarter and nine months of 1999 were $317 million higher and $492 million higher (an increase of 68%) than the same periods in the prior year. These results reflect gains on investments in companies that had initial public offerings in 1999 and on sales of companies in the telecommunications and internet marketplace. The 1999 third quarter results, while less than the 1999 second quarter, continued to be strong, despite a decline in the market value of a large investment.

LESS-MARKET-SENSITIVE REVENUE

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

Less-market-sensitive revenues increased by 8% in both the 1999 third quarter and first nine months reflecting across the board increases in all categories for both periods.

NET INTEREST INCOME

Reported net interest income ("NII") was $2.17 billion for the 1999 third quarter and $6.52 billion for the 1999 nine months. Excluding the impact of $191 million of interest income resulting from prior years' tax refunds which was recognized in the 1998 third quarter, NII increased 8% for the quarter and 5% for the first nine months when compared with the 1998 periods. For purposes of internal analysis, management combines trading-related NII with trading revenue. Therefore, trading-related NII is excluded from the following analysis.

The following table provides a reconciliation between reported NII as presented on the Consolidated Statement of Income and operating NII.

	THIRD QUARTER			NINE MONTHS		
NET INTEREST INCOME (in millions)	1999	1998	Change	1999	1998	Change
Reported NII	$ 2,170	$ 2,206	(2)%	$ 6,519	$ 6,406	2%
Less Interest on Tax Refunds	--	(191)		--	(191)	
Subtotal	2,170	2,015	8%	6,519	6,215	5%
Add Impact of Credit Card Securitizations	332	374		1,000	1,093	
Less Trading-Related NII	(217)	(145)		(643)	(541)	
Operating NII	$ 2,285	$ 2,244	2%	$ 6,876	$ 6,767	2%
AVERAGE INTEREST-EARNING ASSETS (in billions)						
Reported	$ 290.2	$ 286.9	1%	$ 290.0	$ 295.8	(2)%
Add Impact of Credit Card Securitizations	17.2	18.4		17.6	18.0	
Less Trading-Related Assets	(53.4)	(56.9)		(51.3)	(64.8)	
Managed	$ 254.0	$ 248.4	2%	$ 256.3	$ 249.0	3%
NET YIELD ON INTEREST-EARNING ASSETS (a)						
Reported	2.97%	3.06%	(9) bp	3.01%	2.90%	11 bp
Add Impact of Credit Card Securitizations	.27	.30	(3)	.26	.30	(4)
Impact of Trading-Related NII	.34	.48	(14)	.32	.52	(20)
Less Impact of Tax Refunds	--	(.25)%	25	--	(.08)	8
Managed	3.58%	3.59%	(1) bp	3.59%	3.64%	(5) bp

(a) Disclosed on a taxable equivalent basis.

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

Operating NII of $2.29 billion in the 1999 third quarter and $6.88 billion in the 1999 nine months increased 2% from both the 1998 comparable periods. The increases were primarily due to higher average managed interest-earning assets, particularly domestic consumer loans (notably auto financings), and domestic commercial loans. These increases were partially offset by a decline in the average foreign commercial loan portfolio, as Chase reduced its exposure to emerging markets over the past twelve months.

The net yield on a managed basis was 3.58% for the 1999 third quarter, stable with the 1998 third quarter. For the nine months of 1999, it was 3.59%, a five basis point decline from the net yield for the nine months of 1998. A slight improvement in commercial loan spreads was offset by a decline in interest- free balances. As a result of decreases in both the volume and rate earned on interest-free funds, interest-free funds contributed 59 basis points to the net yield in the 1999 third quarter, compared to 83 basis points in the 1998 third quarter, and contributed 61 basis points to the net yield in the nine months of 1999, compared to 83 basis points in the nine months of 1998.

TRUST, CUSTODY AND INVESTMENT MANAGEMENT FEES

Trust, custody and investment management fees continued their strong performance in the 1999 third quarter and nine months by increasing 15% and 18% over the same periods in 1998. These favorable results were largely attributable to portfolio acquisitions of custody and corporate trust businesses in late 1998 and internally generated growth in investor services and structured finance activities.

CREDIT CARD REVENUE

The following table provides a reconciliation between reported and operating credit card revenue. Operating credit card revenue excludes the impact of credit card securitizations.

	THIRD QUARTER		NINE MONTHS	
(in millions)	1999	1998	1999	1998
Reported Credit Card Revenue	$ 441	$ 381	$ 1,258	$ 1,046
Less Impact of Credit Card Securitizations	(86)	(69)	(227)	(222)

Operating Credit Card Revenue	$ 355	$ 312	$ 1,031	$ 824

Reported credit card revenue rose $60 million, or 16%, in the 1999 third quarter and for the 1999 nine months, revenue increased $212 million, or 20%. These increases were the result of higher late charges and increased credit card customer purchase volume.

FEES FOR OTHER FINANCIAL SERVICES

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
Service Charges on Deposit Accounts	$ 104	$ 92	$ 289	$ 275
Fees in Lieu of Compensating Balances	106	85	287	256
Mortgage Servicing Fees	96	43	238	149
Commissions on Letters of Credit and Acceptances	69	72	207	218
Brokerage and Investment Services	43	35	136	102
Insurance Fees (a)	44	40	124	103
Loan Commitment Fees	44	31	111	101
Other Fees	131	124	385	337
Total	$ 637	$ 522	$ 1,777	$ 1,541

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

SERVICE CHARGES ON DEPOSITS increased 13% for the third quarter 1999, due to higher fees charged on overdrafts. FEES IN LIEU OF COMPENSATING BALANCES increased 25% for the third quarter 1999, due to an increase in the fee structure and customer volume. MORTGAGE SERVICING FEES increased by 123% and 60% for the third quarter and nine months of 1999, respectively, due to a larger servicing balance. The servicing portfolio increased 58% from prior year levels due to higher origination volume and an acquisition of mortgage servicing rights. BROKERAGE AND INVESTMENT SERVICES rose $8 million in the third quarter and $34 million in the nine months, due to a significant increase in customer activity through Brown & Company, Chase's discount brokerage firm. In the past year, Brown & Company has tripled its average trades per day to approximately 35,000, two-thirds of which are now on-line. HIGHER INSURANCE FEES in both the 1999 third quarter and nine months reflected increased business volume, a direct result of increased marketing. LOAN COMMITMENT FEES increased 42% for the third quarter of 1999, due to increased volume in investment banking activity. OTHER FEES rose in both the third quarter and for the nine months of 1999 due to ATM fees charged to non-Chase customers, new cash management products and higher business volume across a number of products.

OTHER REVENUE

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
Residential Mortgage Origination/Sales Activities	$ 95	$ 105	$ 275	$ 241
All Other Revenue	59	25	235	218
Operating Other Revenue	154	130	510	459
Gains on Sales of Non-strategic Assets	--	--	166	--
Other Revenue - Credit Card Securitizations	8	7	20	7
Reported Other Revenue	$ 162	$ 137	$ 696	$ 466

Operating other revenue increased 18% for the third quarter of 1999 (over the same period in 1998), due to improved results from the Octagon Credit Investment Fund and a gain on the sale of upstate New York branches. Partially offsetting these increases were lower revenue from residential mortgage activities (which includes origination and sale of loans and selective disposition of mortgage servicing rights) as a result of higher interest rates during the quarter and a gain in the 1998 third quarter from the sale of a foreign operation.

The 1999 nine months included gains from the sales of student loans, higher revenue from residential mortgage activities, a reflection of the favorable interest-rate environment in early 1999, as well as improved results from the Octagon Credit Investment Fund, which was established late in the 1998 first quarter.

The 1999 nine month reported results included two special gains: $95 million from the sale of One New York Plaza and $71 million from the sale of branches in

Beaumont, Texas.

NONINTEREST EXPENSE

Operating noninterest expense increased 14% and 12% for the third quarter and first nine months of 1999. Both increases were driven primarily by incentive costs tied to higher market sensitive revenues and ongoing technology-related investments. Chase continues to manage its operating noninterest expense to support its revenue growth.

(in millions)	THIRD QUARTER		NINE MONTHS	
	1999	1998	1999	1998
Salaries	$ 1,417	$ 1,168	$ 4,217	$ 3,692
Employee Benefits	238	221	731	660
Occupancy Expense	218	198	642	578
Equipment Expense	255	219	737	640
Other Expense	847	808	2,553	2,372
Operating Noninterest Expense	2,975	2,614	8,880	7,942
Special Contribution to the Foundation (a)	--	--	100	--
Restructuring Costs	--	--	--	529
Accelerated Vesting of Stock-Based Incentive Awards	--	37	--	37
Foreclosed Property Expense (b)	6	(4)	14	2
Reported Noninterest Expense	$ 2,981	$ 2,647	$ 8,994	$ 8,510
Efficiency Ratio (c)	57%	65%	56%	59%
Operating Efficiency Ratio (c) (d)	55%	60%	53%	55%

(a) Represents a $100 million special contribution to The Chase Manhattan Foundation in the 1999 second quarter.

(b) Included within Other Expense on the Consolidated Statement of Income. On an operating basis, these expenses are reflected in Credit Costs.

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

(d) Excludes the impact of credit card securitizations.

The increase in salaries and employee benefits for the 1999 third quarter and nine months was due to higher incentive costs, mainly driven by higher market-sensitive revenue. Also contributing to the increase was the net addition of almost 1,700 full-time equivalent employees as a result of acquisitions (in the mortgage, credit card, and custody and fiduciary services businesses) and growth in certain businesses.

FULL-TIME EQUIVALENT EMPLOYEES	SEPTEMBER 30, 1999	September 30, 1998
Domestic Offices	61,665	60,538
Foreign Offices	11,353	10,806
Total Full-Time Equivalent Employees	73,018	71,344

OCCUPANCY AND EQUIPMENT EXPENSE

Occupancy expense increased $20 million in the 1999 third quarter and $64 million during the first nine months of 1999 when compared with same periods in 1998. The increases were primarily due to higher rental costs resulting from business expansions and acquisitions occurring in late 1998 and during 1999. The higher level of equipment expense during the 1999 third quarter and nine months was due to the increase in depreciation expense from the capitalization of costs related to more advanced hardware systems across all businesses. The increase was also related to higher rental costs for Year 2000 compliant computer equipment. For a further discussion of Year 2000 efforts, see Operating Risk Management section on page 34.

OTHER EXPENSE

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
Professional Services	$ 170	$ 180	$ 510	$ 483
Marketing Expense	128	108	356	306
Telecommunications	96	90	284	258
Amortization of Intangibles	70	63	219	188
Travel and Entertainment	54	58	163	177
Minority Interest (a)	12	12	37	36
All Other	317	297	984	924
Total Operating Other Noninterest Expense	847	808	2,553	2,372
Foreclosed Property Expense	6	(4)	14	2
Special Contribution to the Foundation (b)	--	--	100	--
Total Reported Other Noninterest Expense	$ 853	$ 804	$ 2,667	$ 2,374

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

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

OPERATING OTHER EXPENSE for the 1999 third quarter and nine months increased $39 million and $181 million, respectively, when compared with the third quarter and nine months of 1998. PROFESSIONAL SERVICES COSTS for the first nine months reflect a higher level of contract computer professionals associated with the Year 2000 efforts. The increase in MARKETING EXPENSE was due to higher costs at Chase Cardmember Services. Additionally, costs incurred for the Chase brand campaign and sponsorship of various events also increased marketing expenses. The rise in TELECOMMUNICATIONS COSTS primarily reflects both installation and usage stemming from the growth in business volume at all of Chase's major franchises. The purchase of a global custody business during the fourth quarter 1998 contributed to the increase in the AMORTIZATION OF INTANGIBLES. For the 1999 third quarter and first nine months, ALL OTHER EXPENSE increased $20 million and $60 million, respectively, when compared to the same periods of 1998, reflecting growth in business volume at Chase Cardmember Services and the global custody acquisition.

RESTRUCTURING COSTS

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

CREDIT COSTS

Credit costs include provision for loan losses, credit costs associated with credit card securitizations and foreclosed property expense.

(in millions)	THIRD QUARTER 1999	THIRD QUARTER 1998	NINE MONTHS 1999	NINE MONTHS 1998
Provision for Loan Losses	$ 398	$ 272	$ 1,167	$ 932
Credit Costs Associated with Credit Card Securitizations	238	298	753	864
Foreclosed Property Expense (a)	6	(4)	14	2
Operating Credit Costs (b)	$ 642	$ 566	$ 1,934	$ 1,798

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

(b) Excludes provision for risk management instrument credit losses of $183 million in the third quarter of 1998 and $205 million for the nine months of 1998, which are netted against trading revenue. Prior periods have been restated.

Credit costs in 1999 increased from the respective 1998 levels, primarily due to higher credit losses and lower recoveries in the domestic commercial loan portfolio.

INCOME TAXES

Chase recognized income tax expense of $625 million in the third quarter of 1999 compared with $462 million in the third quarter of 1998. The effective tax rate for each period was 34.5% and 35.6%, respectively. For the nine months, Chase recorded income tax expense of $2.04 billion in 1999, compared with $1.52 billion in 1998, at an effective tax rate of 35.2% and 36.5%, respectively.

CREDIT RISK MANAGEMENT

The following discussion of Chase's credit risk management focuses primarily on developments in 1999 and should be read in conjunction with pages 29-35 and 50-51 of Chase's 1998 Annual Report.

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

(in millions)	CREDIT-RELATED ASSETS SEPTEMBER 30, 1999	CREDIT-RELATED ASSETS Dec 31, 1998	NONPERFORMING ASSETS SEPTEMBER 30, 1999	NONPERFORMING ASSETS Dec 31, 1998	PAST DUE 90 DAYS & OVER AND STILL ACCRUING SEPTEMBER 30, 1999	PAST DUE 90 DAYS & OVER AND STILL ACCRUING Dec 31, 1998
CONSUMER:						
Domestic Consumer:						
1-4 Family Residential Mortgages	$ 42,134	$ 41,831	$ 308	$ 313	$ 2	$ 3
Credit Card - Reported	14,246	14,229	--	--	252	302
Credit Card Securitizations (a)	18,028	18,033	--	--	324	379
Credit Card - Managed	32,274	32,262	--	--	576	681
Auto Financings	18,429	16,456	73	50	3	20
Other Consumer	6,536	8,375	5	6	57	97
Total Domestic Consumer	99,373	98,924	386	369	638	801
Foreign Consumer	2,822	2,939	30	23	11	10
TOTAL CONSUMER	102,195	101,863	416	392	649	811
COMMERCIAL:						
Domestic Commercial:						
Commercial and Industrial	47,151	43,123	435	331	29	42
Commercial Real Estate	3,363	3,984	50	41	5	1
Financial Institutions	4,843	6,583	23	1	--	--
Total Domestic Commercial	55,357	53,690	508	373	34	43
Foreign Commercial:						
Commercial and Industrial	25,565	25,532	884	603	12	7
Commercial Real Estate	203	367	--	--	--	--
Financial Institutions	4,352	4,537	23	22	20	24
Foreign Governments	3,814	4,798	43	50	--	--
Total Foreign Commercial	33,934	35,234	950	675	32	31
Derivative and FX Contracts	31,408	33,255	36	50	--	--
TOTAL COMMERCIAL CREDIT-RELATED	120,699	122,179	1,494	1,098	66	74
Total Managed Credit-Related	$ 222,894	$ 224,042	1,910	1,490	$ 715	$ 885
Assets Acquired as Loan Satisfactions			105	116		
TOTAL NONPERFORMING ASSETS			$ 2,015	$ 1,606		

(in millions)	NET CHARGE-OFFS Third Quarter 1999	NET CHARGE-OFFS Third Quarter 1998	NET CHARGE-OFFS Nine Months 1999	NET CHARGE-OFFS Nine Months 1998
CONSUMER:				
Domestic Consumer:				
1-4 Family Residential Mortgages	$ 9	$ 6	$ 19	$ 22
Credit Card - Reported	207	187	641	550
Credit Card Securitizations (a)	238	298	753	864
Credit Card-Managed	445	485	1,394	1,414
Auto Financings	19	17	57	58
Other Consumer	49	39	144	123
Total Domestic Consumer	522	547	1,614	1,617
Foreign Consumer	9	6	27	14
TOTAL CONSUMER	531	553	1,641	1,631
COMMERCIAL:				
Domestic Commercial:				
Commercial and Industrial	57	(58)	106	(75)
Commercial Real Estate	(2)	(3)	(13)	(9)
Financial Institutions	11	(1)	39	(2)
Total Domestic Commercial	66	(62)	132	(86)
Foreign Commercial:				
Commercial and Industrial	29	140	139	304

Commercial Real Estate	--	--	--	--
Financial Institutions	7	14	5	24
Foreign Governments	--	--	(1)	(2)
Total Foreign Commercial	36	154	143	326
TOTAL COMMERCIAL	102	92	275	240
TOTAL MANAGED LOANS (b)	$ 633	$ 645	$ 1,916	$ 1,871

(a) Represents the portion of Chase's credit card receivables that have been securitized. (b) Excludes charge-offs for risk management instruments, which are netted against trading revenues.

Chase's managed credit related assets totaled $223 billion at September 30, 1999, a slight decrease of $1 billion or 1% during the nine months of 1999 reflecting lower derivatives and foreign exchange receivables and foreign commercial loans. Chase's nonperforming assets at September 30, 1999 increased $409 million, or 25%, from the 1998 year-end level. This increase occurred primarily in the foreign commercial loan portfolio, due to one customer.

RETAINED NET CHARGE-OFFS increased $48 million during the 1999 third quarter and $156 million for the nine months of 1999, when compared to the same periods in 1998. MANAGED NET CHARGE-OFFS decreased in the 1999 third quarter by $12 million and increased by $45 million for the first nine months of 1999, as compared to 1998. The increase in retained net charge-offs was due primarily to higher charge-off levels in the retained credit card portfolio and lower recoveries on the domestic commercial portfolio. On a managed basis, these increases were offset by lower charge-offs on securitized credit cards.

Management expects that credit costs, on a managed basis, will remain relatively stable over the remainder of 1999 and for the full year 1999 will be of a similar magnitude to credit costs incurred in 1998. For the consumer portfolio, management expects net charge-off rates will be slightly lower than in 1998. The commercial charge-off rate varies more than the consumer charge-off rate and, over time, Chase expects annual commercial net charge-offs to be in the range of 40-60 basis points.

AVERAGE ANNUAL NET CHARGE-OFF RATES

	THIRD QUARTER		NINE MONTHS	
	1999	1998	1999	1998
CONSUMER LOANS:				
1-4 Family Residential Mortgages	.08%	.06%	0.6%	.07%
Credit Card-Managed (a)	5.53	6.19	5.81	5.94
Auto Financings	.41	.49	.42	.56
Other Consumer (b)	2.25	1.43	2.05	1.62
Total Consumer Loans	2.07	2.23	2.13	2.23
COMMERCIAL LOANS:				
Total Commercial Loans	.46	.43	.42	.36
Total Managed Loans	1.33	1.40	1.34	1.34

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

CONSUMER LOAN PORTFOLIO

Residential Mortgage Loans: Residential mortgage loans outstanding remained stable at September 30, 1999, when compared with year-end balances, while the level of nonperforming domestic residential mortgage loans decreased by 2%. The loss rate of .08% for the 1999 third quarter was up slightly from the previous year. However, for the nine months of 1999, net charge-offs decreased by $3 million when compared to the same period in 1998. This portfolio's asset quality continues to be strong.

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

Average managed credit card receivables increased slightly for the three and nine month periods ended September 30, 1999, compared with the same periods last year. The decrease in the net charge-off rate for the third quarter of 1999 and the first nine months was a result of lower customer bankruptcy levels. Management has been targeting net charge-offs, as a percentage of average credit card receivables, to range from 5 1/2 - 6% for the 1999 full year and anticipates continuing improvement in credit quality in the credit card portfolio into next year.

MANAGED CREDIT CARD PORTFOLIO (a)

(in millions, except ratios)	As of or for the Three Months Ended September 30, 1999	1998	As of or for the Nine Months Ended September 30, 1999	1998
Average Credit Card Receivables	$32,869	$31,607	$32,510	$31,991
Past Due 90 Days or More and Accruing	$ 591	$ 675	$ 591	$ 675
As a Percentage of Average Credit Card Receivables	1.80%	2.14%	1.82%	2.11%
Net Charge-offs	$ 454	$ 489	$ 1,416	$ 1,425
As a Percentage of Average Credit Card Receivables	5.53%	6.19%	5.81%	5.94%

(a) Includes domestic and foreign credit card activity.

Auto Financings: Auto financings increased 12%, reflecting continued strong customer demand due to favorable pricing programs. The charge-off rates of .41% for the third quarter and .42% for the nine months of 1999 are indicative of the selective approach to asset origination.

Other Consumer: Other domestic consumer loans decreased 22% from the year-end level due to the sale of student loans during the first half of 1999. The increase in the net charge-off rates in 1999 reflects the sale of government-guaranteed student loans and higher losses in certain new and existing product lines.

COMMERCIAL PORTFOLIO

The DOMESTIC COMMERCIAL portfolio increased $1.7 billion from the 1998 year-end. Net charge-offs were $66 million during the 1999 third quarter and $132 million for the nine months of 1999, compared with net recoveries in the same prior year periods. Net charge-offs for the portfolio remain at a low level, indicative of the portfolio's diversification and strong credit quality.

The FOREIGN COMMERCIAL portfolio totaled $33.9 billion at September 30, 1999 and outstandings declined slightly from 1998 year-end levels as Chase continued to reduce its exposure to emerging markets. Nonperforming assets increased $275 million due primarily to a single foreign credit. Net charge-off levels for the 1999 third quarter and nine months decreased in comparison with the prior year by $118 million, or 77%, and $183 million, or 56%, respectively, due to the adverse market conditions in the third quarter of 1998.

COUNTRY EXPOSURE

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

SELECTED COUNTRY EXPOSURE (a)

(in billions)	AT SEPTEMBER 30, 1999						At Dec 31, 1998	
	LENDING-RELATED (b)	TRADING-RELATED (c)	GROSS LOCAL COUNTRY ASSETS	LESS LOCAL FUNDING	NET CROSS-BORDER EXPOSURE (a)	COUNTRY RELATED RESALE AGREEMENTS (a)	Net Cross-Border Exposure	Country Related Resale Agreements
LATIN AMERICA								
Brazil	$ 1.1	$ 0.3	$ 1.0	$ (0.6)	$ 1.8	$ 1.2	$ 2.3	$ 0.9
Argentina	1.9	0.2	0.3	(0.3)	2.1	0.7	2.3	0.5
Mexico	1.0	0.7	0.4	(0.4)	1.7	0.4	1.8	0.4
Chile	0.8	--	0.1	(0.1)	0.8	--	0.9	--
Colombia	0.7	--	--	--	0.7	--	0.8	--
Venezuela	0.3	--	--	--	0.3	0.2	0.4	--
All Other Latin America (d)	0.4	0.5	0.7	(0.7)	0.9	--	1.0	--
Total Latin America	$ 6.2	$ 1.7	$ 2.5	$ (2.1)	$ 8.3	$ 2.5	$ 9.5	$ 1.8
ASIAN IMF COUNTRIES								
South Korea	$ 0.6	$ 0.3	$ 0.9	$ (0.4)	$ 1.4	$ --	$ 2.4	$ --
Indonesia	0.9	0.1	0.1	(0.1)	1.0	--	1.2	--
Thailand	0.2	0.1	0.8	(0.4)	0.7	--	0.9	--
Subtotal	1.7	0.5	1.8	(0.9)	3.1	--	4.5	--
OTHER EMERGING ASIA								
Hong Kong	0.6	0.1	4.9	(4.9)	0.7	--	0.8	--
Singapore	0.7	0.1	0.1	(0.1)	0.8	--	0.8	--
Philippines	0.2	0.1	0.2	(0.1)	0.4	0.1	0.6	--
Malaysia	0.2	0.1	0.5	(0.1)	0.7	--	0.6	--
China	0.3	0.1	0.2	(0.1)	0.5	--	0.6	--
All Other Asia	0.3	0.1	0.2	(0.2)	0.4	--	0.5	--
Total Asia excluding Japan, Australia and New Zealand	$ 4.0	$ 1.1	$ 7.9	$ (6.4)	$ 6.6	$ 0.1	$ 8.4	$ --
Japan	$ 3.0	$ 1.8	$ 2.1	$ (2.1)	$ 4.8	$ 1.0	$ 5.2	$ 1.7
Australia	0.6	0.7	2.7	(2.0)	2.0	--	1.9	--
New Zealand	0.1	0.3	--	--	0.4	0.1	0.6	--
Total Japan, Australia and New Zealand	$ 3.7	$ 2.8	$ 4.8	$ (4.1)	$ 7.2	$ 1.1	$ 7.7	$ 1.7

- ---

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

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

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

(d) Excludes Bermuda and Cayman Islands.

At September 30, 1999, Chase had approximately $44 million in lending and trading related exposure to Russia, a decrease of $52 million from December 31, 1998. Chase also had at September 30, 1999 approximately $33 million in resale agreements with non-Russian counterparties collateralized by non-ruble denominated Russian debt, a decrease of $54 million during 1999.

Chase reduced its exposure to emerging markets in Asia and Latin America from year-end (by 20% and 4%, respectively). Total nonperforming assets in Asia increased by $292 million from 1998 year-end to $793 million at September 30, 1999. Asian commercial loan net charge-offs for the 1999 third quarter and nine months were $22 million and $152 million, respectively, compared with $29 million and $221 million, respectively, in the same 1998 periods. There were net recoveries of $1 million and $3 million for Latin American commercial loans during the third quarter and first nine months of 1999, respectively.

Management believes that Chase's current levels of cross-border exposure reflect appropriate levels of business, market, credit and capital risk in light of Chase's cross-border business activities and, accordingly, management currently does not expect there will be significant changes in Chase's cross-border exposures over the balance of 1999 and into early next year.

DERIVATIVE AND FOREIGN EXCHANGE CONTRACTS

For a discussion of the derivative and foreign exchange contracts utilized in connection with trading and ALM activities, see pages 34-35 and Notes One and Nineteen of Chase's 1998 Annual Report. Counterparties in derivatives and foreign exchange are primarily investment grade financial institutions, most of which are dealers in these products. The following table provides the remaining maturities of derivative and foreign exchange contracts outstanding at September 30, 1999 and December 31, 1998.

	AT SEPTEMBER 30, 1999				At December 31, 1998			
	INTEREST RATE CONTRACTS	FOREIGN EXCHANGE CONTRACTS	EQUITY, COMMODITY AND OTHER CONTRACTS	TOTAL	Interest Rate Contracts	Foreign Exchange Contracts	Equity, Commodity and Other Contracts	Total
Less than 1 year	16%	92%	32%	35%	15%	93%	38%	37%
1 to 5 years	47	6	65	38	48	5	59	37
Over 5 years	37	2	3	27	37	2	3	26
Total	100%	100%	100%	100%	100%	100%	100%	100%

At September 30, 1999, nonperforming derivative contracts were $36 million, compared with $50 million at December 31, 1998.

ALLOWANCES FOR CREDIT LOSSES

The following discussion should be read in conjunction with page 35 and Notes One and Five of Chase's 1998 Annual Report.

(in millions, except ratios)

Allowances for Credit Losses: (a)	SEPTEMBER 30, 1999	September 30, 1998
Loans	$ 3,555	$ 3,554
Lending-Related Commitments	170	170

	THIRD QUARTER		NINE MONTHS	
	1999	1998	1999	1998
Allowance for Loan Losses at Beginning of Period	$ 3,554	$ 3,629	$ 3,552	$ 3,624
Provision for Loan Losses	398	272	1,167	932
Charge-Offs	(452)	(466)	(1,353)	(1,300)
Recoveries	57	119	190	293
Net Charge-Offs	(395)	(347)	(1,163)	(1,007)
Other	(2)	--	(1)	5
Allowance for Loan Losses at End of Period	$ 3,555	$ 3,554	$ 3,555	$ 3,554

Allowance for Loan Losses to:	1999	1998
Nonperforming Loans	190%	257%
Loans at Period-End	2.05	2.13
Average Loans (Nine months)	2.05	2.11

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

Chase deems its allowances for credit losses at September 30, 1999 to be adequate. Estimating losses is inherently uncertain and depends on many factors, including general macroeconomic and political conditions, rating migration, structural changes within industries which alter competitive positions, event risk, unexpected correlations within the portfolio, and other external factors such as legal and regulatory requirements. Chase periodically reviews such factors and reassesses the adequacy of the allowances for credit losses.

MARKET RISK MANAGEMENT

The following discussion focuses primarily on developments during 1999 and should be read in conjunction with pages 36-39 and Notes One and Nineteen of Chase's 1998 Annual Report.

The table that follows provides information on Chase's value-at-risk on its trading and asset/liability management ("ALM") portfolios.

	Trading Portfolio				Market Risk-Related ALM Activities			
	Twelve-Month Period Ended September 30, 1999			At	Twelve-Month Period Ended September 30, 1999			At
(in millions)	Average VAR	Minimum VAR	Maximum VAR	Sept 30, 1999 VAR	Average VAR	Minimum VAR	Maximum VAR	Sept 30, 1999 VAR
Interest Rate	$ 20.5	$ 10.7	$ 36.5	$ 21.3	$ 77.4	$ 59.9	$ 94.0	$ 87.6
Foreign Exchange	7.5	2.2	21.3	5.9	--	--	--	--
Commodities	3.2	1.9	7.6	7.6	--	--	--	--
Equities	5.8	2.1	10.1	5.2	--	--	--	--
Hedge Fund Investments	4.4	4.1	4.6	4.6	12.7	9.9	15.4	10.2
Less:								
Portfolio Diversification	(17.5)	NM	NM	(18.0)	(12.3)	NM	NM	(11.4)
Total VAR	$ 23.9	$ 12.3	$ 41.8	$ 26.6	$ 77.8	$ 59.9	$ 94.0	$ 86.4

	Aggregate Portfolio			
	Average VAR Twelve-Month Period Ended		VAR at	
	Sept 30, 1999	Sept 30, 1998	Sept 30, 1999	Sept 30, 1998
Trading Portfolio	$ 23.9	$ 27.3	$ 26.6	$ 24.7
Market Risk-Related ALM Activities	77.8	48.6	86.4	59.1
Less: Portfolio Diversification	(20.2)	(21.9)	(22.5)	(33.3)
Aggregate VAR	$ 81.5	$ 54.0	$ 90.5	$ 50.5

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

Average aggregate VAR (VAR for both trading and ALM activities) for the twelve-month period ended September 30, 1999 was $81.5 million and at September 30, 1999 was $90.5 million. Chase's aggregate average and period-end VARs are less than the sum of the respective trading and ALM VARs shown in the above table (by $20.2 million and $22.5 million, respectively) due to risk offsets, resulting from portfolio diversification which occurs across the trading and ALM portfolios. The increase in the aggregate VAR levels through September 30, 1999 were primarily due to the increase in interest rate volatility over the past twelve months, and the increase in net risk resulting from the Mellon Mortgage Servicing Portfolio acquisition.

Chase conducts daily VAR backtesting for both regulatory compliance with the Basle Committee on Banking Supervision market risk capital rules and internal evaluation of VAR against trading revenues. For trading activities, there were no days during the twelve months ended September 30, 1999 in which a daily trading loss exceeded that day's VAR. This compares to an expected number of approximately 3 days under Chase's VAR model.

The following chart contains a histogram of daily market risk-related revenue, which is defined as the daily change in value of mark-to-market trading portfolios plus any trading-related net interest income or other revenue. Chase posted positive daily market risk-related revenue for 244 out of 259 business trading days, with 61 business days exceeding positive $20 million. Chase incurred no daily trading losses in excess of $20 million over the past twelve months.

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

ASSET/LIABILITY MANAGEMENT

MEASURING INTEREST RATE SENSITIVITY: Oversight of Chase's ALM interest rate risk and Market Risk Management functions was consolidated under the Market Risk Committee at the beginning of 1999. At that time, Chase began to extend the market risk procedures and measurements utilized for its trading and investment portfolios to its ALM activities.

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

At September 30, 1999, Chase had a BPV value of $4.1 million (pre-tax), indicating that the economic value of Chase's ALM positions would decline $4.1 million for every 1 basis point increase in interest rates, assuming all rates moved in parallel together. This compares with a BPV of $6.4 million at December 31, 1998. The BPV measure is generally "symmetrical"; that is, a 1 basis point decrease in interest rates at September 30, 1999 would result in a $4.1 million (pre-tax) increase in economic value. The BPV measure includes exposure to U.S. dollar interest rates as well as exposure to non-U.S. dollar interest rates in currency markets in which Chase does business. Since U.S. dollar interest rates and non-U.S. dollar interest rates may not move in tandem, the reported BPV value may not represent the actual change in economic value of Chases' ALM portfolio.

At September 30, 1999, based on Chase's simulation models and applying immediate increases to various market interest rates (100 bp increase for US dollar-denominated positions and a range from 100 bp to 1500 bp increases for non-US dollar-denominated positions), earnings at risk over the next twelve months are estimated to be approximately 3% of projected 1999 net income. During 1998, Chase's earnings at risk to an immediate rise in interest rates averaged less than 4% of net income for 1998. The hypothetical rate shocks are used to calculate risk that Chase believes to be reasonably possible of occurring in the near term, but these scenarios do not necessarily represent management's current view of future market interest rate developments.

Impact of ALM Derivative Activity:

The following table reflects the deferred gains/losses on closed derivative contracts and unrecognized gains/losses on open derivative contracts utilized in Chase's ALM activities.

(in millions)	SEPTEMBER 30, 1999	December 31, 1998	Change
ALM Derivative Contracts:			
Net Deferred Gains	$ 403	$ 402	$ 1
Net Unrecognized Gains (Losses) (a)	(827)	110	(937)
Net ALM Derivative Gains (Losses)	$ (424)	$ 512	$ (936)

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

LIQUIDITY RISK MANAGEMENT

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

LIQUIDITY

During the nine months of 1999, Chase issued $3.4 billion of long-term debt and capital securities of subsidiaries, more than offsetting $2.1 billion of long-term debt that matured and $0.5 billion that was redeemed.

For a discussion of liquidity risk related to Year 2000, see the Operating Risk Management section of this Form 10-Q on pages 35 and 36.

CAPITAL

Chase's capital levels at September 30, 1999 remained strong, with capital ratios well in excess of regulatory guidelines. At September 30, 1999, the Tier 1 and Total Capital ratios were 8.2% and 11.8%, respectively, and the Tier 1 leverage ratio was 6.7%.

During the nine months of 1999, Chase's balance sheet assets increased by only 1% as a result of continued focus on SVA. Management believes a reasonable long-term growth rate for balance sheet assets is approximately 6% - 7%.

The following table shows the impact Chase's disciplined approach to balance sheet management has had on the growth in risk-weighted assets.

	SEPTEMBER 30,		December 31,				
	1999		1998		1997		1996
($ in billions)							
Risk-Weighted Assets	$ 298		$ 289		$ 286		$ 249
Growth Rate		3%		1%		15%	

At September 30, 1999, the Tier 1 capital ratio was within management's intended long-term target range of 8% to 8.25%, notwithstanding net equity purchases during the third quarter of approximately $780 million and for the nine months of approximately $2.6 billion, and a slight increase in risk-weighted assets. Capital generated in excess of this target ratio will be used to purchase Chase common stock or for future reinvestment and acquisition opportunities. As a result of the pending Hambrecht & Quist acquisition, management anticipates that it will be reducing the pace of its stock repurchases for the remainder of the year.

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

(in billions)	NINE MONTHS 1999	FULL YEAR 1998	FULL YEAR 1997
SOURCES OF FREE CASH FLOW			
Operating Earnings Less Dividends	$ 2.6	$ 2.7	$ 2.5
Plus: Preferred Stock and Equivalents/Special Items	0.3	(0.5)	1.0
Less: Capital for Internal Growth	(0.6)	(0.3)	(2.6)
Total Sources of Free Cash Flow	$ 2.3	$ 1.9	$ 0.9
USES OF FREE CASH FLOW			
Increases (Decreases) in Capital Ratios	$ (0.3)	$ 1.2	$ (0.7)
Acquisitions	--	0.8	0.4
Net Repurchases (Issuances)	2.6	(0.1)	1.2
Total Uses of Free Cash Flow	$ 2.3	$ 1.9	$ 0.9

During the nine months of 1999, $2.3 billion of free cash flow was generated, more than that generated during the full year 1998 and more than double for the full year 1997. During 1999, less capital was needed for internal growth (as was the case in 1997), or to bolster capital ratios (as was the case in 1998). The excess cash in 1999 was primarily used for stock repurchases.

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

Under its equity repurchase program, which became effective January 4, 1999, Chase may repurchase up to $3 billion of its common stock in the open market or through negotiated transactions, in addition to any amounts that may need to be purchased to provide for issuances under Chase's dividend reinvestment plan and its various stock-based employee benefit plans. As of September 30, 1999, Chase had repurchased approximately net $2.6 billion. Management anticipates that it will be reducing the pace of its stock repurchases for the remainder of the year to offset the capital impact of the acquisition of Hambrecht & Quist.

At September 30, 1999, the total capitalization of Chase (the sum of Tier 1 and Tier 2 capital) was $35.1 billion, an increase of $234 million from December 31, 1998. This increase reflects retained earnings (net income less common and preferred dividends) generated during the period and new issuance of capital securities of subsidiaries qualifying as Tier 1 capital, partially offset by common stock repurchases, the redemption of $100 million of preferred stock and a net decline in debt issuances qualifying as Tier 2 capital.

OPERATING RISK MANAGEMENT

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

Chase, like all large financial institutions, is exposed to many types of operating risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, and errors relating to computer and telecommunications systems. Chase maintains systems of controls that it believes are reasonably designed to provide senior 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 as discussed below, and there can be no assurance that Chase will not suffer such losses in the future.

Chase has identified some deficiencies in the computerized bond recordkeeping system in the bond paying agency function within Chase's Capital Markets Fiduciary Services group. These deficiencies include an overstatement by the computer system of the amount of outstanding bonds and matured unpresented bonds and other items. Because of these deficiencies, Chase is currently unable to confirm through a complete reconciliation of the relevant accounts that the value of bonds that could potentially be presented for payment does not exceed the amount of cash on hand for payment of such bonds. Chase has underway a project to correct the system's deficiencies and to reconcile the affected accounts. In the third quarter of 1999, in the course of this project, certain past operating errors in bond administration were discovered, which required a write-off of an immaterial amount. While management considers it likely that other write-offs will be taken in the remaining course of the project, it does not expect them to be material. The staff of the Securities and Exchange Commission has initiated an inquiry relating to the question of whether, in connection with this matter, there have been violations of its transfer agency recordkeeping or reporting regulations.

YEAR 2000: Chase's Year 2000 efforts are discussed on pages 41-42 of Chase's 1998 Annual Report, on pages 32-33 of Chase's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999 ("First Quarter 10-Q") and on pages 33-34 of Chase's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 ("Second Quarter 10-Q"). The information below updates Chase's Year 2000 disclosures.

As of September 30, 1999, Chase's computer systems applications currently in operation have been remediated and tested for Year 2000 compliance. Chase's information technology teams are now managing systems changes to ensure that Chase's computer systems applications remain Year 2000 compliant. Chase has also imposed a "freeze" on technology changes from October 1, 1999 through the end of January 2000. The freeze is intended to ensure that Chase's technology environment will be highly stable at year-end.

Due diligence efforts of external Year 2000 risks are continuing. This includes due diligence on settlement counterparties, business partners (such as correspondents, sub custodians, and investment advisors), and customers. In addition, stress testing, on at least a monthly basis, of Chase's market-sensitive portfolios is being performed. The stress test scenarios continue to be updated as more information about worldwide Year 2000 readiness becomes available. Chase continues to evaluate potential Year 2000 impacts upon its funding capability and has taken actions to incorporate such risks into its capital and liquidity planning in order to meet anticipated funding needs at year end.

The results of Chase's due diligence and other assessment efforts are utilized by Chase to help it manage its Year 2000 business risks. Under the auspices of Chase's Year 2000 Business Risk Council, contingency plans have been developed, refined and tested. Approximately 250 different risk scenarios have been identified across all geographies and Chase businesses, resulting in the development of approximately 1,400 individual Year 2000 contingency plans. These plans include identification of possible alternative methods by which to provide service, alternative locations for operations, increased staff support to service customers, as well as ways for Chase to maintain critical services in the event of environmental infrastructure outages.

Chase's Year 2000 program is now focused almost entirely on final preparations for the event. Year 2000 command centers have been created; problem tracking and reporting tools designed; key operational and service performance measures identified for tracking; "wellness checks" of facilities, services, and systems have been planned; and training of "rapid response teams" is in process. Three dress rehearsals have been scheduled during the fourth quarter of 1999. The first dress rehearsal, scheduled for October 15, 1999, tested command center connectivity and processes. The second dress rehearsal, scheduled for October 29 and 30, 1999, tested Chase's Year 2000 tracking, monitoring and communications processes. These dress rehearsals were successful in identifying areas for improved communication and more efficient decision making at the event. The third dress rehearsal, scheduled for early December 1999, is intended to refine business status reporting and test back-up command center infrastructure and processes. The Year 2000 command center structure will become operational in late December and will continue in place until a stable operating environment is achieved.

Chase continues to estimate that full year 1999 Year 2000 costs will be approximately $158 million.

SUPERVISION AND REGULATION

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

DIVIDENDS

Chase's bank subsidiaries could, without the approval of their relevant banking regulators, pay dividends to their respective bank holding companies in amounts up to the limitations imposed upon such banks by regulatory restrictions. These dividend limitations, in the aggregate, totaled approximately $3.5 billion at September 30, 1999.

ACCOUNTING DEVELOPMENTS

DERIVATIVES

In September 1998, the FASB issued SFAS 133, which establishes accounting and reporting standards for all derivative instruments, including certain derivative instruments embedded in other financial instruments (collectively referred to as derivatives), and for hedging activities. During the second quarter of 1999, the FASB issued SFAS 137, which delayed the effective date of SFAS 133 for one year, with early adoption permitted. Chase will, therefore, not be required to adopt SFAS 133 until calendar year 2001. For a further discussion of the requirements of SFAS 133, see the Accounting and Reporting Developments section on page 43 of the 1998 Annual Report.

OTHER EVENTS

On September 28, 1999, Chase and Hambrecht & Quist Group announced an agreement under which Chase would acquire Hambrecht & Quist for $50 per share in cash or a total consideration of $1.35 billion. The boards of directors of both companies have approved the agreement and Chase expects the acquisition to be completed by the end of the year. Revenues and expenses associated with the acquisition of Hambrecht & Quist will be integrated into Chase's Global Bank line of business.

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

	THIRD QUARTER			NINE MONTHS		
	1999	1998	Over(Under) 3Qtr98	1999	1998	Over(Under) 1998
AS REPORTED BASIS						
Revenue	$ 5,191	$ 4,218	23%	$ 15,951	$ 13,596	17%
Noninterest Expense (excluding Restructuring Costs)	2,981	2,647	13	8,994	7,981	13
Restructuring Costs	--	--	--	--	529	NM
Provision for Loan Losses	398	272	46	1,167	932	25
Net Income	1,187	837	42	3,753	2,636	42
Net Income Per Common Share:						
Basic	1.42	.96	48	4.44	3.02	47
Diluted	1.37	.94	46	4.30	2.93	47
Cash Dividends Declared	.41	.36	14	1.23	1.08	14
Book Value at Period End	26.01	26.24	(1)	26.01	26.24	(1)
Share Price at Period End	75.38	43.13	75	75.38	43.13	75
Performance Ratios:						
Return on Average Common Equity (a)	21.7%	14.9%	680 bp	22.5%	16.3%	620 bp
Return on Average Assets (a)	1.29	.92	37	1.38	.95	43
OPERATING BASIS (b)						
Operating Revenue	$ 5,429	$ 4,325	26%	$ 16,538	$ 14,269	16%
Operating Noninterest Expense	2,975	2,614	14	8,880	7,942	12
Credit Costs (c)	642	566	13	1,934	1,798	8
Operating Earnings	1,187	738	61	3,711	2,870	29
Operating Earnings Per Common Share:						
Basic	1.42	.84	69	4.39	3.29	33
Diluted	1.37	.82	67	4.25	3.20	33
Operating Performance Ratios:						
Return on Average Common Equity (a)	21.7%	13.1%	860 bp	22.2%	17.8%	440 bp
Return on Average Managed Assets (a)	1.23	.77	46	1.30	.99	31
Common Dividend Payout Ratio	29	42	(1,300)	28	33	(500)
Efficiency Ratio	55	60	(500)	53	55	(200)
Cash Operating Basis:						
Cash Operating Earnings (d)	$ 1,257	$ 801	57%	$ 3,930	$ 3,058	29%
Diluted Net Income Per Common Share	1.46	.89	64	4.50	3.42	32
Shareholder Value Added (SVA)	539	68	693	1,736	936	85
Cash Return on Average Common Equity (a)	23.0%	14.3%	870 bp	23.6%	19.0%	460 bp
Selected Balance Sheet Items at Period End: (e)						
Managed Loans				$ 191,486	$185,544	3%
Total Managed Assets				389,072	375,422	4

(a) Based on annualized amounts.

(b) Excludes the impact of credit card securitizations, restructuring costs and special items. See Glossary of Terms on page 41.

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

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

(e) Excludes the impact of credit card securitizations.

bp - Denotes basis points; 100 bp equals 1%

NM - Not meaningful

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

	THREE MONTHS ENDED SEPTEMBER 30, 1999			Three months Ended September 30, 1998		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 5,134	$ 195	15.09%	$ 5,312	$ 150	11.15%
Federal Funds Sold and Securities Purchased Under Resale Agreements	32,281	352	4.32%	30,270	517	6.77%
Trading Assets-Debt and Equity Instruments	26,568	399	5.95%	28,271	604	8.47%
Securities:						
Available-for-Sale	51,977	750	5.72% (b)	54,721	845	6.12% (b)
Held-to-Maturity	1,039	17	6.39%	2,176	34	6.26%
Loans	173,246	3,289	7.53%	166,134	3,288	7.86%
Total Interest-Earning Assets	290,245	5,002	6.84%	286,884	5,438	7.52%
Allowance for Loan Losses	(3,484)			(3,573)		
Cash and Due from Banks	13,799			13,743		
Trading Assets - Risk Management Instruments	28,938			36,295		
Other Assets	35,347			29,516		
Total Assets	$ 364,845			$ 362,865		
LIABILITIES						
Domestic Retail Deposits	$ 61,438	573	3.70%	$ 59,671	586	3.89%
Domestic Negotiable Certificates of Deposit and Other Deposits	17,032	156	3.62%	15,986	(52)(d)	(1.27)%
Deposits in Foreign Offices	82,350	921	4.43%	75,130	990	5.23%
Total Time and Savings Deposits	160,820	1,650	4.07%	150,787	1,524	4.01%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	49,290	543	4.37%	55,819	818	5.81%
Commercial Paper	5,032	61	4.84%	4,286	56	5.24%
Other Borrowings (c)	16,786	266	6.28%	14,509	504	13.78%
Total Short-Term and Other Borrowings	71,108	870	4.85%	74,614	1,378	7.33%
Long-Term Debt	19,291	306	6.30%	16,362	324	7.87%
Total Interest-Bearing Liabilities	251,219	2,826	4.46%	241,763	3,226	5.29%
Noninterest-Bearing Deposits	48,636			45,684		
Trading Liabilities - Risk Management Instruments	27,640			37,797		
Other Liabilities	14,446			14,224		
Total Liabilities	341,941			339,468		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	1,026			1,166		
Common Stockholders' Equity	21,328			21,681		
Total Stockholders' Equity	22,354			22,847		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 364,845			$ 362,865		
INTEREST RATE SPREAD			2.38%			2.23%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING						

ASSETS	$ 2,176 (a)	2.97%	$ 2,212 (a)	3.06% (d)

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

(b) For the three months ended September 30, 1999 and September 30, 1998, the annualized rate for available-for-sale securities based on historical cost was 5.53% and 6.19%, respectively.

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

(d) Includes $191 million pre-tax interest income for prior years' refunds. Excluding this amount, the net yield on interest-earning assets would be 2.81% for the 1998 third quarter.

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

	NINE MONTHS ENDED SEPTEMBER 30, 1999			Nine months Ended September 30, 1998		
	AVERAGE BALANCE	INTEREST	RATE (ANNUALIZED)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	$ 6,058	$ 540	11.92%	$ 4,705	$ 450	12.78%
Federal Funds Sold and Securities Purchased Under Resale Agreements	30,527	1,122	4.91%	34,493	1,742	6.75%
Trading Assets-Debt and Equity Instruments	25,412	1,228	6.46%	31,989	1,996	8.34%
Securities:						
Available-for-Sale	53,710	2,297	5.72% (b)	54,003	2,548	6.31% (b)
Held-to-Maturity	1,238	58	6.28%	2,508	120	6.40%
Loans	173,078	9,666	7.47%	168,128	10,012	7.96%
Total Interest-Earning Assets	290,023	14,911	6.87%	295,826	16,868	7.62%
Allowance for Loan Losses	(3,489)			(3,560)		
Cash and Due from Banks	14,666			14,273		
Trading Assets - Risk Management Instruments	28,478			36,264		
Other Assets	34,591			28,646		
Total Assets	$ 364,269			$ 371,449		
LIABILITIES						
Domestic Retail Deposits	$ 61,463	1,614	3.51%	$ 59,389	1,754	3.95%
Domestic Negotiable Certificates of Deposit and Other Deposits	19,564	525	3.59%	16,071	314 (d)	2.62%
Deposits in Foreign Offices	79,782	2,667	4.47%	75,780	3,055	5.39%
Total Time and Savings Deposits	160,809	4,806	4.00%	151,240	5,123	4.53%
Short-Term and Other Borrowings:						
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	50,260	1,660	4.42%	63,592	2,651	5.57%
Commercial Paper	5,091	179	4.69%	4,330	170	5.26%
Other Borrowings (c)	15,123	796	7.04%	16,188	1,544	12.75%
Total Short-Term and Other Borrowings	70,474	2,635	5.00%	84,110	4,365	6.94%
Long-Term Debt	19,255	936	6.50%	16,190	954	7.88%
Total Interest-Bearing Liabilities	250,538	8,377	4.47%	251,540	10,442	5.55%
Noninterest-Bearing Deposits	48,091			45,340		
Trading Liabilities - Risk Management Instruments	27,867			37,297		
Other Liabilities	14,199			14,358		
Total Liabilities	340,695			348,535		
PREFERRED STOCK OF SUBSIDIARY	550			550		
STOCKHOLDERS' EQUITY						
Preferred Stock	1,027			1,365		
Common Stockholders' Equity	21,997			20,999		
Total Stockholders' Equity	23,024			22,364		
Total Liabilities, Preferred Stock of Subsidiary and Stockholders' Equity	$ 364,269			$ 371,449		
INTEREST RATE SPREAD			2.40%			2.07%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$ 6,534 (a)	3.01%		$ 6,426 (a)	2.90% (d)

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

(b) For the nine months ended September 30, 1999 and September 30, 1998, the annualized rate for available-for-sale securities based on historical cost was 5.63% and 6.35%, respectively.

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

(d) Includes $191 million pre-tax interest income for prior years' refunds. Excluding this amount, the net yield on interest-earning assets would be 2.82% for the 1998 first nine months.

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

	1999			1998			
	THIRD QUARTER	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
INTEREST INCOME							
Loans	$ 3,288	$ 3,165	$ 3,209	$ 3,381	$ 3,287	$ 3,316	$ 3,405
Securities	762	747	835	964	874	889	889
Trading Assets	399	411	418	435	604	716	676
Federal Funds Sold and Securities Purchased Under Resale Agreements	352	389	381	469	517	554	671
Deposits with Banks	195	161	184	192	150	148	152
Total Interest Income	4,996	4,873	5,027	5,441	5,432	5,623	5,793
INTEREST EXPENSE							
Deposits	1,650	1,558	1,598	1,717	1,524	1,784	1,815
Short-Term and Other Borrowings	870	851	914	1,247	1,378	1,478	1,509
Long-Term Debt	306	319	311	317	324	325	305
Total Interest Expense	2,826	2,728	2,823	3,281	3,226	3,587	3,629
NET INTEREST INCOME	2,170	2,145	2,204	2,160	2,206	2,036	2,164
Provision for Loan Losses	398	388	381	411	272	328	332
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,772	1,757	1,823	1,749	1,934	1,708	1,832
NONINTEREST REVENUE							
Investment Banking Fees	486	585	317	381	322	438	361
Trust, Custody and Investment Management Fees	457	461	414	414	398	383	348
Credit Card Revenue	441	438	379	428	381	365	300
Fees for Other Financial Services	637	587	553	552	522	509	510
Trading Revenue	462	526	618	516	(69)	323	468
Securities Gains	(1)	5	156	167	261	98	83
Private Equity Gains	377	513	325	244	60	370	293
Other Revenue	162	356	178	198	137	233	96
Total Noninterest Revenue	3,021	3,471	2,940	2,900	2,012	2,719	2,459
NONINTEREST EXPENSE							
Salaries	1,417	1,416	1,384	1,296	1,205	1,270	1,254
Employee Benefits	238	238	255	194	221	215	224
Occupancy Expense	218	206	218	220	198	191	189
Equipment Expense	255	239	243	250	219	212	209
Restructuring Costs	--	--	--	--	--	8	521
Other Expense	853	969	845	913	804	826	744
Total Noninterest Expense	2,981	3,068	2,945	2,873	2,647	2,722	3,141
INCOME BEFORE INCOME TAX EXPENSE	1,812	2,160	1,818	1,776	1,299	1,705	1,150
Income Tax Expense	625	767	645	630	462	631	425
NET INCOME	$ 1,187	$ 1,393	$ 1,173	$ 1,146	$ 837	$ 1,074	$ 725
NET INCOME APPLICABLE TO COMMON STOCK	$ 1,168	$ 1,375	$ 1,155	$ 1,128	$ 815	$ 1,050	$ 691
NET INCOME PER COMMON SHARE:							
Basic	$ 1.42	$ 1.65	$ 1.37	$ 1.34	$ 0.96	$ 1.24	$ 0.82
Diluted	$ 1.37	$ 1.60	$ 1.32	$ 1.31	$ 0.94	$ 1.20	$ 0.80

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GLOSSARY OF TERMS

- --

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

1998 Annual Report: Annual Report on Form 10-K for the year ended December 31, 1998. (Pages 7-9, 13, 26, 28-33, 35-36, 42, 46)

Asset/Liability Management ("ALM"): The management of the sensitivity of Chase's income to changes in market interest rates. (Pages 8, 9, 29, 31-33)

BPV: Basis Point Value. This measurement quantifies the change in the value of Chase's non-trading balance sheet positions (interest rate risk) that would result from a 1 basis point change in interest rates. (Page 32)

Cash Operating Earnings: Operating earnings excluding the impact of amortization of goodwill and certain intangibles. (Pages 10-18, 37)

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

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

Derivative and Foreign Exchange ("FX") Contracts: Interest rate swaps, forward rate agreements, futures, forwards, options, debt, equity, commodity and other contracts used for asset/liability management or trading purposes. The instruments represent contracts with counterparties where payments are made to or from the counterparty based upon specific interest rates, currency levels, other market rates, or on terms predetermined by the contract. (Pages 9, 26-27, 29)

Efficiency Ratio: Noninterest expense as a percentage of the total of net interest income and noninterest revenue (excluding restructuring costs, foreclosed property expense, special items and costs associated with the REIT). (Pages 12-15, 17, 24, 37)

FASB: Financial Accounting Standards Board. (Page 36)

Managed Credit Card Receivables or Managed Basis: Consistent with industry practice, Chase uses this terminology to define its credit card receivables on the balance sheet plus securitized credit card receivables. (Pages 26-27)

Net Yield on Interest-Earning Assets: The average rate for interest-earning assets less the average rate paid for all sources of funds. (Pages 22, 38-39)

Operating Basis or Operating Earnings: Reported results excluding the impact of credit card securitizations, restructuring costs and special items. (Pages 10-19, 24, 34, 37)

REIT: A real estate investment trust subsidiary of Chase. (Pages 24-25)

SFAS: Statement of Financial Accounting Standards.

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

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

SFAS 133: "Accounting for Derivative Instruments and Hedging Activities." (Page 36)

SFAS 137: "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133, an amendment of FASB Statement No. 133." (Page 36)

Shareholder Value Added ("SVA"): Represents operating earnings excluding the amortization of goodwill and certain intangibles (i.e., cash operating earnings) minus preferred dividends and an explicit charge for capital. (Pages 10, 12-14, 16, 33, 37)

Special Items: The 1999 second quarter included a gain on the sale of One New York Plaza and on the sale of branches in Beaumont, Texas as well as a special contribution to The Chase Manhattan Foundation. There were no special items in the first and third quarters of 1999. The 1998 third quarter and nine months included interest income from prior years' tax refunds and costs incurred for accelerated vesting of stock-based incentive awards. (Pages 10, 12, 19, 24, 37)

Value-at-Risk ("VAR"): The potential overnight loss from adverse market movements. (Page 31)

Year 2000: The problem of many existing computer programs not being able to recognize properly a year beginning with "20" instead of "19", as these programs only use the last two digits to refer to a year. (Pages 18, 24-25, 34-36)

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

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

As previously reported in the 1998 Annual Report, in 50-Off Stores, Inc. v. Banque Paribas (Suisse) S.A., a lawsuit in the United States District Court for the Western District of Texas alleging conversion of shares of common stock held in a custody account of The Chase Manhattan Bank, judgment was entered against the Bank for $148.6 million in punitive and compensatory damages, plus post-judgment interest. On appeal by Chase, the United States Court of Appeals for the Fifth Circuit reversed the punitive damage award of $138 million, resulting in a remaining award of $10.6 million in compensatory damages. Both the plaintiff and Chase filed petitions for rehearing with the Fifth Circuit which petitions were denied. Plaintiff has filed a petition for a writ of certiorari with the U.S. Supreme Court.

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 in three of seven actions that were filed in the United States District Court for the Northern District of Oklahoma 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, plaintiffs seek approximately $500 million in damages allegedly suffered as a result of defendants' misrepresentations and omissions. A date for CSI to answer or move with respect to the complaints has not yet been set.

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 allegations 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 1999, shares of common stock of Chase were issued in transactions exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. On July 1, 1999, 319 shares of common stock were issued to retired directors who had deferred receipt of such common stock pursuant to The Deferred Compensation Plan for Non-Employee Directors.

Item 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.

(B) Reports on Form 8-K:

Chase filed two reports on Form 8-K during the quarter ended September 30, 1999, as follows:

Form 8-K dated July 21, 1999: Chase announced the results of operations for the second quarter of 1999.

Form 8-K dated September 28, 1999: Chase announced an agreement to acquire Hambrecht & Quist Group for $50 per share in cash or a total consideration of $1.35 billion.

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 8, 1999 By /s/ Joseph L. Sclafani
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Joseph L. Sclafani

Executive Vice President and Controller
[Principal Accounting Officer]

INDEX TO EXHIBITS

SEQUENTIALLY NUMBERED

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

APPENDIX 1

NARRATIVE DESCRIPTION OF GRAPHIC IMAGE MATERIAL

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

GRAPHIC NUMBER	PAGE	DESCRIPTION
1	32	Bar Graph entitled "Histogram of Daily Market Risk-Related Revenue for the twelve months ended September 30, 1999" 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	33	53	46	51	31	14

30 - 35	Over 35
8	8

Millions of Dollars	0 - (5)	(5) - (10)	(10) - (15)	(15) - (20)	(20) - (25)
Number of trading days revenue was within the above prescribed negative range	7	7	1	0	0

(25) - (30)	Over (30)
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 Ten of Chase's 1998 Annual Report.

(in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
EARNINGS PER SHARE	1999	1998	1999	1998
BASIC EARNINGS PER SHARE				
Earnings:				
Net Income	$ 1,187	837	$ 3,753	$ 2,636
Less: Preferred Stock Dividends	19	22	55	80
Net Income Applicable to Common Stock	$ 1,168	$ 815	$ 3,698	$ 2,556
Shares:				
Basic Average Common Shares Outstanding	821.6	848.3	832.6	847.4
Net Income Per Share	$ 1.42	$ 0.96	$ 4.44	$ 3.02
DILUTED EARNINGS PER SHARE				
Earnings:				
Net Income Applicable to Common Stock	$ 1,168	$ 815	$ 3,698	$ 2,556
Shares:				
Basic Average Common Shares Outstanding	821.6	848.3	832.6	847.4
Additional Shares Issuable Upon Exercise of Stock Options for Dilutive Effect	28.1	22.8	28.3	23.8
Average Common Shares Outstanding Assuming Dilution	849.7	871.1	860.9	871.2
Net Income Per Share	$ 1.37	$ 0.94	$ 4.30	$ 2.93

EXHIBIT 12(a)

THE CHASE MANHATTAN CORPORATION

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

	Nine Months Ended September 30, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 5,790
Fixed charges:	
Interest expense	3,571
One third of rents, net of income from subleases (a)	106
Total fixed charges	3,677
Less: Equity in undistributed income of affiliates	(66)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 9,401
Fixed charges, as above	$ 3,677
Ratio of earnings to fixed charges	2.56
INCLUDING INTEREST ON DEPOSITS	
Fixed charges, as above	$ 3,677
Add: Interest on deposits	4,806
Total fixed charges and interest on deposits	$ 8,483
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 9,401
Add: Interest on deposits	4,806
Total earnings before taxes, fixed charges, and interest on deposits	$ 14,207
fpRatio of earnings to fixed charges	1.67

- --
(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, 1999
EXCLUDING INTEREST ON DEPOSITS	
Income before income taxes	$ 5,790
Fixed charges:	
Interest expense	3,571
One third of rents, net of income from subleases (a)	106
Total fixed charges	3,677
Less: Equity in undistributed income of affiliates	(66)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 9,401
Fixed charges, as above	$ 3,677
Preferred stock dividends	55
Fixed charges including preferred stock dividends	$ 3,732
Ratio of earnings to fixed charges and preferred stock dividend requirements	2.52
INCLUDING INTEREST ON DEPOSITS	
Fixed charges including preferred stock dividends, as above	$ 3,732
Add: Interest on deposits	4,806
Total fixed charges including preferred stock dividends and interest on deposits	$ 8,538
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 9,401
Add: Interest on deposits	4,806
Total earnings before taxes, fixed charges, and interest on deposits	$ 14,207
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.66

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

9

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

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THE CHASE MANHATTAN CORPORATION
1,000,000

9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
16,490
5,856
28,368
57,192
54,138
975
970
173,458
3,555
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928
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371,044
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2,344
1,662
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6,519
1,167
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0
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4.30
3.01
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3,555
0
0
0