

CONSOLIDATED STATEMENTS OF INCOME

FISCAL YEAR (DOLLARS IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)	1997	1996	1995
Revenues:			
Investment banking	\$ 2,694	\$ 2,190	\$ 1,556
Principal transactions:			
Trading	3,191	2,659	1,685
Investments	463	86	121
Commissions	2,086	1,776	1,533
Fees:			
Asset management, distribution and administration	2,505	1,732	1,377
Merchant and cardmember	1,704	1,505	1,135
Servicing	762	809	680
Interest and dividends	13,583	11,288	10,530
Other	144	126	115
Total revenues	27,132	22,171	18,732
Interest expense	10,806	8,934	8,190
Provision for consumer loan losses	1,493	1,214	722
Net revenues	14,833	12,023	9,820
Non-interest expenses:			
Compensation and benefits	6,019	5,071	4,005
Occupancy and equipment	526	493	454
Brokerage, clearing and exchange fees	460	317	289
Information processing and communications	1,080	996	889
Marketing and business development	1,179	1,027	874
Professional services	451	334	252
Other	770	668	706
Relocation charge	—	—	59
Merger-related expenses	74	—	—
Total non-interest expenses	10,559	8,906	7,528
Income before income taxes	4,274	3,117	2,292
Provision for income taxes	1,688	1,137	827
Net income	\$ 2,586	\$ 1,980	\$ 1,465
Preferred stock dividend requirements	\$ 66	\$ 66	\$ 65
Earnings applicable to common shares ⁽¹⁾	\$ 2,520	\$ 1,914	\$ 1,400
Earnings per common share ⁽²⁾			
Primary	\$ 4.25	\$ 3.22	\$ 2.30
Fully diluted	\$ 4.15	\$ 3.14	\$ 2.25
Average common shares outstanding ⁽²⁾			
Primary	594,182,885	594,478,535	608,246,433
Fully diluted	609,043,924	611,012,101	622,098,868

⁽¹⁾ Amounts shown are used to calculate primary earnings per common share.

⁽²⁾ Per share and share data have been restated to reflect the Company's two-for-one stock split.
See Notes to Consolidated Financial Statements.