BANK ONE CORP
Form 10-Q
August 14, 2001

BANK ONE CORPORATION
Financial Supplement and Form 10-Q

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Five-Quarter Summary of Selected Financial Information

BANK ONE CORPORATION and Subsidiaries

	Three Months		
	June 30 2001	March 31 2001	December 2000
(In millions, except per share data)			
Income Statement Data:			
Total revenue, net of interest expense.......................	$ 3,846	$ 3,792	$ 3,4
Net interest income--fully taxable-equivalent ("FTE") basis..	2,085	2,218	2,2
Noninterest income...	1,791	1,607	1,2
Provision for credit losses..................................	540	585	1,5
Noninterest expense..	2,306	2,236	2,8
Income (loss) before cumulative effect of change in accounting principle..................................	708	679	(5
Net income (loss)..	664	679	(5
Per Common Share Data:			
Income (loss) before cumulative effect of change in accounting principle:			
Basic...	$ 0.60	$ 0.58	$ (0.
Diluted (1)...	0.60	0.58	(0.
Net income (loss):			
Basic...	0.57	0.58	(0.
Diluted (1)...	0.56	0.58	(0.
Cash dividends declared......................................	0.21	0.21	0.
Book value...	16.49	16.20	15.
Balance Sheet Data - Ending Balances:			
Loans:			
Managed...	$223,390	$229,942	$236,4
Reported..	166,576	171,427	174,2
Deposits...	164,299	163,555	167,0
Long-term debt (2)...	41,693	42,197	40,9
Total assets:			
Managed...	312,244	315,104	309,0
Reported..	272,412	274,352	269,3
Common stockholders' equity..................................	19,261	18,876	18,4
Total stockholders' equity...................................	19,451	19,066	18,6
Credit Quality Ratios:			
Net charge-offs to average loans - managed (3)...............	2.50%	2.40%	2.
Allowance for credit losses to period end loans..............	2.54	2.45	2.
Nonperforming assets to related assets.......................	1.77	1.55	1.
Financial Performance Ratios:			
Return (loss) on average assets..............................	0.99%	1.02%	(0.
Return (loss) on average common equity.......................	13.9	14.6	(10
Net interest margin:			
Managed...	4.65	4.76	4.
Reported..	3.50	3.71	3.
Efficiency ratio:			
Managed...	48.5	47.6	66
Reported..	59.5	58.5	81

Five-Quarter Summary of Selected Financial Information
BANK ONE CORPORATION and Subsidiaries - Continued

(In millions, except per share data)	June 30 2001	March 31 2001	December 2000
			Three Months
Capital Ratios:			
Risk-based capital:			
Tier 1	8.2%	7.8%	7.3
Total	11.6	11.2	10.8
Tangible common equity/tangible managed assets	5.8	5.6	5.5
Common Stock Data:			
Average shares outstanding:			
Basic	1,166	1,163	1,158
Diluted (4)	1,176	1,173	1,158
Stock price, quarter-end	$ 35.80	$ 36.18	$ 36.63
Employees (5)	78,491	79,157	80,778

(1) Common equivalent shares and related income were excluded from the computation of diluted loss per share for the three months ended December 31, 2000 and June 30, 2000 as the effect would be antidilutive.
(2) Includes trust preferred capital securities.
(3) Second quarter 2001 and first quarter 2001 amounts include $24 million and $40 million, respectively, of charge-offs which are not so classified as such in the Corporation's GAAP financial information because they are part of a portfolio which has been accounted for as loans held at a discount. The inclusion of these amounts in charge-offs more accurately reflects the performance of the portfolio. In the Corporation's financial statements, these items result in a higher provision in excess of net charge-offs.
(4) Common equivalent shares and related income were excluded from the computation of diluted loss per share for the three months ended December 31, 2000 and June 30, 2000 as the effect would be antidilutive.
(5) Beginning in the first quarter of 2001, employees on long-term disability and employees of unconsolidated subsidiaries are excluded. Prior period data have not been restated for this change.

Business Segments

Bank One Corporation ("Bank One" or the "Corporation") is managed on a line of business basis. The business segments' financial results presented reflect the current organization of the Corporation. The following tables summarize certain financial information (as reported) by line of business for the periods indicated:

	Net Income (Loss) (In millions)	
Three Months Ended June 30	2001	2000
Retail	$ 322	$ (81)

Commercial Banking	167	(213)
First USA	193	(379)
Investment Management	83	73
Corporate Investments	30	61
Corporate/Unallocated	(87)	(730)
Total Corporation - operating	708	(1,269)
Accounting change	(44)	--
Total Corporation - reported	$ 664	$(1,269)

Six Months Ended June 30	Net Income (Loss) (In millions) 2001	2000
Retail	$ 671	$ 155
Commercial Banking	326	(13)
First USA	341	(312)
Investment Management	165	154
Corporate Investments	1	202
Corporate/Unallocated	(117)	(766)
Total Corporation - operating	1,387	(580)
Accounting change	(44)	--
Total Corporation - reported	$1,343	$(580)

The information provided in the line of business tables beginning with the caption entitled "Financial Performance" is included herein for analytical purposes only and is based on management information systems, assumptions and methodologies that are under continual review. For a detailed discussion of the various business activities of Bank One's business segments, see pages 4 -13 of the Corporation's 2000 Annual Report on Form 10-K.

The financial information and supplemental data presented for the respective line-of-business sections for both the second quarter and six-month periods ended June 30, 2000 are reported on an actual basis. However, for analytical purposes and to better understand underlying trends, the following line of business discussion excludes the impact of the second quarter 2000 significant items noted in tables 1 - 4 on pages 22 - 24.

Retail

Retail includes consumer and small business banking, auto and consumer lending, and interactive banking and financial management through bankone.com.

(Dollars in millions)	Three Months Ended June 30 2001	2000	% Change
Net interest income--FTE basis....................	$ 1,236	$ 1,196	3 %
Non-deposit service charges....................	83	84	(1)
Credit card revenue............................	41	37	11
Service charges on deposits....................	198	205	(3)
Fiduciary and investment management fees........	29	28	4
Other income (loss)............................	8	(449)	N/M
Noninterest income (loss)..........................	359	(95)	N/M
Total revenue......................................	1,595	1,101	45
Provision for credit losses........................	201	132	52
Salaries and employee benefits.................	328	333	(2)
Other expense..................................	562	764	(26)
Noninterest expense................................	890	1,097	(19)
Pretax income (loss)--FTE basis....................	504	(128)	N/M
Tax expense (benefit) and FTE basis adjustment.....	182	(47)	N/M
Net income (loss)..................................	$ 322	$ (81)	N/M
FINANCIAL PERFORMANCE:			
Return (loss) on equity............................	21%	(6)%	
Efficiency ratio...................................	56	N/M	
Headcount--full-time (1)...........................	35,570	36,700	(3)%
ENDING BALANCES (in billions):			
Commercial loans...............................	$ 12.4	$ 11.8	5 %
Home equity loans..............................	30.3	27.3	11
Indirect auto loans / leases...................	21.4	24.1	(11)
Other personal loans...........................	10.9	10.8	1
Total loans..	$ 75.0	$ 74.0	1
Assets...	78.9	76.3	3
Demand deposits................................	24.4	24.8	(2)
Savings..	33.8	33.0	2
Time...	29.7	30.4	(2)
Total deposits.....................................	87.9	88.2	--
Common equity......................................	6.3	6.0	5

	Three Months Ended June 30			Six Mont
	2001	2000	% Change	2001
AVERAGE BALANCES (in billions):				
Commercial loans............................	$ 12.2	$ 11.8	3 %	$ 12.1 $
Home equity loans...........................	30.5	26.3	16	30.8
Indirect auto loans / leases................	21.7	24.4	(11)	22.1
Other personal loans	10.9	11.1	(2)	11.0
Total loans.................................	75.3	73.6	2	76.0
Assets......................................	79.4	77.9	2	80.2
Demand deposits.............................	24.1	25.3	(5)	24.1
Savings.....................................	33.5	33.8	(1)	33.0
Time..	30.6	30.3	1	31.3
Total deposits..............................	88.2	89.4	(1)	88.4
Common equity...............................	6.2	5.9	5	6.1
CREDIT QUALITY (in millions):				
Net charge-offs:				
Small business commercial...................	$ 17	$ 8	N/M	$ 27
Home equity loans...........................	93	52	79 %	166
Indirect auto loans / leases (2)............	72	44	64	161
Other personal loans........................	19	30	(37)	53
Total consumer (2)..........................	184	126	46	380
Total net charge-offs (2)...................	201	134	50	407
Net charge-off ratios:				
Small business commercial...................	0.56%	0.26%		0.45%
Home equity loans...........................	1.22	0.80		1.08
Indirect auto loans / leases (2)............	1.33	0.73		1.46
Other personal loans........................	0.70	1.09		0.95
Total consumer (2)..........................	1.17	0.82		1.19
Total net charge-offs (2)...................	1.07	0.73		1.07
Nonperforming assets:				
Commercial..................................	$ 246	$ 187	32	
Consumer....................................	804	369	N/M	
Total nonperforming loans...................	1,050	556	89	
Other including OREO........................	69	66	5	
Total nonperforming assets..................	$ 1,119	$ 622	80	
Allowance for loan losses...................	$ 949	N/A	N/A	
Allowance to period end loans...............	1.26%	N/A		
Allowance to nonperforming loans............	90	N/A		
Nonperforming assets to related assets......	1.49	0.83%		
DISTRIBUTION:				
Banking centers.............................	1,808	1,832	(1)%	
ATMs..	5,703	6,530	(13)	
# On-line customers (in thousands)..........	1,035	690	50	

# Households (in thousands).................	7,499	7,926	(5)
# Business customers (in thousands)..........	530	545	(3)
# Debit cards issued (in thousands)..........	4,256	4,215	1

	Three Months Ended June 30			Six Mont
	2001	2000	% Change	2001
INVESTMENTS:				
Sales volume (in millions).................	$1,142	$1,112	3%	$2,280

N/M--Not meaningful.
N/A--Not available due to changes in segment composition; see Note 5 on page 59 of the Corporation's 2000 Annual Report on Form 10-K.
(1) Beginning in the first quarter of 2001, employees on long-term disability and employees of unconsolidated subsidiaries are excluded.
(2) First quarter 2001 and six-months ended June 30, 2001 amounts include $24 million and $64 million, respectively, of charge-offs which are not so classified in the Corporation's GAAP financials because they are part of a portfolio which has been accounted for as loans held at a discount. The inclusion of these amounts in charge-offs more accurately reflects the performance of the portfolio. In the Corporation's financial statements, this item results in a higher provision in excess of net charge-offs.

Quarterly Results - Adjusted Basis

Retail reported second quarter net income of $322 million, up $75 million, or 30%, from the year-ago quarter. The year-over-year improvement reflected higher revenue and lower noninterest expense, partially offset by higher provision for credit losses. Compared to the 2001 first quarter, net income declined $27 million, or 8%, primarily reflecting lower net interest income partially offset by lower provision.

Net interest income was $1.236 billion, up $31 million, or 3%, from the year-ago quarter. This increase was driven by wider loan spreads and a 2% increase in average loans, partially offset by deposit margin compression and a shift in deposit product mix toward certificates of deposit. Average home equity loans increased 16% from a year ago. In contrast, average auto loans / leases decreased 11%, reflecting a deliberate reduction in the level of new auto leases. Current quarter net interest income was relatively unchanged from the first quarter when adjusted for seasonal tax-refund lending in that period.

Noninterest income was $359 million, up $29 million, or 9%, from a year ago. This primarily reflected the absence of auto lease residual losses in the current quarter, compared with $64 million of such losses a year ago. Noninterest income was essentially unchanged from the first quarter.

Provision for credit losses was $201 million, up $80 million from the year-ago quarter. Compared to the first quarter, the provision for credit losses decreased $43 million. Managed net charge-offs totaled $201 million, up from $134 million in the year-ago quarter, but down from $206 million in the first quarter. The year-over-year increase in net charge-offs reflected anticipated charge-offs related to brokered home equity loans and certain portions of the auto lending portfolio. The second quarter net charge-off ratio was 1.07%, up from 0.73% in the year-ago period, but down from 1.08% in the first quarter.

Nonperforming assets increased $497 million from a year ago, largely driven by a $435 million increase in consumer nonperforming loans. Compared with the first quarter, nonperforming assets increased $83 million, or 8%, reflecting an increase in both consumer and small business nonperforming loans. The allowance for credit losses expressed as a percent of loans increased to 1.26% at June 30, 2001, up from 1.21% at March 31, 2001, reflecting lower end-of-period loans.

Noninterest expense was $890 million, down $134 million, or 13%, from the year-ago quarter, reflecting the positive impacts from waste-reduction initiatives and reduced headcount in lending and staff units. Compared with the first quarter, noninterest expense was essentially unchanged. The efficiency ratio in the current quarter was 56%, compared with 67% a year ago.

Year-to-Date Results - Adjusted Basis

For the first six months of 2001, Retail reported net income of $671 million, up $188 million from the 2000 period. The $112 million, or 5%, increase in net interest income for the first six months of 2001 from the prior year is due to wider loan spreads and a 4% increase in average loan balances, partially offset by deposit margin compression. The higher provision was primarily driven by increased net charge-offs. Noninterest income increased by $83 million in the first six months of 2001, to $719 million on an adjusted basis from the prior year, reflecting $120 million in realized auto lease residual losses in the 2000 period. Noninterest expense was down $249 million, or 12%, due to the impacts of waste-reduction initiatives and reduced headcount in lending and staff units.

Commercial Banking

Commercial Banking offers a broad array of products, including cash management, capital markets and lending, to Corporate Banking and Middle Market Banking customers.

	Three Months Ended June 30		
(Dollars in millions)	2001	2000	% Change
Net interest income--FTE basis	$ 660	$ 694	(5)%
Non-deposit service charges	171	140	22
Credit card revenue	22	19	16
Service charges on deposits	151	130	16
Fiduciary and investment management fees	2	3	(33)
Trading	67	(4)	N/M
Other income (loss)	(21)	24	N/M
Noninterest income	392	312	26
Total revenue	1,052	1,006	5

Provision for credit losses......................	239	778	(69)	
Salaries and employee benefits................	270	278	(3)	
Other expense.................................	274	286	(4)	
Noninterest expense.............................	544	564	(4)	
Pretax income (loss)--FTE basis..................	269	(336)	N/M	
Tax expense (benefit) and FTE basis adjustment....	102	(123)	N/M	
Net income (loss)...............................	$ 167	$ (213)	N/M	$
Memo: Revenue by activity (4)				
Lending-related revenue.......................	495	544	(9)	
Treasury management services (1)	292	257	14	
Capital markets (2)..........................	169	75	N/M	
Other...	96	130	(26)	
FINANCIAL PERFORMANCE:				
Return (loss) on equity..........................	10%	(13)%		
Efficiency ratio................................	52	56		
Headcount--full-time				
Corporate Banking (including Capital Markets)..	4,591	N/A	N/A	
Middle Market.................................	3,952	N/A	N/A	
Treasury management services..................	7,216	N/A	N/A	
Support and other administration (3)..........	43	N/A	N/A	
Total headcount - full-time	15,802	16,394	(4)%	

	Three Months Ended June 30			Six Mont
	2001	2000	% Change	2001
ENDING BALANCES (in billions):				
Loans..	$ 73.9	$ 83.3	(11)%	
Assets.......................................	101.4	110.8	(8)	
Demand deposits............................	21.8	20.8	5	
Savings....................................	2.9	N/A	N/A	
Time (+ Savings in 2000)....................	8.2	8.9	(8)	
Foreign offices............................	9.9	11.1	(11)	
Total deposits...............................	42.8	40.8	5	
Common equity................................	7.0	6.8	3	
AVERAGE BALANCES (in billions):				
Loans..	$ 76.4	$ 82.1	(7)%	$ 78.5
Assets.......................................	101.7	110.2	(8)	101.9
Demand deposits............................	20.5	21.9	(6)	20.4
Savings....................................	2.7	N/A	N/A	2.7
Time (+ Savings in 2000)....................	6.6	8.9	(26)	6.2

Foreign offices............................	9.5	10.1	(6)	8.3
Total deposits................................	39.3	40.9	(4)	37.6
Common equity.................................	7.0	6.7	4	6.9
CREDIT QUALITY (in millions):				
Net commercial charge-offs.....................	$ 239	$ 110	N/M	$ 488
Net commercial charge-off ratios...............	1.25%	0.54%		1.24%
Nonperforming assets:				
Commercial nonperforming loans.................	$ 1,752	$1,010	73%	
Other including OREO........................	18	11	64	
Total nonperforming assets.....................	$ 1,770	$1,021	73	
Allowance for loan losses......................	$ 3,032	N/A	N/A	
Allowance to period end loans..................	4.10%	N/A		
Allowance to nonperforming loans...............	173	N/A		
Nonperforming assets to related assets.........	2.40%	1.23%		
CORPORATE BANKING (in billions):				
Loans--ending balance..........................	$ 39.6	$ 50.8	(22)%	
--average balance.........................	42.0	50.1	(16)	$ 44.1
Deposits--ending balance.......................	$ 23.1	$ 21.0	10	
--average balance......................	20.8	22.1	(6)	$ 19.4
Credit Quality (in millions):				
Net commercial charge-offs.....................	$ 155	$ 101	53%	$ 341
Net commercial charge-off ratio................	1.48%	0.81%		1.55%
Nonperforming loans............................	$ 1,050	$ 730	44	
Nonperforming loans to loans...................	2.65%	1.44%		

	Three Months Ended June 30			Six Months
	2001	2000	% Change	2001
SYNDICATIONS:				
Lead Arranger Deals:				
Volume (in billions)........................	$12.8	$17.7	(28)%	$27.3
Number of transactions......................	56	61	(8)	105
League table standing--rank.................	4	4	--	
League table standing--market share..........	3%	5%		
MIDDLE MARKET BANKING (in billions):				
Loans--ending balance..........................	$34.3	$32.5	6%	
--average balance..........................	34.4	32.0	8	$34.4
Deposits--ending balance.......................	$19.7	$19.8	(1)	
--average balance.......................	18.6	18.8	(1)	$18.3
Credit Quality (in millions):				

Net commercial charge-offs.....................	$ 84	$ 9	N/M	$ 147
Net commercial charge-off ratio................	0.98%	0.11%		0.85%
Nonperforming loans............................	$ 702	$ 280	N/M	
Nonperforming loans to loans...................	2.05%	0.86%		

(1) Treasury Management Services includes both fees and fee equivalent from compensating balances.
(2) Capital Markets includes trading revenues and underwriting, syndicated lending and advisory fees.
(3) Full-time headcount for June 30, 2000 has been restated to reflect the movement of Support and Other Administrative personnel into the respective business units reported.
(4) Second quarter 2000 amounts restated.

Quarterly Results - Adjusted Basis

Commercial Banking reported second quarter net income of $167 million, down $47 million, or 22%, from the year-ago quarter. Results continued to reflect ongoing efforts to review all relationships in the portfolio to manage overall exposure as well as relationship profitability.

At June 30, 2001, loans were $73.9 billion, down $9.4 billion, or 11%, from the end of the year-ago quarter and $4.6 billion, or 6%, from the end of the first quarter. Corporate Banking loans were $39.6 billion at June 30, down $11.2 billion, or 22% from a year ago and down $4.5 billion, or 10%, from the end of the first quarter. The Corporate Banking decline from the first quarter included $232 million related to problem loan sales, of which $147 million were classified as nonperforming. Middle Market loans were $34.3 billion at quarter end, up $1.8 billion, or 6%, from last year but down slightly from the end of the first quarter.

Revenue totaled $1.052 billion, up slightly from the year-ago quarter with growth in noninterest income partially offset by a decline in net interest income. Revenue decreased $11 million from the first quarter.

Net interest income was $660 million, down $34 million, or 5%, from the year-ago quarter and $5 million from the first quarter. This reflected lower average loan balances following efforts to reduce credit risk exposure, the cost of carrying a higher level of nonperforming loans, and the impact of lower rates on customer compensating deposit balances. Second quarter average loans were $76.4 billion, down $5.7 billion, or 7%, from the prior year and $4.2 billion, or 5%, from the first quarter.

Noninterest income was $392 million, up $36 million, or 10%, from the year-ago quarter. Non-deposit service charges increased $31 million, or 22%, reflecting better underwriting and asset backed finance activities. Trading revenue increased $27 million. Service charges on deposits increased $21 million, or 16%, reflecting growth in the Treasury Management business. Other income declined $45 million, including a net loss on the sale of assets.

Compared with the first quarter, noninterest income declined $6 million. Non-deposit service charges increased $13 million, or 8%, reflecting improved loan syndication activity from depressed first quarter levels and continued growth in the asset backed finance business. Trading revenue declined $10 million, or 13%, due to a lower level of activity. Service charges on deposits increased $19 million, or 14%, reflecting the seasonality of the Treasury Management business. Other income decreased $29 million, reflecting the net loss on the sale of assets.

The provision for credit losses was $239 million, up $89 million, or 59%, from the year-ago quarter but down $25 million, or 9%, from the first quarter. Total net charge-offs were $239 million in the second quarter, including $68 million related to problem loan sales. This represented 1.25% of average loans, up significantly from 0.54% in the year-ago quarter, but up only slightly from 1.23% in the first quarter. Corporate Banking net charge-offs were $155 million, or 1.48% of average loans, up from 0.81% a year ago, but down from 1.61% in the first quarter. Middle Market net charge-offs were $84 million, or 0.98% of average loans, up from 0.11% in the year-ago quarter and 0.73% in the first quarter.

The allowance for credit losses at June 30, 2001, was $3.032 billion, essentially unchanged from the first quarter. This represented 4.10% of period-end loans and 173% of nonperforming loans, compared with 3.86% and 197%, respectively, at March 31, 2001. At June 30, 2001, nonperforming loans were $1.752 billion, up $208 million from the first quarter. Corporate Banking nonperforming loans at quarter end were $1.050 billion, up $98 million, or 10%, from the end of the first quarter. Adjusting for the impact of second quarter nonperforming loan sales, Corporate Banking nonperforming loans increased $245 million, compared to increases on a comparable basis of about $270 million in the prior two quarters. Middle Market nonperforming loans were $702 million at June 30, 2001, up $110 million from the end of the first quarter.

Noninterest expense totaled $544 million, down $19 million, or 3%, from the year-ago quarter, and was flat with the first quarter. The decline from the year-ago quarter reflected the impact of waste-reduction efforts and lower headcount. The efficiency ratio in the current quarter was 52%, down from 54% a year ago, but up slightly from 51% in the first quarter.

Year-to-Date Results - Adjusted Basis

Commercial Banking reported year-to-date net income of $326 million, down $88 million, or 21%, from the prior year reflecting higher credit costs and the initiative to more actively manage the credit risk profile and profitability of our relationships.

Net interest income was $1.325 billion, down $33 million, or 2%, for the same reasons mentioned in the quarterly results.

Noninterest income was $790 million, up $80 million, or 11%, reflecting an increase in fixed income and asset backed finance underwriting activities, growth in the Treasury Management business, and improved fixed income trading results. These were partially offset by losses on asset sales.

The provision for credit losses was $503 million, up $221 million, or 78%, from 2000. Total net charge-offs were $488 million in the first half of 2001, including $157 million related to problem loan sales. This represented 1.24% of average loans, up significantly from 0.48% in the prior year. Nonperforming loans at June 30, 2001, were $1.752 billion, up $742 million, or 73%, from the prior year period reflecting the deterioration in the Commercial portfolio.

Noninterest expense totaled $1.088 billion, down $45 million, or 4%, reflecting the impact of waste-reduction efforts and lower headcount.

First USA

First USA is the third largest credit card company in the United States and is the largest Visa(R) credit card issuer in the world, with $63 billion in managed credit card receivables and 50.4 million cardmembers.

	Three Months Ended June 30			
(Dollars in millions)	2001	2000	% Change	
Net interest income--FTE basis	$ 1,458	$ 1,451	-- %	$
Non-deposit service charges	1	2	(50)	
Credit card revenue	278	108	N/M	
Fiduciary and investment management fees	21	20	5	
Investment securities gains	--	--	--	
Other income (loss)	36	(283)	--	
Noninterest income (loss)	336	(153)	N/M	
Total revenue	1,794	1,298	38	
Provision for credit losses	962	935	3	
Salaries and employee benefits	124	132	(6)	
Other expense	398	829	(52)	
Noninterest expense	522	961	(46)	
Pretax income (loss)--FTE basis	310	(598)	N/M	
Tax expense (benefit) and FTE basis adjustment	117	(219)	N/M	
Net income (loss)	$ 193	$ (379)	N/M	$
Memo: Net securitization gains (amortization)	$ (19)	$ (30)	37	$
FINANCIAL PERFORMANCE:				
% of average outstandings:				
Net interest income -- FTE basis	9.25%	8.83%		
Provision for credit losses	6.11	5.69		
Noninterest income (loss)	2.13	(0.93)		
Risk adjusted margin	5.27	2.21		
Noninterest expense	3.31	5.85		
Pretax income -- FTE basis				
Return on outstandings	1.97	(3.64)		
Net income (loss)	1.22	(2.31)		
Return (loss) on equity	12%	(25)%		
Efficiency ratio	29	74		
Headcount--full-time	10,785	11,009	(2)%	

	Three Months Ended June 30			Six
	2001	2000	% Change	200
ENDING BALANCES (in billions):				
Owned	$ 6.2	$ 4.5	38 %	
Seller's interest	17.0	18.5	(8)	
Loans on balance sheet	23.2	23.0	1	
Securitized	39.8	43.3	(8)	
Loans - managed	$ 63.0	$ 66.3	(5)	
Assets - managed	64.9	69.7	(7)	
Common equity	6.3	6.1	3	
AVERAGE BALANCES (in billions):				
Owned	$ 6.0	$ 5.1	18 %	$ 5.
Seller's interest	16.6	17.3	(4)	18.
Loans on balance sheet	22.6	22.4	1	24.
Securitized	40.6	43.7	(7)	40.
Loans - managed	$ 63.2	$ 66.1	(4)	$ 64.
Assets - managed	65.3	70.6	(8)	66.
Common equity	6.3	6.1	3	6.
CREDIT QUALITY (in millions):				
Net charge-offs:				
Credit card--managed	$ 962	$ 900	7 %	$ 1,91
Net charge-off ratios:				
Credit card--managed	6.09%	5.44%		5.9
12-month lagged	5.82	5.22		5.7
Delinquency ratio--30+ days	4.10	3.83		
--90+ days	1.78	1.69		
Allowance for loan losses	$ 197	N/A	N/A	
Allowance to period end owned loans	3.18%	N/A		
OTHER DATA:				
Charge volume (in billions)	34.4	36.8	(7)%	$ 66.
New accounts opened (in thousands)	1,003	826	21	1,77
Cards issued (in thousands)	50,449	54,648	(8)	
Number of FUSA.com customers (in millions)	2.6	1.6	63	

Quarterly Results - Adjusted Basis

First USA reported second quarter net income of $193 million, up $80 million, or 71%, from the year-ago quarter, reflecting higher noninterest income and reduced expenses partially offset by increased credit costs. Net income increased $45 million, or 30%, from the first quarter, driven primarily by higher net interest income. Second quarter results represented a 1.97% pre-tax return on outstandings, up from 1.46% in the prior quarter.

Net interest income was $1.458 billion, up $7 million from the year-ago quarter and $67 million, or 5%, from the first quarter. Current period net interest income benefited from lower interest rates, partially offset by lower average outstandings.

Average managed outstandings for the second quarter were $63.2 billion, down $2.9 billion, or 4%, from the year-ago period and $2.2 billion, or 3%, from the first quarter. End of period managed loans declined to $63.0 billion. First USA opened 1 million new accounts during the quarter, up 21% and 29% from the year-ago and first quarters, respectively. At June 30, 2001, 50.4 million cards were issued. First USA continues to be a leader in online

card marketing and customer service with over 2.6 million registered users of its website, FirstUSA.com, up 63% from a year ago.

Noninterest income was $336 million, up $29 million, or 9%, from the year-ago period, reflecting higher fee income. Noninterest income increased $27 million, or 9%, from the first quarter due to seasonally higher net interchange revenue partially offset by a reduction in securitization activity.

The managed provision for credit losses was $962 million, up $62 million, or 7%, from the year-ago quarter. The managed charge-off rate increased to 6.09% from 5.44% over the same time period, reflecting the impact of both lower average outstandings and higher net charge-offs. The provision increased $12 million from the first quarter, reflecting increased bankruptcy losses. The managed 30-day and 90-day delinquency rates were 4.10% and 1.78%, respectively, up from 3.83% and 1.69% in the year-ago quarter but down from 4.33% and 2.02% in the first quarter.

Noninterest expense totaled $522 million, down $157 million, or 23%, from the year-ago quarter, reflecting lower headcount, reduced operating losses and a decrease in internally allocated costs related to a mid-year 2000 change in methodology. The decline from a year ago also reflected the sale of the international operations in the 2000 second quarter. Noninterest expense increased slightly from the first quarter. The efficiency ratio for the current period was 29%, down from 39% in the prior year and 30% in the first quarter.

Year-to-Date Results - Adjusted Basis

First USA reported net income of $341 million, up $161 million, or 89%, from the 2000 period, reflecting reduced expenses and higher noninterest income partially offset by lower net interest income. Net interest income was $2.849 billion, down $127 million from the 2000 period due to lower average outstandings partially offset by lower interest rates and loan fee income. The managed provision for credit losses was $1.912 billion, up $43 million, or 2%, from the 2000 period.

Noninterest income was $645 million, up $74 million, or 13%, from the 2000 period, primarily reflecting increased securitization activity.

Noninterest expense totaled $1.036 billion, down $358 million, or 26%, from the 2000 period, reflecting lower headcount, reduced operating losses, improved operating efficiencies and a decrease in internally allocated costs related to a mid-year 2000 change in methodology. The decline from a year ago also reflected the sale of the international operations in the 2000 second quarter.

Investment Management

The Investment Management Group (IMG) provides investment, insurance, trust and private banking services to individuals. The Group also provides investment-related services, including retirement and custody services, securities lending and corporate trust to institutions.

(Dollars in millions)	Three Months Ended June 30			Six
	2001	2000	% Change	2001
Net interest income--FTE basis.................	$ 107	$ 101	6%	$ 21
Non-deposit service charges.................	172	134	28	33
Service charges on deposits.................	4	4	--	
Fiduciary and investment management fees.....	131	150	(13)	26
Other income	1	--	--	
Noninterest income............................	308	288	7	61
Total revenue.................................	415	389	7	82
Provision for credit losses....................	13	2	N/M	1
Salaries and employee benefits..............	142	144	(1)	28
Other expense...............................	126	128	(2)	26
Noninterest expense...........................	268	272	(1)	54
Pretax income - FTE basis......................	134	115	17	26
Tax expense and FTE basis adjustment...........	51	42	21	10
Net income....................................	83	$ 73	14	$ 16
Memo: Insurance revenues.......................	$ 103.3	$ 87.0	19	$ 203.

	Three Months Ended June 30			Six Mon
	2001	2000	% Change	2001
FINANCIAL PERFORMANCE:				
Return on equity..............................	33%	33%		33%
Efficiency ratio..............................	65	70		66
Headcount--full-time..........................	6,371	6,645	(4)%	
ENDING BALANCES (in billions):				
Loans...	$ 7.1	$ 6.7	6	
Assets..	8.4	7.7	9	
Demand deposits............................	2.3	3.1	(26)	

Savings	2.5	1.9	32	
Time	3.3	3.8	(13)	
Foreign offices	0.1	0.2	(50)	
Total deposits	8.2	9.0	(9)	
Common equity	1.0	0.9	11	
AVERAGE BALANCES (in billions):				
Loans	$ 6.9	$ 6.5	6 %	$ 6.9
Assets	8.1	7.5	8	8.1
Demand deposits	1.9	2.5	(24)	2.0
Savings	2.7	2.0	35	2.7
Time	3.3	3.9	(15)	3.3
Foreign offices	0.2	0.2	--	0.2
Total deposits	8.1	8.6	(6)	8.2
Common equity	1.0	0.9	11	1.0
CREDIT QUALITY (in millions):				
Net charge-offs:				
Commercial	$ 10	N/A	N/A	$ 10
Consumer	3	N/A	N/A	3
Total net charge-offs	$ 13	N/A	N/A	$ 13
Net charge-off ratios:				
Commercial	1.07%	N/A		0.61%
Consumer	0.37	N/A		0.17
Total net charge-offs	0.72	N/A		0.38
Nonperforming assets:				
Commercial	$ 37	N/A	N/A	
Consumer	5	N/A	N/A	
Total nonperforming assets	$ 42	N/A	N/A	
Allowance for loan losses	$ 25	N/A	N/A	
Allowance to period end loans	0.35%	N/A		
Allowance to nonperforming loans	60	N/A		
Nonperforming assets to related assets	0.59%	N/A		

	Three Months Ended June 30			Six Mon
	2001	2000	% Change	2001
ASSETS UNDER MANAGEMENT				
ENDING BALANCES (in billions):				
Mutual funds	$ 74.4	$ 67.4	10 %	
Other	57.9	63.8	(9)	
Total	$ 132.3	$ 131.2	1	

By type:				
Money market	$ 47.8	$ 40.4	18	
Equity	49.8	57.2	(13)	
Fixed income	34.7	33.6	3	
Total	$ 132.3	$ 131.2	1	
By channel:				
Private client services	$ 52.0	$ 59.9	(13)	
Retail brokerage	9.5	9.2	3	
Institutional	54.3	48.3	12	
Commercial cash sweep	8.9	6.9	29	
All other	7.6	6.9	10	
Total	$ 132.3	$ 131.2	1	
Morningstar Rankings:				
Percentage of customer assets in 4 and 5 ranked funds	54%	62%		
Percentage of customer assets in 3+ ranked funds	95	90		
TRUST ASSETS				
ENDING BALANCES:				
Trust assets under administration (in billions)	$ 342.3	N/A	N/A	
CORPORATE TRUST SECURITIES				
ENDING BALANCES:				
Corp. trust sec. under administration (in billions)	$ 892.3	N/A	N/A	
RETAIL BROKERAGE:				
Mutual fund sales (in millions)	$ 559	$ 652	(14)%	$ 1,173
Annuity sales	582	460	27	1,106
Total sales	$ 1,141	$ 1,112	3	$ 2,279
Number of accounts--end of period (in thousands)	393	370	6	
Market value customer assets-end of period (in billions)	$ 23.6	$ 23.6	--	
Number of registered sales representatives	704	674	4	
Number of licensed retail bankers	2,904	2,520	15	

	Three Months Ended June 30			Six Mon
	2001	2000	% Change	2001
PRIVATE CLIENT SERVICES:				
Number of Private Client advisors	682	815	(16)%	
Number of Private Client offices	105	104	1	
Client Assets:				
Assets under management (in billions)	$ 52.0	$ 59.9	(13)	
Ending Balances (in billions):				

Loans	$ 6.9	$ 6.5	6	
Deposits	6.6	6.8	(3)	
Average Balances (in billions):				
Loans	$ 6.9	$ 6.4	8	$ 6.9
Deposits	6.9	7.2	(4)	7.0

Quarterly Results - Adjusted Basis

Investment Management reported second quarter net income of $83 million, up $4 million, or 5%, from the year-ago quarter, reflecting a $26 million, or 7%, increase in revenue partially offset by higher provision expense. Net income increased slightly from the first quarter, reflecting modest revenue growth and lower expenses, offset by higher provision expense.

Period-end assets under management increased slightly to $132.3 billion from both the year-ago and first quarters. One Group(R) mutual fund assets under management increased to $74.4 billion in the second quarter, up 10% year-over-year and 5% from the first quarter. Overall, One Group net fund flows remained positive. In the second quarter, the mix of assets under management shifted to equities from money market and fixed income assets as equity markets improved. Equity assets increased 5% from the first quarter, while fixed income assets declined 4% and money market assets remained relatively flat.

Net interest income totaled $107 million, up $6 million, or 6%, from the year-ago period. Higher spread income associated with a 6% increase in average loans was partially offset by a 6% decrease in average deposits. Compared to the first quarter, net interest income was up $3 million, or 3%, primarily as a result of wider deposit spreads.

Noninterest income was $308 million, up $20 million, or 7%, from the year-ago quarter. Beginning in the 2000 fourth quarter, fees associated with the in-house administration of the One Group mutual funds were recorded as revenue, with a corresponding increase in expense. Prior to that, a third-party administrator incurred such fees and expenses, which totaled $24 million in the second quarter. Excluding the impact of this change, noninterest income was essentially flat from the year-ago and first quarters.

Retail brokerage sales of mutual funds and annuities were $1.1 billion in the second quarter, an increase of $29 million, or 3%, from the year-ago quarter and essentially unchanged from the first quarter.

Noninterest expense of $268 million was up $5 million, or 2%, from the year-ago quarter. Excluding the expenses associated with the administration of the One Group, noninterest expense declined 7%, driven by lower headcount and waste-reduction initiatives. Noninterest expense decreased $9 million, or 3%, from the first quarter due to lower operating losses.

Year-to-Date Results - Adjusted Basis

Investment Management reported year-to-date net income of $165 million, up $5 million, or 3%, from the year-ago period. Net interest income was $211 million, up $10 million, or 5%, from the year-ago period. Noninterest income was $615 million, up $40 million, or 7%, from the year-ago period. Excluding the impact of the in-house administration of the One Group mutual funds, noninterest income was essentially flat from the year-ago period. For the six-month period, retail brokerage sales of mutual funds and annuities were $2.3 billion, a decrease of $26 million, or 1%, from the year-ago period reflecting slower mutual fund sales partially offset by an increase in annuity sales. Noninterest expense was $545 million, $25 million or up 5% from the year-ago period. Excluding the expenses associated with the administration of the One Group, noninterest expense declined 4%, driven by lower headcount and waste-reduction initiatives.

Corporate Investments

The Corporate Investments Group engages in proprietary investment activities for the account of Bank One.

	Three Months Ended June 30			Six M
(Dollars in millions)	2001	2000	% Change	2001
Net interest income--FTE basis..................	$ 28	$ 30	(7)%	$ 54
Investment securities gains (losses)..........	4	62	(94)	(93)
Trading gains (losses)........................	--	(4)	100	(1)
Other income (losses).........................	(5)	(6)	17	6
Noninterest income (loss).......................	(1)	52	N/M	(88)
Total revenue (loss)............................	27	82	(67)	(34)
Provision for credit losses.....................	--	1	(100)	--
Salaries and employee benefits................	7	11	(36)	13
Other expense.................................	12	20	(40)	25
Noninterest expense.............................	19	31	(39)	38
Pretax income--FTE basis........................	8	50	(84)	(72)
Tax expense (benefit) and FTE basis adjustment...	(22)	(11)	(100)	(73)
Net income (1)..................................	$ 30	$ 61	(51)	$ 1
FINANCIAL PERFORMANCE:				
Return on equity................................	10%	20%		--
Efficiency ratio................................	70	38		N/M
Headcount--full time............................	186	318	(42)%	
ENDING BALANCES (in billions):				
Loans...	$ 3.9	$ 3.6	8%	
Assets..	9.3	8.6	8	
Common equity...................................	1.2	1.2	--	
AVERAGE BALANCES (in billions):				
Loans...	$ 3.9	$ 3.5	11%	$ 3.9
Assets..	9.3	8.4	11	9.3
Common equity...................................	1.2	1.2	--	1.2

	Three Months Ended June 30			Six M
	2001	2000	% Change	2001
CREDIT QUALITY (in millions)				
Nonperforming assets:				
Commercial nonperforming loans...............	$ 10	N/A	N/A	
Other, including OREO........................	10	N/A	N/A	
Total nonperforming assets.....................	20	N/A	N/A	
Allowance for loan losses......................	$ 25	N/A	N/A	
Allowance to period end loans..................	0.64%	N/A		
Allowance to nonperforming loans................	250	N/A		
Nonperforming assets to related assets..........	0.51%	N/A		

(1) Excludes accounting change.

Quarterly Results - Adjusted Basis

Corporate Investments reported net income of $30 million, excluding the impact of the accounting change related to the way collateralized debt obligations (CDOs) are valued and recorded. This compared with $61 million net income in the year-ago quarter and a net loss of $29 million in the first quarter. The decline in net income from the year-ago quarter reflected weaker capital markets, which resulted in lower market valuations. Tax-oriented and leasing activities continued to produce expected results and, while profitable, market-driven activities continued to be impacted by unfavorable market conditions.

Year-to-Date Results - Adjusted Basis

Net income for the six months ended June 30 was $1 million, compared to $202 million for the year-ago period. The change in net income from the prior year was primarily the result of a decline in market-driven revenue.

Net interest income for the year-to-date period was $54 million, a decline of $11 million, or 17%, versus the prior year. Lower interest income on the portfolio and the growth in volume of non-interest yielding investments contributed to the decline.

Noninterest income for the six months was an $88 million loss compared to income of $237 million in the year ago period. The weaker capital markets in 2001 resulted in lower market valuations compared to a year ago. Gains from venture capital and private equity investments declined by $207 million while other market driven investments declined by $106 million.

Noninterest expense decreased $32 million or 46%, to $38 million in the current year. Lower incentive compensation and a reduction in headcount were primary drivers to the lower expense levels.

During the third quarter, Corporate Investments will be reorganized. The tax-oriented business will move to Commercial Banking and the remainder (direct investments and fixed income investments) will be included in

Corporate/Unallocated. Prior periods will be restated for this reorganization.

Corporate/Unallocated

Corporate/Unallocated includes certain items that are not allocated to the lines of business.

	Three Months Ended June 30			Si
(Dollars in millions)	2001	2000	% Change	20
Net interest expense--FTE basis	$ (246)	$ (75)	N/M	$ (4
Non-deposit service charges	4	N/A	N/A	
Credit card revenue	(2)	N/A	N/A	
Service charges on deposits	7	N/A	N/A	
Fiduciary & investment management fees	1	N/A	N/A	
Investment securities gains	65	N/A	N/A	
Trading	(7)	N/A	N/A	(
Other income	47	N/A	N/A	1
Noninterest income (loss)	115	(422)	N/M	2
Total revenue (loss)	(131)	(497)	74%	(2
Provision for credit losses	--	--	--	
Salaries and employee benefits	141	N/A	N/A	2
Other expense	(78)	N/A	N/A	(1
Noninterest expense	63	582	(89)	
Pretax loss--FTE basis	(194)	(1,079)	82	(2
Tax benefit and FTE basis adjustment	(107)	(349)	69	(1
Net loss	$ (87)	$ (730)	88	$ (1
FINANCIAL PERFORMANCE:				
Headcount - full-time	9,777	11,377	(14)%	
ENDING BALANCES (in billions):				
Loans	$ 0.5	$ 0.5	--	
Assets	49.4	42.9	15%	
Deposits	25.4	25.2	1	
Common equity	(2.5)	(2.4)	(4)	
AVERAGE BALANCES (in billions):				
Loans	$ 0.7	$ --	--	$ 0
Assets	45.0	42.0	7%	42
Deposits	26.2	25.0	5	27

Common equity....................................	(2.6)	(1.1)	N/M	(2

Quarterly Results - Adjusted Basis

Corporate/Unallocated includes Treasury, unallocated corporate expenses and any gains or losses from corporate transactions. Corporate/Unallocated reported a second quarter net loss of $87 million, compared with net losses of $70 million in the year-ago quarter and $30 million in the first quarter. The first quarter had $73 million of pre-tax gains on corporate transactions.

Year-to-Date Results - Adjusted Basis

Corporate/Unallocated reported a year-to-date net loss of $117 million, compared with a net loss of $106 million in the prior year. Included in the current results were gains of $150 million pre-tax ($95 million after tax) on corporate transactions and $79 million pre-tax ($50 million after tax) in the prior year.

2000 Second Quarter Significant Items

Results in the year-ago second quarter included the negative impact of $1.913 billion after tax ($2.940 billion pre-tax), or $1.66 per share, of significant items. Excluding the impact of these items, operating earnings in the year-ago quarter and six months ended June 30, 2000 were $644 million, or $0.55 per dilited share, and $1.333 billion, or $1.15 per diluted share, respectively. The tables below reconciles 2000 actual results with results adjusted for the significant items.

2000 Quarterly Significant Items - Table 1

(Dollars in millions)	2nd Qtr 2001 Actual	2nd Qtr. 2000 Actual	Adjustments	Adjusted	2nd Qtr. 2001 Ac vs. 2nd Qtr 2000 Act	
Consolidated						
Net interest income.............	$3,243	$3,396	$ (9)	$3,405	$ (153)	(
Noninterest income..............	1,508	(18)	(1,361)	1,343	1,526	N/
Provision for credit losses.....	1,415	1,846	674	1,172	(431)	(2
Noninterest expense.............	2,306	3,507	896	2,611	(1,201)	(3
Net income (loss)...............	664	(1,269)	(1,913)	644	1,933	N/
Retail						
Net interest income.............	$1,236	$1,196	$ (9)	$1,205	$ 40	
Noninterest income..............	359	(95)	(425)	330	454	N/
Provision for credit losses.....	201	132	11	121	69	5
Noninterest expense.............	890	1,097	73	1,024	(207)	(1
Net income (loss)...............	322	(81)	(328)	247	403	N/

Commercial Banking						
Net interest income............	$ 660	$ 694	$ --	$ 694	$ (34)	(
Noninterest income.............	392	312	(44)	356	80	2
Provision for credit losses.....	239	778	628	150	(539)	(6
Noninterest expense............	544	564	1	563	(20)	(
Net income (loss)..............	167	(213)	(427)	214	380	N/
First USA						
Net interest income............	$1,458	$1,451	$ --	$1,451	$ 7	-
Noninterest income.............	336	(153)	(460)	307	489	N/
Provision for credit losses.....	962	935	35	900	27	
Noninterest expense............	522	961	282	679	(439)	(4
Net income (loss)..............	193	(379)	(492)	113	572	N/
Investment Management						
Net interest income............	$ 107	$ 101	$ --	$ 101	$ 6	
Noninterest income.............	308	288	--	288	20	
Provision for credit losses.....	13	2	--	2	11	N/
Noninterest expense............	268	272	9	263	(4)	(
Net income.....................	83	73	(6)	79	10	1
Corporate Investments						
Net interest income............	$ 28	$ 30	$ --	$ 30	$ (2)	(
Noninterest income.............	(1)	52	--	52	(53)	N/
Provision for credit losses.....	--	1	--	1	(1)	(10
Noninterest expense............	19	31	--	31	(12)	(3
Net income.....................	30	61	--	61	(31)	(5
Corporate / Unallocated						
Net interest income............	$ (246)	$ (75)	$ --	$ (75)	$ (171)	N/
Noninterest income.............	115	(422)	(432)	10	537	N/
Provision for credit losses.....	--	--	--	--	--	-
Noninterest expense............	63	582	531	51	(519)	(8
Net income (loss)..............	(87)	(730)	(660)	(70)	643	8

2000 Year to Date Significant Items - Table 2

(Dollars in millions)	Six Months Ended June 30, 2001 Actual	Six Months Ended June 30, 2000 Actual	Adjustments	Adjusted	Six Months E June 30, 2001 vs. Six Months E June 30, 2000
Consolidated					
Net interest income............	$6,551	$6,841	$ (9)	$6,850	$ (290)
Noninterest income.............	2,901	1,496	(1,361)	2,857	1,405
Provision for credit losses.....	2,876	3,118	674	2,444	(242)
Noninterest expense............	4,542	6,168	896	5,272	(1,626)

Net income (loss)...............	1,343	(580)	(1,913)	1,333	1,923
Retail					
Net interest income.............	$2,553	$2,432	$ (9)	$2,441	$ 121
Noninterest income..............	719	211	(425)	636	508
Provision for credit losses.....	445	299	11	288	146
Noninterest expense.............	1,777	2,099	73	2,026	(322)
Net income......................	671	155	(328)	483	516
Commercial Banking					
Net interest income.............	$1,325	$1,358	$ --	$1,358	$ (33)
Noninterest income..............	790	666	(44)	710	124
Provision for credit losses.....	503	910	628	282	(407)
Noninterest expense.............	1,088	1,134	1	1,133	(46)
Net income (loss)...............	326	(13)	(427)	414	339
First USA					
Net interest income.............	$2,849	$2,976	$ --	$2,976	$ (127)
Noninterest income..............	645	111	(460)	571	534
Provision for credit losses.....	1,912	1,904	35	1,869	8
Noninterest expense.............	1,036	1,676	282	1,394	(640)
Net income (loss)...............	341	(312)	(492)	180	653
Investment Management					
Net interest income.............	$ 211	$ 201	$ --	$ 201	$ 10
Noninterest income..............	615	575	--	575	40
Provision for credit losses.....	16	4	--	4	12
Noninterest expense.............	545	529	9	520	16
Net income......................	165	154	(6)	160	11
Corporate Investments					
Net interest income.............	$ 54	$ 65	$ --	$ 65	$ (11)
Noninterest income..............	(88)	237	--	237	(325)
Provision for credit losses.....	--	2	--	2	(2)
Noninterest expense.............	38	70	--	70	(32)
Net income......................	1	202	--	202	(201)
Corporate / Unallocated					
Net interest income.............	$ (441)	$ (190)	$ --	$ (190)	$ (251)
Noninterest income..............	221	(304)	(432)	128	525
Provision for credit losses.....	--	--	--	--	--
Noninterest expense.............	58	660	531	129	(602)
Net income (loss)...............	(117)	(766)	(660)	(106)	649

The significant items recorded in the second quarter 2000 by each business segment and income statement line are summarized as follows:

Business Segments--Table 3

Investment

(In millions)	Retail	Commercial	First USA	Management	I
Pretax expense (income):					
Provision for credit losses	$ --	$ 647	$ --	$ --	
Writedown of auto lease residuals	307				
Repositioning of investment securities portfolio					
Operational and other	44	26	27	9	
Writedown of interest-only strip			354		
Occupancy and fixed asset related					
Writedown of purchased credit card relationship intangibles			275		
Writedowns primarily related to planned loan sales (1)	167				
Increase to legal accruals					
Writedown of marketing partnership agreements			121		
Total	$ 518	$ 673	$ 777	$ 9	
After tax	$ 328	$ 427	$ 492	$ 6	

Income Statement line--Table 4 (In millions)				
Pretax expense (income):				
Net interest income	$ 9	$ --	$ --	$ --
Provision for credit losses	11	628	35	
Noninterest income:				
Credit card revenue			152	
Investment securities losses		30		
Trading		14		
Other income	425		308	
Total noninterest income	425	44	460	--
Noninterest expense:				
Salaries and employee benefits				
Other intangible amortization			275	9
Other	12	1	7	
Merger-related and restructuring charges	61			
Total noninterest expense	73	1	282	9
Pretax expense	$ 518	$ 673	$ 777	$ 9

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(1) At December 31, 2000, Management discontinued its plan to dispose of these loans, and as such, are now considered part of the general portfolio.

Consolidated Results

Summary of Financial Results

The Corporation reported net income of $664 million, or $0.56 per diluted share, for the second quarter of 2001, compared to a net loss of $1.269 billion, or $1.11 per diluted share, for the second quarter of 2000. The second quarter 2001 results included a $44 million after tax ($69 million pre-tax) charge, or $0.04 per diluted share, for the cumulative effect of the change in accounting principle (see Note 2 to the consolidated financial statements). Results in the year-ago second quarter included the negative impact of $1.913 billion after tax ($2.940 billion pre-tax), or $1.66 per share, of significant items noted in tables 1-4 above.

For the six months ended June 30, 2001, the Corporation reported net income of $1.343 billion, or $1.14 per diluted share, compared to a net loss of $580 million, or $0.51 per diluted share, for the six months ended June 30, 2000. Excluding the impact of the cumulative effect of the change in accounting principle noted above in the 2001 period, the Corporation earned $1.387 billion or $1.18 per diluted share. The impact of the 2000 significant items noted in tables 1-4 above amounted to $1.66 per diluted share for the six months ended June 30, 2000.

Net Interest Income

Net interest income includes spreads on earning assets as well as items such as loan fees, cash interest collections on problem loans, dividend income, interest reversals, and income or expense on derivatives used to manage interest rate risk. Net interest margin measures how efficiently the Corporation uses its earning assets and underlying capital.

In order to understand fundamental trends in net interest income, average earning assets and net interest margins, it is useful to analyze financial performance on a managed portfolio basis, which adds data on securitized loans to reported data on loans as presented below:

	Three Months Ended June 30			Six M
(Dollars in millions)	2001	2000	% Change	2001
Managed:				
Net interest income--FTE basis..............	$ 3,243	$ 3,396	(5)%	$ 6,55
Average earning assets......................	279,561	284,607	(2)	280,73
Net interest margin.........................	4.65%	4.80%		4.7
Reported:				
Net interest income--FTE basis..............	$ 2,085	$ 2,257	(8)	$ 4,30
Average earning assets......................	238,971	240,826	(1)	240,64
Net interest margin.........................	3.50%	3.77%		3.6

The decline in net interest income and net interest margin for the second quarter 2001 and six-months ended 2001 reflected reduced loan volumes, shifts in the deposit mix and the cost of carrying a higher level of nonperforming loans.

Noninterest Income

The components of managed noninterest income for the periods indicated are:

	Three Months Ended June 30		Percent Increase	Six Mon Ju
(Dollars in millions)	2001	2000	(Decrease)	2001

Non-deposit service charges	$ 431	$ 363	19%	$ 842
Credit card revenue (1)	338	171	98	645
Service charges on deposits	360	331	9	691
Fiduciary and investment management fees	184	200	(8)	371
Investment securities gains (losses)	69	(354)	N/M	(27)
Trading	61	(3)	N/M	126
Other income	65	(726)	N/M	253
Managed noninterest income (loss)	$ 1,508	$ (18)	N/M	$ 2,901

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(1) Excludes net credit card revenue due to securitization totaling $283 million in 2001 and $306 million in 2000 for the three months ended June 30. For the six months ended June 30, the amounts totaled $497 million in 2001 and $613 million in 2000.

In order to provide more meaningful trend analysis, credit card fee revenue and total noninterest income in the above table are shown on a managed basis. Credit card fee revenue excludes the net interest revenue associated with securitized credit card receivables. Components of noninterest income that are primarily related to a single business segment are discussed within that business segment rather than the consolidated section.

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Managed non-deposit service charges increased from both the year-ago quarter and prior six-months by 19% and 12%, respectively. These increases were primarily the result of increased annuity sales and in fees associated with the in-house administration of the One Group mutual funds, which the Corporation began recording as revenue in the 2000 fourth quarter.

Managed credit card revenue in the second quarter of 2001 increased $167 million, or 98% over the prior year period. For the first six months of 2001, credit card revenue increased $203 million, or 46%, compared to the previous period. These increases are the result of significant items recorded in the 2000 second quarter, (see table 4 on page 24).

Investment securities in the second quarter of 2001 generated gains of $69 million, compared to a loss of $354 million in the second quarter of 2000. Significant items charges taken in the second quarter of 2000, (see table 4 page 24), contributed to most of this increase. However, for the first six months of 2001 there was a loss of $27 million reflecting first quarter 2001 losses due to market valuation.

Other income totaled $65 million, a $791 million increase compared to the year-ago quarter. The majority of these increases reflect significant items recorded in the second quarter of 2000, (see table 4 page 24).

Noninterest Expense

The components of noninterest expense for the periods indicated are:

	Three Months Ended	Percent	Six Mon

(Dollars in millions)	June 30 2001	June 30 2000	Increase (Decrease)	Ju 2001
Salaries and employee benefits:				
Salaries..................................	$ 870	$ 967	(10)%	$ 1,707
Employee benefits.........................	142	165	(14)	287
Total salaries and employee benefits......	1,012	1,132	(11)	1,994
Occupancy expense............................	164	172	(5)	331
Equipment expense............................	119	155	(23)	240
Outside service fees and processing	311	375	(17)	566
Marketing and development....................	201	245	(18)	406
Telecommunications...........................	95	96	(1)	204
Other intangible amortization................	19	317	(94)	39
Goodwill amortization........................	18	18	--	35
Other..	370	768	(52)	730
Total noninterest expense before merger-related and restructuring charges.......	2,309	3,278	(30)	4,545
Merger-related and restructuring charges.......	(3)	229	N/M	(3
Total noninterest expense................	$ 2,306	$ 3,507	(34)	$ 4,542
Employees....................................	78,491	82,443	(5)	78,491
Efficiency ratio--managed basis...............	48.5%	103.8%		48.1

Components of noninterest expense that are primarily related to a single business segment are discussed within that business segment rather than the consolidated section.

Salary and benefit costs, including severance charges, in the second quarter and first six months of 2001 declined 11% from the year-ago periods. These decreases reflected significant items recorded in June of 2000, as outlined in table 4 on page 24, and expense savings from reduced headcount, lower incentive compensation and cost reductions associated with the modification of the Corporation's medical benefit plan.

Equipment expense for both the second quarter and first six months of 2001 decreased 23% from the year-ago periods, primarily due to reduced furniture and equipment rental and lower maintenance and depreciation expense.

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Outside service fees and processing expense decreased $64 million, or 17%, in the second quarter of 2001 and $217 million, or 28%, for the first six months of 2001 compared to the year-ago periods. These decreases reflected lower consulting expenses and other benefits from the continuation of the Corporation's waste-reduction initiatives.

Marketing and development expense decreased for both the second quarter and first six months of 2001 compared with the prior periods as continued expense reductions in the Retail line of business more than offset increased expenditures for First USA.

Other intangible amortization expense significantly decreased for both the second quarter and first six months of 2001 when compared with previous periods, mainly due to significant items recorded in second quarter 2000, (see table 4 on page 24).

Other operating expense in the second quarter and first six months of 2001 also significantly decreased compared to the year ago periods. The decrease in the second quarter is attributed to reduced legal provisions and fraud expense and the continuation of the Corporation's waste-reduction initiatives to lower expenses for such items as travel and entertainment and other miscellaneous items. The six-month decrease is due to significant items recorded in the second quarter of 2000, (see table 4 on page 24).

In July, the Corporation announced the acceleration of the four remaining major deposit system conversions, following the successful conversion of Texas/Louisiana. Over the last year this conversion required 90,000 hours of development time and $75 million to convert 1.2 million customer accounts. Also announced was the planned acceleration of streamlining programs across the Corporation, which may require restructuring charges of up to $200 million in the second half of 2001.

Applicable Income Taxes

The Corporation's income before income taxes and the cumulative effect of a change in accounting principle (see Note 2 to the consolidated financial statements), as well as applicable income tax expense and effective tax rate for each of the periods indicated are:

	Three Months Ended June 30		Six Month
(Dollars in millions)	2001	2000	2001
Income (loss) before income taxes and the cumulative effect of change in accounting principle	$1,000	$(2,011)	$1,971
Applicable income taxes (benefits)	292	(742)	584
Effective tax rates	29.2%	36.9%	29.6%

Applicable income tax expense or (benefit) for both periods included benefits for tax-exempt income, tax-advantaged investments and general business tax credits, offset by the effect of nondeductible expenses, including goodwill. In the case of a loss before income taxes, the effect of the net benefits described above is to increase, rather than decrease, the effective rate of tax. This is the primary reason for the difference in effective tax rates between the 2001 and 2000 periods.

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Risk Management

The Corporation's various business activities generate liquidity, market, credit and operating risks:

- Liquidity risk is the possibility of being unable to meet all current and future financial obligations in a timely manner.

- Market risk is the possibility that changes in future market rates or prices will make the Corporation's positions less valuable.

- Credit risk is the possibility of loss from borrowers and counterparties failing to perform according to the terms of a transaction.

- Operating risk, among other things, includes the risk of fraud by employees or persons outside the Corporation, the execution of unauthorized transactions by employees, and errors relating to transaction processing and systems.

The following discussion of the Corporation's risk management processes focuses primarily on developments since March 31, 2001. The Corporation's risk management processes for liquidity, market, credit and operating risks are described in detail in the Corporation's 2000 Annual Report on Form 10-K, beginning on page 20.

Liquidity Risk Management

Liquidity is managed in order to preserve stable, reliable and cost-effective sources of cash to meet all current and future financial obligations in a timely manner. The Corporation considers strong capital ratios, credit quality and core earnings essential to retaining high credit ratings and, consequently, cost-effective access to market liquidity. In addition, a portfolio of liquid assets, consisting of federal funds sold, deposit placements and selected highly marketable investment securities, is maintained to meet short-term demands on liquidity.

The Corporation's ability to attract wholesale funds on a regular basis and at a competitive cost is fostered by strong ratings from the major credit rating agencies. The Corporation and its principal banks had the following long- and short-term debt ratings:

	Short-Term Debt		Senior Long-Term Debt	
	S & P	Moody's	S & P	Moody's
The Corporation (Parent).........	A-1	P-1	A	Aa3
Principal Banks..................	A-1	P-1	A+	Aa2

The Corporation's funding source mix at June 30, 2001 was consistent with that at March 31, 2001.

Market Risk Management

Overview

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices, as well as the correlation among these factors and their volatility. The portfolio effect of engaging in diverse trading activities helps reduce the potential impact of market risk on earnings. Through its trading activities, the Corporation strives to take advantage of profit opportunities available in interest and exchange rate movements. In asset and liability management activities, policies are in place that are designed to closely manage structural interest rate and foreign exchange rate risk.

Value-At-Risk - Trading Activities

The Corporation has developed policies and procedures to manage market risk through a value-at-risk measurement and control system, through a stress testing process and through dollar trading limits. The objective of this process is to quantify and manage market risk in order to limit single and aggregate exposures.

Value-at-risk is intended to measure the maximum fair value the Corporation could lose on a trading position, given a specified confidence level and time horizon. Value-at-risk limits and exposure are monitored on a daily basis for each significant trading portfolio. Stress testing is similar to value-at-risk except that the confidence level is geared to capture more extreme, less frequent market events.

The Corporation's value-at-risk calculation measures potential losses in fair value using a 99% confidence level and a one-day time horizon. This equates to 2.33 standard deviations from the mean under a normal distribution. This means that, on average, daily profits and losses are expected to exceed value-at-risk one out of every 100 overnight trading days. Value-at-risk is calculated using various statistical models and techniques for cash and derivative positions, including options.

The value-at-risk at June 30, 2001 and March 31, 2001 (in millions) is as follows:

Risk Type	June 30, 2001	March 31, 2001
Interest rate	$ 11	$ 8
Currency exchange rate	--	--
Equity	1	1
Aggregate portfolio market risk	$ 12	$ 9

The activities covered by the table above reflect trading and other activities, including certain overseas balance sheet positions that are managed principally as trading risk. Value-at-risk from commodity price risk was immaterial.

Interest rate risk was the predominant type of market risk incurred during the second quarter of 2001. At June 30, 2001, approximately 90% of primary market risk exposures were related to interest rate risk. Exchange rate, equity and commodity risks accounted for 10% of primary market risk exposures.

Structural Interest Rate Risk Management

Interest rate risk exposure in the Corporation's "core" business (non-trading) activities, i.e., asset/liability management ("ALM") position, is a result of reprice, option and basis risks associated with on- and off-balance sheet positions. The ALM position is measured and monitored using sophisticated and detailed risk management tools, including earnings simulation modeling and economic value of equity sensitivity analysis, to capture both near-term and longer-term interest rate risk exposures.

Earnings simulation analysis, or earnings-at-risk, measures the sensitivity of pretax earnings to various interest rate movements. The base-case scenario is established using the implied forward curve. The comparative scenarios assume an immediate parallel shock of the forward curve in increments of +/- 100 basis point rate movements. Numerous other scenarios are analyzed, including more gradual rising or declining rate changes and non-parallel rate shifts. Estimated earnings for each scenario are calculated over a 12-month and 24-month horizon. The interest rate scenarios are used for analytical purposes and do not necessarily represent Management's view of future market movements. Rather, these are intended to provide a measure of the degree of volatility interest rate movements may introduce into the earnings and economic value of the Corporation.

The Corporation's pretax earnings sensitivity profile as of June 30, 2001 and March 31, 2001 is as follows:

	Immediate Change in Rates	
(In millions)	-100 bp	+100 bp
June 30, 2001	$155	$(163)
March 31, 2001	$128	$(150)

The increase in earnings sensitivity during the quarter is primarily due to a longer duration of the Corporation's earning assets.

Modeling the sensitivity of earnings to interest rate risk is highly dependent on the numerous assumptions embedded in the model. While the earnings sensitivity analysis incorporates Management's best estimate of interest rate and balance sheet dynamics under various market rate movements, the actual behavior and resulting earnings impact will likely differ from that projected.

Foreign Exchange Risk Management

Whenever possible, foreign currency-denominated assets are funded with liability instruments denominated in the same currency. If a liability denominated in the same currency is not immediately available or desired, a forward foreign exchange or cross-currency swap contract is used to fully hedge the risk due to cross-currency funding.

To minimize the capital impact of translation gains or losses measured on an after-tax basis, the Corporation uses forward foreign exchange contracts to hedge the exposure created by investments in overseas branches and subsidiaries.

Credit Risk Management

In conducting its business operations, the Corporation is exposed to the risk that borrowers or counterparties may default on their obligations to the Corporation. These transactions create credit exposure that is reported both on and off the balance sheet. On-balance sheet credit exposure includes such items as loans. Off-balance sheet credit exposure includes unfunded credit commitments and other credit-related financial instruments.

In order to meet its credit risk management objectives, the Corporation maintains a risk profile that is diverse in terms of borrower concentrations, product type, and industry and geographic concentrations. Additional diversification of the Corporation's exposure is accomplished through syndication of credits, participations, loan sales, securitizations and other risk-reduction measures.

Operating Risk Management

In addition to being exposed to liquidity, market and credit risk, the Corporation is also exposed to numerous types of operating risk. Operating risk generally refers to the risk of loss resulting from the Corporation's operations, including, but not limited to, the risk of fraud by employees or persons outside the Corporation, the execution of unauthorized transactions by employees, errors relating to transaction processing and systems, and other breaches of the internal control system and compliance requirements. This risk of loss also includes the potential legal actions that could arise as a result of the operational deficiency or as a result of noncompliance with applicable regulatory standards.

Credit Portfolio Composition

Selected Statistical Information

The significant components of credit risk and the related ratios, presented on a reported basis, for the periods indicated are as follows:

(Dollars in millions)	June 30 2001	March 31 2001	December 31 2000	Septe 2
Loans outstanding................................	$166,576	$171,427	$174,251	$17
Average loans....................................	169,140	173,677	175,588	17
Nonperforming loans..............................	2,854	2,559	2,475	
Other, including other real estate owned..........	97	106	98	
Nonperforming assets.............................	2,951	2,665	2,573	
Allowance for credit losses......................	4,229	4,205	4,110	
Net charge-offs..................................	516	489	487	
Nonperforming assets to related assets............	1.77%	1.55%	1.48%	
Allowance for credit losses/loans outstanding.....	2.54	2.45	2.36	
Allowance for credit losses/nonperforming loans...	148	164	166	
Net charge-offs/average loans....................	1.22	1.13	1.11	
Allowance for credit losses/net charge-offs.......	205	215	211	

Loan Composition

For analytical purposes, the Corporation's loan portfolio is divided into commercial, consumer and credit card loan categories as follows for the periods indicated:

(Dollars in millions)	June 30 2001 Amount	% (1)	March 31 2001 Amount	% (1)	December 31 2000 Amount	% (1)	Se Am
Loan Product							
Commercial:							
Domestic:							
Commercial..................	$ 59,308	26%	$ 63,071	28%	$ 65,270	28%	$ 6
Real estate:							
Construction..............	6,029	3	5,775	3	5,757	2	
Other......................	15,923	7	16,710	7	16,778	7	1
Lease financing.............	5,634	3	5,734	2	5,818	3	
Foreign.......................	6,726	3	6,689	3	6,837	3	
Total commercial.........	93,620	42	97,979	43	100,460	43	10
Consumer:							
Residential real estate.....	40,581	18	40,561	18	40,596	17	3
Automotive-- loans/leases...............	19,707	9	19,955	8	20,741	9	2
Other.......................	6,467	3	7,415	3	7,710	3	
Total consumer...........	66,755	30	67,931	29	69,047	29	6
Credit card:							
On balance sheet............	6,201	3	5,517	2	4,744	2	
Securitized.................	56,814	25	58,515	26	62,241	26	6
Managed credit card.........	63,015	28	64,032	28	66,985	28	6
Total managed...................	$223,390	100%	$229,942	100%	$ 236,492	100%	$ 23
Total reported..................	$166,576		$171,427		$ 174,251		$ 17

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(1) Percentages shown for loan type are determined as a percentage of total managed loans.

For management purposes, the Corporation's loan portfolio is divided into Retail, Commercial Banking, First USA and other lines of business as follows for the periods indicated:

(Dollars in millions)	June 30 2001 Amount	% (1)	March 31 2001 Amount	% (1)	December 31 2000 Amount	% (1)	September 2000 Amount
Line of Business							
Retail....................	$ 75,063	34%	$ 76,102	33%	$ 77,301	33%	$ 76,798
Commercial Banking.........	73,866	33	78,527	34	81,435	34	84,300
Other lines of business....	11,446	5	11,281	5	10,771	5	10,523
First USA:							

On balance sheet......	6,201	3	5,517	2	4,744	2	4,798
Securitized...........	56,814	25	58,515	26	62,241	26	61,086
Managed credit card...	63,015	28	64,032	28	66,985	28	65,884
Total managed.............	$223,390	100%	$229,942	100%	$236,492	100%	$237,505
Total reported............	$166,576		$171,427		$174,251		$176,419

(1) Percentages shown for line of business are determined as a percentage of total managed loans.

Commercial Portfolio Concentrations

The Corporation's commercial loan portfolio primarily comprises Corporate Banking (including syndicated credits) and Middle Market Banking loans within Commercial Banking, and also includes small business loans originated by Retail.

The more significant borrower industry concentrations of the commercial loan portfolio as of June 30, 2001, March 31, 2001 and December 31, 2000 are as follows:

	June 30, 2001		March 31, 2001	
(Dollars in millions)	Carrying Amount	Percent	Carrying Amount	Percent
Commercial real estate........	$21,952	23.4%	$22,485	23.0%
Wholesale trade...............	5,874	6.3	5,783	5.9
Industrial materials..........	5,064	5.4	5,125	5.2
Oil and gas...................	3,745	4.0	4,040	4.1
Metals and products...........	3,793	4.1	3,841	3.9
Consumer staples..............	4,311	4.6	4,308	4.4
Other.........................	48,881	52.2	52,397	53.5
Total commercial.........	$93,620	100.0%	$97,979	100.0%

Commercial Real Estate

The commercial real estate segment of the portfolio is the largest product category and consists primarily of loans secured by real estate as well as certain loans that are real estate-related. This exposure includes loans and commitments that finance both owner-occupied and investment properties/projects.

Commercial real estate lending is conducted in several lines of business, with the majority of these loans originated by Corporate Banking primarily through its specialized National Commercial Real Estate Group. This group's focus is lending to targeted regional and national real estate developers, homebuilders and REITs/REOCs. As of June 30, 2001, this group's loan outstandings totaled $9.2 billion, or 42%, of the commercial real estate portfolio. Middle Market Banking originates primarily owner-occupied real estate loans located in the Middle Market footprint. At June 30, 2001, commercial real estate loans totaled $22.0 billion, or 23.4% of total commercial loans, compared with $22.5 billion, or 23.0% of commercial loans, at March 31, 2001.

The commercial real estate loans for the National Commercial Real Estate Group by property type as of June 30, 2001, March 31, 2001 and December 31, 2000 are as follows:

PROPERTY-TYPE (National Commercial Real Estate Group only) (Dollars in millions)	June 30, 2001 Carrying Amount	June 30, 2001 Percent	March 31, 2001 Carrying Amount	March 31, 2001 Percent	De Ca A
Retail	$ 1,618	17.5%	$ 1,582	16.8%	$ 1
Apartment complexes	1,504	16.3	1,520	16.1	1
Office buildings	1,342	14.5	1,364	14.5	1
REIT/REOC	938	10.2	991	10.5	1
Industrial	515	5.6	523	5.6	
Lodging	337	3.6	375	4.0	
Other	2,989	32.3	3,060	32.5	2
Total National Commercial Real Estate Group loans	9,243	100.0%	9,415	100.0%	9
Other commercial real estate loans (1)	12,709		13,070		13
Total commercial real estate loans	$21,952		$22,485		$22

(1) Comprised primarily of Middle Market Banking loans secured by real estate.

The National Commercial Real Estate Group real estate portfolio is diverse, with no geographic concentrations greater than 10% of the portfolio at June 30, 2001.

Asset Quality

Nonperforming Assets

The Corporation defines nonperforming loans as commercial loans that are impaired and/or on nonaccrual status, consumer loans (i.e., non-credit card) greater than 90 days past due and restructured loans. These loans, along with assets primarily consisting of foreclosed real estate, represent nonperforming assets.

The Corporation's nonperforming loans by line of business and total nonperforming assets for the periods indicated are as follows:

(Dollars in millions)	June 30 2001	March 31 2001	December 31 2000	Septem 200

Nonperforming Loans:				
Retail	$1,050	$ 959	$ 912	$
Commercial Banking	1,752	1,544	1,523	1,
Other lines of business	52	56	40	
Total	2,854	2,559	2,475	2,
Other, primarily other real estate owned	97	106	98	
Total nonperforming assets	$2,951	$2,665	$2,573	$2,
Nonperforming assets/related assets	1.77%	1.55%	1.48%	1
Loans 90 days or more past due and accruing interest:				
Credit Card	$ 59	$ 63	$ 57	$
Other	9	7	5	
Total	$ 68	$ 70	$ 62	$

The Corporation has experienced credit quality deterioration in a number of distinct market segments. A weakening economy, among other things, has led to an increase in nonperforming loans. The Corporation has established processes for identifying potential problem areas of the portfolio, which currently include exposure to leveraged lending and acquisition finance activities, healthcare, automotive parts and manufacturing, business finance and leasing, professional services, miscellaneous transportation services, selected utilities, telecommunications, and companies engaged in ongoing asbestos litigation. The Corporation will continue to monitor of these potential risks.

The Corporation's net charge-offs by line of business for the proceeds indicated are as follows:

(Dollars in millions)	June 30, 2001			March 31, 2001			
	Net charge-offs	Average balance	Net charge-off rate	Net charge-offs	Average balance	Net charge-off rate	N cha of
Retail (1)	$ 177	$ 75,279	1.07%	$ 166	$ 76,746	0.87%	$
Commercial banking	239	76,400	1.25	249	80,628	1.23	
First USA (2)	962	63,179	6.09	950	65,443	5.81	
Other lines of business	13	11,494	-	-	11,065	-	
Total--Managed (1)(2)	1,391	226,352	2.50%	1,365	233,882	2.33%	1
Securitized	(875)	(57,212)		(876)	(60,205)		
Total--Reported	$ 516	$ 169,140	1.22%	$ 489	$173,677	1.13%	$

(Dollars in millions)	September 30, 2000 Net charge-offs	September 30, 2000 Average balance	September 30, 2000 Net charge-off rate	June 30, 2000 Net charge-offs	June 30, 2000 Average balance	June 30, 2000 Net charge-off rate
Retail (1)..................	$ 151	$ 74,746	0.81%	$ 134	$ 73,771	0.73%
Commercial banking..........	109	83,400	0.52	110	81,867	0.54
First USA (2)...............	828	65,849	5.03	900	66,148	5.44
Other lines of business.....	3	10,409	-	8	10,035	-
Total--Managed (1)(2).......	1,091	234,404	1.86%	1,152	231,821	1.99%
Securitized.................	(772)	(61,145)		(833)	(61,078)	
Total--Reported.............	$ 319	$173,259	0.74%	$ 319	$170,743	0.75%

(1) June 30, 2001 and March 31, 2001 amounts exclude $24 million and $40 million, respectively, of charge-offs relating to part of a portfolio that has been accounted for as loans held at a discount, but viewed for management purposes as charge-offs. In Management's view, the inclusion of these amounts in charge-offs more accurately reflects the performance of the portfolio. See Retail LOB discussion on page 4 for further detail.
(2) Reported on a managed basis.

Allowance for Credit Losses

The allowance for credit losses is maintained at a level that in Management's judgment is adequate to provide for estimated probable credit losses inherent in various on- and off-balance sheet financial instruments. This process includes deriving probable loss estimates that are based on historical loss ratios and portfolio stress testing and Management's judgment. The allowance is based on ranges of estimates and is intended to be adequate but not excessive. Each quarter, reserves are formally estimated by each line of business and reviewed by the Corporate Risk Management Department and Senior Management.

The following table shows the components of, by line of business, the change in the Corporation's allowance for credit losses for the periods indicated:

(In millions)	June 30 2001	March 31 2001	December 31 2000	Sept
Line of Business				
Balance, beginning of period................	$4,205	$4,110	$3,090	$
Charge-offs:				
Retail..................................	222	216	199	
Commercial Banking......................	266	287	284	

First USA (1)............................	94	78	69	
Other lines of business..................	14	5	6	
Total charge-offs...................	596	586	558	
Recoveries:				
Retail...................................	45	50	40	
Commercial Banking.......................	27	38	25	
First USA (1)............................	7	4	4	
Other lines of business..................	1	5	2	
Total recoveries...................	80	97	71	
Net charge-offs:				
Retail...................................	177	166	159	
Commercial Banking.......................	239	249	259	
First USA (1)............................	87	74	65	
Other lines of business..................	13	-	4	
Total net charge-offs...............	516	489	487	
Provision for credit losses:				
Retail...................................	201	244	364	
Commercial Banking.......................	239	264	1,078	
First USA (1)............................	87	74	65	
Other lines of business..................	13	3	-	
Total provision for credit losses....	540	585	1,507	
Transfers / other (2)......................	-	(1)	-	
Balance, end of period.....................	$4,229	$4,205	$4,110	$

(1) On a reported basis.
(2) Transfers from the allowance for credit losses primarily represent allocable credit reserves associated with consumer loan sale transactions, including securitization transactions.

The composition of the Corporation's allowance for credit losses by line of business is as follows:

(Dollars in millions)	June 30, 2001		March 31, 2001		Dec
Retail..................................	$ 949	22%	$ 924	22%	$
Commercial Banking......................	3,032	72	3,034	72	3,
First USA...............................	197	5	197	5	
Other lines of business.................	51	1	50	1	
Total.............................	$ 4,229	100%	$4,205	100%	$4,
Allowance as a % of total loans:					
Retail...............................		1.26%		1.21%	
Commercial Banking...................		4.10		3.86	
First USA............................		3.18		3.58	
Other lines of business..............		0.44		0.44	

Total.............................	2.54	2.45

Derivative Financial Instruments

The Corporation uses a variety of derivative financial instruments in its trading, asset and liability management, and corporate investment activities, as well as to manage certain currency translation exposures of foreign operations. These instruments include interest rate, currency, equity and commodity swaps, forwards, spot, futures, options, caps, floors, forward rate agreements, and other conditional or exchange contracts, and include both exchange-traded and over-the-counter contracts.

Accounting for Derivative Financial Instruments

Effective January 1, 2001, the Corporation adopted Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities" as amended. The new standard significantly changed the accounting treatment for interest rate and foreign exchange derivatives the Corporation uses in its asset and liability management ("ALM") activities. The new accounting treatment for ALM derivatives is described below. Cash flows from derivative financial instruments are reported net as operating activities.

Trading Derivative Instruments

The Corporation's accounting policies for derivatives used in trading activities have not changed as the result of SFAS No. 133. A detailed discussion of accounting for trading derivative instruments is presented in the Corporation's 2000 Annual Report on Form 10-K.

ALM Derivative Instruments

Derivative financial instruments used in ALM activities, principally interest rate swaps, are classified as fair value hedges or cash flow hedges and are required to meet specific criteria. Such interest rate swaps are designated as ALM derivatives, and are linked to and adjust the interest rate sensitivity of a specific asset, liability, firm commitment, or anticipated transaction or a specific pool of transactions with similar risk characteristics. Interest rate swaps that do not meet these and the following criteria are designated as derivatives used in trading activities and are accounted for at estimated fair value.

Fair Value Hedge (primarily hedges of fixed rate interest-bearing instruments) -- The change in fair value of both the hedging derivative and hedged item is recorded in current earnings. If a hedge is dedesignated prior to maturity, previous adjustments to the carrying value of the hedged item are recognized in earnings to match the earnings recognition pattern of the hedged item (e.g., level yield amortization if hedging an interest-bearing instrument).

Cash Flow Hedge (primarily hedges of variable rate interest-bearing instruments) -- The effective portion of the change in fair value of the hedging derivative is recorded in Accumulated Other Adjustments to Stockholders' Equity ("AOASE") and the ineffective portion directly in earnings. Amounts in "AOASE" are reclassified into earnings in a manner consistent with the earnings pattern of the underlying hedged item (generally, reflected in interest expense). The total amount of such reclassification into earnings is projected to be charges of $92 million after-tax ($143 million pre-tax) over the next twelve months. If a hedge is dedesignated prior to maturity, previous adjustments to "AOASE" are recognized in earnings to match the earnings recognition pattern of the hedged item (e.g., level yield amortization if hedging an interest-bearing instrument) or immediately recognized in current earnings if the hedged item is sold.

Interest income or expense on most ALM derivatives used to manage interest rate exposure is recorded on an accrual basis, as an adjustment to the yield of the linked exposures over the periods covered by the contracts. This matches the income recognition treatment of that exposure, generally assets or liabilities carried at historical cost, that are recorded on an accrual basis. If all or part of a linked position is terminated, e.g., a linked asset is sold or prepaid, or if the amount of an anticipated transaction is likely to be less than originally expected, then the related pro rata portion of any unrecognized gain or loss on the swap is recognized in earnings at that time, and the related pro rata portion of the swap is subsequently accounted for at estimated fair value.

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Hedges of the Net Investment in Foreign Operations

In order to minimize the capital impact of translation gains or losses measured on an after-tax basis, the Corporation uses forward foreign exchange contracts to hedge the exposure relating to the net investment in foreign operations. The effective portion of the change in fair value of the hedging derivatives is recorded in "AOASE" as part of the cumulative translation adjustment. The amount of after-tax gains included in the cumulative translation adjustment during the six months ended June 30, 2001, related to hedges of the foreign currency exposures of net investments in foreign operations, totaled $6 million.

Income Resulting from Derivative Financial Instruments

The Corporation uses interest rate derivative financial instruments to reduce structural interest rate risk and the volatility of net interest margin. Net interest margin reflects the effective use of these derivatives. Without their use, net interest income would have been lower by $14 million in the second quarter 2001 and higher by $2 million in the second quarter of 2000. For six month ended June 30 2001 and 2000, net interest income would have been lower by $21 million and $9 million, respectively.

The amount of hedge ineffectiveness recognized for cash flow and fair value hedges in the quarter ended June 30, 2001 was insignificant. No component of a hedging derivative instrument's gain or loss is excluded from the assessment of fair value and cash flow hedge effectiveness.

Credit Exposure Resulting from Derivative Financial Instruments

Credit exposure from derivative financial instruments arises from the risk of a counterparty default on the derivative contract. The amount of loss created by the default is the replacement cost or current fair value of the defaulted contract. The Corporation utilizes master netting agreements whenever possible to reduce its credit exposure from counterparty defaults. These agreements allow the netting of contracts with unrealized losses against contracts with unrealized gains to the same counterparty, in the event of a counterparty default.

The table below shows the impact of these master netting agreements:

(In millions)	June 30, 2001	March 31, 2001

Gross replacement cost	$ 10,535	$ 12,334
Less: Adjustment due to master netting agreements	(7,390)	(8,426)
Balance sheet credit exposure	$ 3,145	$ 3,908

Asset and Liability Management Derivatives

Access to the derivatives market is an important element in maintaining the Corporation's desired interest rate risk position. In general, the assets and liabilities generated through ordinary business activities do not naturally create offsetting positions with respect to repricing, basis or maturity characteristics. Using derivative instruments, principally plain vanilla interest rate swaps (ALM swaps), interest rate sensitivity is adjusted to maintain the desired interest rate risk profile.

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At June 30, 2001, the notional value of ALM interest rate swaps tied to specific assets or liabilities, firm commitments and forecasted transactions totaled $13.0 billion as follows:

(In millions)	Receive Fixed Pay Floating	Pay Fixed Receive Floating	
	Fair Value	Fair Value	Cash Flow
Interest rate swaps associated with:			
Investment securities	$ --	$50	$ --
Funds borrowed (including long-term debt)	8,380	--	4,522
Total	$8,380	$50	$4,522

Interest rate swaps used to adjust the interest rate sensitivity of securities and funds borrowed will not need to be replaced at maturity, since the corresponding asset or liability will mature along with the swap. Interest rate swaps designated as an interest rate related hedge of an existing fixed rate asset or liability are fair value type hedges. Conversely, interest rate swaps designated as an interest rate hedge of an existing variable rate asset or liability are cash flow type hedges. Management designates interest rate swaps as hedges of both fixed and variable rate assets and liabilities interchangeably. The type of hedge for accounting purposes is not a strategic consideration. The Corporation has an insignificant amount of hedges involving forecasted transactions and firm commitments, and no non-derivative instruments are designated as a hedge.

Loan Securitizations

Investors in the beneficial interests of the securitized loans have no recourse against the Corporation if cash flows generated from the securitized loans are inadequate to service the obligations of the SPE. To help ensure that adequate funds are available in the event of a shortfall, the Corporation is required to deposit funds into cash spread accounts if excess spread falls below certain minimum levels. Spread accounts are funded from excess spread that would normally be returned to the Corporation. In addition, various forms of other credit enhancement are provided to protect more senior investor interests from loss. Credit enhancements associated with credit card securitizations, such as cash collateral or spread accounts, totaled $205 million at June 30, 2001, and are classified on the balance sheet as other assets.

For further discussion of Bank One's loan securitization process and other related disclosures, see pages 41-42 and pages 63-65 of the Corporation's 2000 Annual Report on Form 10-K.

The following comprised the Corporation's managed credit card loans at June 30, 2001:

(In millions)
Owned credit card loans - held in portfolio..
Owned credit card loans - held for future securitization............................
Seller's interest in credit card loans (investment securities)......................
Total credit card loans reflected on balance sheet..................................
Securities sold to investors and removed from balance sheet........................
Managed credit card loans..

At June 30, 2001, the estimated fair value of seller's interest and interest-only strip from credit card securitizations were as follows:

(In millions)
Seller's interest...
Interest-only strip...
Total interests in credit card securitizations..

For analytical purposes only, income statement line items adjusted for the net impact of securitization of credit card receivables for the periods indicated are as follows:

(Dollars in millions)	Reported	Credit Card Securitizations	Managed	Reported	Cr Se
	Three Months Ended June 30			Three Mon	
	2001				
Net interest income--FTE basis............	$ 2,085	$ 1,158	$ 3,243	$ 2,257	
Provision for credit losses...............	540	875	1,415	1,013	
Noninterest income........................	1,791	(283)	1,508	288	

Noninterest expense	2,306	--	2,306	3,507
Net income	664	--	664	(1,269)
Total average loans	$ 169,140	$ 57,212	$ 226,352	$ 170,743
Total average earning assets	238,971	40,590	279,561	240,826
Total average assets	268,259	40,590	308,849	272,823
Net interest margin	3.50%	11.44%	4.65%	3.77%
Delinquency and charge-off rates:				
Credit card delinquencies over 30 days as a percentage of ending credit card loan balances	2.23%	4.30%	4.10%	2.70%
Credit card delinquencies over 90 days as a percentage of ending credit card loan balances	0.94%	1.87%	1.78%	1.17%
Net credit card charge-offs as a percentage of average credit card loan balances	5.78%	6.12%	6.09%	5.25%

	Six Months Ended June 30			Six Mont
	2001			
Net interest income--FTE basis	$ 4,303	$ 2,248	$ 6,551	$ 4,485
Provision for credit losses	1,125	1,751	2,876	1,375
Noninterest income	3,398	(497)	2,901	2,109
Noninterest expense	4,542	-	4,542	6,168
Net income	1,343	-	1,343	(580)
Total average loans	$ 171,395	$ 58,701	$ 230,096	$ 169,083
Total average earning assets	240,645	40,090	280,735	239,070
Total average assets	268,883	40,090	308,973	270,770
Net interest margin	3.61%	11.31%	4.71%	3.77%
Delinquency and charge-off rates:				
Credit card delinquencies over 30 days as a percentage of ending credit card loan balances	2.23%	4.30%	4.10%	2.70%
Credit card delinquencies over 90 days as a percentage of ending credit card loan balances	0.94%	1.87%	1.78%	1.17%
Net credit card charge-offs as a percentage of average credit card loan balances	5.71%	5.97%	5.91%	5.36%

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CAPITAL MANAGEMENT

Capital represents the stockholders' investment on which the Corporation strives to generate attractive returns. It is the foundation of a cohesive risk management framework and links return with risk. Capital supports business growth and provides protection to depositors and creditors.

In conjunction with the annual financial planning process, a capital plan is established to ensure that the Corporation and all of its subsidiaries have capital structures consistent with prudent management principles and regulatory requirements.

Economic Capital

An important aspect of risk management and performance measurement is the ability to evaluate the risk and return of a business unit, product or customer consistently across all lines of business. The Corporation's economic capital framework facilitates this standard measure of risk and return. Business units are assigned capital consistent with the underlying risks of their product set, customer base and delivery channels. For a more detailed discussion of Bank One's economic capital framework, see page 44 of the Corporation's 2000 Annual Report on Form 10-K.

Selected Capital Ratios

The Corporation aims to maintain regulatory capital ratios, including those of the principal banking subsidiaries, in excess of the well-capitalized guidelines under federal banking regulations. The Corporation has maintained a well-capitalized regulatory position for the past several years.

The tangible common equity to tangible managed assets ratio is also monitored. This ratio adds securitized credit card loans to reported total assets and is calculated net of total intangible assets. The tangible common equity to tangible managed assets ratio was 5.8% at June 30, 2001, up from 5.6% at March 31, 2001. Tier 1 and Total Capital ratios were 8.2% and 11.6% and 7.8% and 11.2%, respectively, at June 30, 2001, and March 31, 2001.

The Corporation's capital ratios that adhere to regulatory guidelines appear in the table below:

	June 30 2001	March 31 2001	December 31 2000	September 30 2000	Ju 2
Risk-based capital ratios (1)					
Tier 1..........................	8.2%	7.8%	7.3%	7.5%	
Total...........................	11.6	11.2	10.8	10.9	1
Common equity/managed assets..........	6.2	6.0	6.0	5.9	
Tangible common equity/tangible managed assets.....................	5.8	5.6	5.5	5.4	
Double leverage ratio (1)............	105	106	108	109	
Dividend payout ratio................	37	36	N/M	42	

N/M--Not meaningful.
(1) Includes trust preferred capital securities.

The components of the Corporation's regulatory risk-based capital and risk-weighted assets are as follows:

(In millions)	June 30 2001	March 31 2001	December 31 2000	Septemb 200
Regulatory risk-based capital:				
Tier 1 capital.....................	$ 21,243	$ 20,727	$ 19,824	$ 20

Tier 2 capital	8,930	9,148	9,316	9
Total capital	$ 30,173	$ 29,875	$ 29,140	$ 29
Total risk-weighted assets	$ 259,372	$ 266,077	$ 270,182	$ 272

In deriving Tier 1 and total capital, goodwill and other nonqualifying intangible assets are deducted as indicated:

(In millions)	June 30 2001	March 31 2001	December 31 2000	Sept
Goodwill	$ 824	$ 841	$ 858	$
Other nonqualifying intangibles	273	299	375	
Subtotal	1,097	1,140	1,233	
Qualifying intangibles	205	205	214	
Total intangibles	$ 1,302	$ 1,345	$ 1,447	$

Dividend Policy

The Corporation's common stock dividend policy reflects its earnings outlook, desired payout ratios, the need to maintain an adequate capital level and alternative investment opportunities. The common stock dividend payout ratio is targeted in the range of 25% - 30% of earnings over time. On July 17, 2001, the Corporation declared its quarterly common cash dividend of 21 cents per share, payable on October 1, 2001. The common stock dividend declared for the second quarter of 2000 was 42 cents per share. The decrease from the year-ago period reflects a 50% reduction of the quarterly dividend rate from 42 cents per share to 21 cents per share commencing in the third quarter of 2000.

Double Leverage

Double leverage is the extent to which the Corporation's resources are used to finance investments in subsidiaries. Double leverage was 105% at June 30, 2001, 106% at March 31, 2001 and 108% at December 31, 2000. Trust Preferred Capital Securities of $2.790 billion for the first and second quarter of 2001 and $1.578 billion in the prior year quarter were included in capital for purposes of this calculation.

FORWARD-LOOKING STATEMENTS

Management's Discussion and Analysis included herein contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, the Corporation may make or approve certain statements in future filings with the Securities and Exchange Commission, in press releases, and in oral and written statements made by or with the Corporation's approval that are not statements of historical fact and may constitute forward-looking statements. Forward-looking statements may relate to, without limitation, the Corporation's financial condition, results of operations, plans, objectives, future performance or business.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believes", "anticipates", "expects", "intends", "plans", "estimates", "targets" or words of similar meaning or future or conditional verbs such as "will", "would", "should", "could" or "may".

Forward-looking statements involve risks and uncertainties. Actual conditions, events or results may differ materially from those contemplated by a forward-looking statement. Factors that could cause this difference - many of which are beyond the Corporation's control - include the following, without limitation:

- Local, regional and international business or economic conditions may differ from those expected.
- The effects of and changes in trade, monetary and fiscal policies and laws, including the Federal Reserve Board's interest rate policies may adversely affect the Corporation's business.
- The timely development and acceptance of new products and services may be different than anticipated.
- Technological changes instituted by the Corporation and by persons who may affect the Corporation's business may be more difficult to accomplish or more expensive than anticipated or may have unforeseen consequences.
- Acquisitions and integration of acquired businesses may be more difficult or expensive than expected.
- The ability to increase market share and control expenses may be more difficult than anticipated.

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- Changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) may adversely affect the Corporation or its business.
- Changes in accounting policies and practices, as may be adopted by regulatory agencies and the Financial Accounting Standards Board, may affect expected financial reporting.
- The costs, effects and outcomes of litigation may adversely affect the Corporation or its business.
- The Corporation may not manage the risks involved in the foregoing as well as anticipated.
- Forward-looking statements speak only as of the date they are made. The Corporation undertakes no obligation to update any forward-looking statement to reflect subsequent circumstances or events.

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Consolidated Balance Sheets
BANK ONE CORPORATION and Subsidiaries

(Dollars in millions)	June 30 2001
Assets	
Cash and due from banks	$ 18,453
Interest-bearing due from banks	2,106
Federal funds sold and securities under resale agreements	11,600
Trading assets	7,177
Derivative product assets	3,145
Investment securities	49,732
Loans	166,576
Allowance for credit losses	(4,229)
Loans, net	162,347
Premises and equipment, net	2,645
Customers' acceptance liability	343
Other assets	14,864
Total assets	$272,412
Liabilities	
Deposits:	
Demand	$ 30,662
Savings	66,974
Time:	
Under $100,000	23,289
$100,000 and over	20,973
Foreign offices	22,401
Total deposits	164,299
Federal funds purchased and securities under repurchase agreements	17,779
Other short-term borrowings	13,310
Long-term debt	38,903
Guaranteed preferred beneficial interest in the Corporation's junior subordinated debt	2,790
Acceptances outstanding	343
Derivative product liabilities	3,051
Other liabilities	12,486
Total liabilities	252,961
Stockholders' Equity	
Preferred stock	190
Common stock - $0.01 par value	12
Number of common shares (in thousands):	6/30/01
Authorized	4,000,000
Issued	1,181,382
Surplus	10,329
Retained earnings	9,907
Accumulated other adjustments to stockholders' equity	(207)
Deferred compensation	(156)
Treasury stock, at cost, 13,587,000, 21,557,000, and 25,872,000 shares, respectively	(624)
Total stockholders' equity	19,451
Total liabilities and stockholders' equity	$272,412

The accompanying notes are an integral part of this statement.

Consolidated Income Statements
BANK ONE CORPORATION and Subsidiaries

(In millions, except per share data)	Three Mont June 2001
Net Interest Income:	
Interest income	$ 4,385
Interest expense	2,330
Total net interest income	2,055
Noninterest Income:	
Non-deposit service charges	431
Credit card revenue	621
Service charges on deposits	360
Fiduciary and investment management fees	184
Investment securities gains (losses)	69
Trading	61
Other income (losses)	65
Total noninterest income	1,791
Total revenue, net of interest expense	3,846
Provision for credit losses	540
Salaries and employee benefits	1,012
Occupancy expense	164
Equipment expense	119
Outside service fees and processing	311
Marketing and development	201
Telecommunications	95
Other intangible amortization	19
Goodwill amortization	18
Other	370
Total noninterest expense before merger and restructuring charges	2,309
Merger-related and restructuring charges	(3)
Total noninterest expense	2,306
Income (loss) before income taxes and cumulative effect of change in accounting principle	1,000
Applicable income taxes (benefit)	292
Income (loss) before cumulative effect of change in accounting principle	708
Cumulative effect of change in accounting principle, net of taxes of $25	(44)
Net Income (Loss)	$ 664
Net Income (Loss) Attributable to Common Stockholders' Equity	$ 661

Earnings (loss) per share before cumulative effect of change in accounting principle:	
Basic	$ 0.60
Diluted	$ 0.60
Earnings (loss) per share:	
Basic	$ 0.57
Diluted	$ 0.56

The accompanying notes are an integral part of this statement.

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Consolidated Statement of Stockholders' Equity
BANK ONE CORPORATION and Subsidiaries

(In millions)	Preferred Stock	Common Stock	Surplus	Retained Earnings	Accumulated Other Adjustments to Stockholders' Equity	C
Balance--December 31, 1999	$190	$12	$10,799	$11,037	$(263)	
Net income (loss)				(580)		
Change in fair value, investment securities-- available for sale, net of taxes					127	
Translation gain, net of hedge results and taxes					1	
Net income and changes in accumulated other adjustments to stockholders' equity				(580)	128	
Cash dividends declared:						
Common stock				(967)		
Preferred stock				(6)		
Issuance of stock			(129)			
Purchase of common stock						
Employee Stock Program			(59)			
Awards granted, net of forfeitures and amortization						
Other			(6)			
Balance--June 30, 2000	$190	$12	$10,605	$ 9,484	$(135)	
Balance--December 31, 2000	$190	$12	$10,487	$ 9,060	$ (5)	
Net income				1,343		
Change in fair value, investment securities-- available for sale, net of taxes					(62)	
Change in fair value of cash-flow type hedge						

derivative securities net of taxes......					(137)
Translation loss, net of hedge results and taxes....................................					(3)
Net income and changes in accumulated other adjustments to stockholders' equity.....				1,343	(202)
Cash dividends declared:					
Common stock...........................				(490)	
Preferred stock........................				(6)	
Issuance of stock........................			(159)		
Awards granted, net of forfeitures and amortization.............................					
Other..................................			1		
Balance--June 30, 2001	$190	$12	$10,329	$ 9,907	$(207)

The accompanying notes are an integral part of this statement.

Consolidated Statement of Cash Flows
BANK ONE CORPORATION and Subsidiaries

(In millions)

Cash Flows from Operating Activities

Net income(loss)..
Adjustments to reconcile net income to net cash (used in) provided by operating activities:
Depreciation and amortization...
Cumulative effect of accounting change...
Provision for credit losses...
Investment securities losses..
Net decrease (increase) in net derivative product assets......................................
Net (increase) decrease in trading assets...
Net (increase) decrease in other assets...
Net increase (decrease) in other liabilities..
Merger-related and restructuring charges..
Other operating adjustments...

Net cash (used in) provided by operating activities..

Cash Flows from Investing Activities
Net increase in federal funds sold and securities under resale agreements.........................
Securities available for sale:
Purchases...
Maturities..
Sales...
Credit card receivables securitized...
Net decrease (increase) in loans ....
Loan recoveries...
Additions to premises and equipment...

Proceeds from sales of premises and equipment........................
All other investing activities, net........................
Net cash provided by (used in) investing activities........................
Cash Flows from Financing Activities
Net (decrease) increase in deposits........................
Net increase (decrease) in federal funds purchased and securities under repurchase agreements....
Net (decrease) increase in other short-term borrowings........................
Proceeds from issuance of long-term debt........................
Repayment of long-term debt........................
Cash dividends paid........................
Proceeds from issuance of trust preferred capital securities ....
Proceeds from issuance of common and treasury stock........................
All other financing activities, net........................
Net cash (used in) provided by financing activities........................
Effect of Exchange Rate Changes on Cash and Cash Equivalents........................
Net (Decrease) Increase in Cash and Cash Equivalents........................
Cash and Cash Equivalents at Beginning of Period........................
Cash and Cash Equivalents at End of Period........................

The accompanying notes are an integral part of this statement.

Notes to Consolidated Financial Statements
BANK ONE CORPORATION and Subsidiaries

Note 1--Summary of Significant Accounting Policies

Consolidated financial statements of BANK ONE CORPORATION and Subsidiaries (the "Corporation" or "Bank One") have been prepared in conformity with generally accepted accounting principles. Management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes that could differ from actual results. Certain prior-year financial statement information has been reclassified to conform to the current year's financial statement presentation.

Although the interim amounts are unaudited, they do reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations for the interim periods. All such adjustments are of a normal, recurring nature. Because the results from commercial banking operations are so closely related and responsive to changes in economic conditions, fiscal policy and monetary policy, and because the results for the investment security and trading portfolios are largely market-driven, the results for any interim period are not necessarily indicative of the results that can be expected for the entire year.

These financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

Note 2--New and Pending Accounting Pronouncements

Accounting for Transfers and Servicing of Financial Assets and Liabilities

Effective April 1, 2001, the Corporation adopted SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Liabilities" ("SFAS No. 140"). On July 23, 2001, the FASB issued a Technical Bulletin that will delay the effective date of certain provisions of SFAS No. 140 relating to isolation in bankruptcy for banks subject to FDIC receivership and for certain other financial institutions. For these entities, the isolation provisions would be effective for transfers of financial assets occurring after December 31, 2001, except for transfers involving revolving credits such as credit card securitizations. An additional transition period was granted for securitizations involving revolving credits that ends three months after the earliest date at which sufficient approvals can be obtained to permit the necessary changes to existing master trusts to meet the isolation provisions, but in no event extend later than June 30, 2006. The new standard also provides revised guidance for an entity to be considered a qualifying special purpose entity ("QSPE") and requires additional disclosures concerning securitization activities and collateral. The impact of adopting SFAS No. 140 was not significant to the Corporation's financial position or net income.

Accounting for Derivative Instruments and Hedging Activities

Effective January 1, 2001, the Corporation adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities ("SFAS No. 133")", as amended. The new standard significantly changed the accounting treatment for interest rate and foreign exchange derivatives the Corporation uses in its asset and liability management activities. The Corporation's accounting for derivatives used in trading activities has not changed as the result of SFAS No. 133. Hedging derivatives are now recognized on the balance sheet at fair value as either assets or liabilities. Hedge ineffectiveness, if any, is calculated and recorded in current earnings. The accounting for the effective portion of the change in value of a hedging derivative is based on the nature of the hedge. See "Derivative Financial Instruments" on page 37 for detailed information on the Corporation's strategy in using derivative instruments in its asset and liability management and trading activities, as well as the new accounting principles and disclosure for derivative instruments pursuant to SFAS No. 133.

Recognition and Impairment of Certain Investments

Effective April 1, 2001, the Corporation adopted Emerging Issues Task Force (EITF) Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets" ("EITF No. 99-20"). Under EITF No. 99-20, impairment on certain beneficial interests in securitized assets must be recognized when the asset's fair value is below its carrying value and there has been an adverse change in estimated cash flows. The effect of adopting EITF No. 99-20 was a one-time, non-cash charge to earnings of $44 million after-tax ($69 million pre-tax) or $0.04 per diluted share. This charge has been presented as a cumulative effect of a change in accounting principle in the income statement. The securities impacted by EITF No. 99-20 primarily involved collateralized debt obligations held by the Corporate Investments line of business.

Business Combinations and Goodwill and Other Intangible Assets

In July 2001, SFAS No. 141, "Business Combinations" ("SFAS No. 141") and SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") were issued. SFAS No. 141 requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. SFAS No. 142 addresses the initial recognition and measurement of intangible assets acquired outside of a business combination and the accounting for goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 provides that intangible assets with finite useful lives be amortized and that goodwill and intangible assets with indefinite lives will not be amortized, but will rather be tested at least annually for impairment. SFAS No. 142 is effective January 1, 2002 for calendar year companies, however, any acquired goodwill or intangible assets recorded in transactions closed subsequent to June 30, 2001 will be subject immediately to the nonamortization and amortization provisions of SFAS No. 142. As required under SFAS No. 142, the Company will discontinue the amortization of goodwill with an expected net carrying value of $789 million at the date of adoption and annual amortization of $70 million that resulted from business combinations prior to the adoption of SFAS No. 141. However, the Company continues to evaluate the additional effect, if any, that adoption of SFAS No. 141 and SFAS No. 142 will have on the Company's consolidated financial statements.

Note 3--Earnings per Share

Basic EPS is computed by dividing income available to common stockholders by the average number of common shares outstanding for the period. Except when the effect would be antidilutive, the diluted EPS calculation includes shares that could be issued under outstanding stock options and the employee stock purchase plan, and common shares that would result from the conversion of convertible preferred stock.

	Three Months Ended June 30		Six
(In millions, except per share data)	2001	2000	200
Basic:			
Income before cumulative effect of accounting change..........	$ 708	$(1,269)	$1,38
Cumulative effect of accounting change...................	(44)	--	(4
Net income (loss)..	664	(1,269)	1,34
Preferred stock dividends................................	(3)	(3)	(
Net income (loss) attributable to common stockholder equity...	$ 661	$(1,272)	$1,33
Diluted:			
Income before cumulative effect of accounting change..........	$ 708	$(1,269)	$1,38
Cumulative effect of accounting change...................	(44)	--	(4
Net income (loss)..	664	(1,269)	1,34
Preferred stock dividends................................	(3)	(3)	(
Diluted income (loss) available to common stockholders....	$ 661	$(1,272)	$1,33
Average shares outstanding...................................	1,166	1,153	1,16
Dilutive shares:			

Stock options	10	-	
Average shares outstanding assuming full dilution	1,176	1,153	1,17
Earnings (loss) per share before cumulative effect of change in accounting principle:			
Basic	$ 0.60	$ (1.11)	$ 1.
Diluted	$ 0.60	$ (1.11)	$ 1.
Earnings (loss) per share:			
Basic	$ 0.57	$ (1.11)	$ 1.
Diluted	$ 0.56	$ (1.11)	$ 1.

Note 4--Acquisition

On July 27, 2001, the Corporation completed its cash purchase of Wachovia Corporation's ("Wachovia") approximately $7.5 billion portfolio of consumer credit card receivables. The acquisition will be accounted for under the provisions of SFAS No. 141, Business Combinations and SFAS No. 142, Goodwill and other Intangible Assets. The portfolio includes 2.6 million active customer accounts. There are two components to the transaction. The first component is the primary portfolio of $6.2 billion in receivables of card holders who are not customers of Wachovia's retail bank. The second component is the agent bank portfolio of $1.3 billion. The transaction includes an agent bank relationship under which Wachovia will offer its branded credit cards to retail customers, with servicing provided by First USA. Flexibility and protections exist for both parties to adapt the relationship to changes in circumstances

Note 5--Second Quarter 2000 Restructuring Charge

Actions under this restructuring plan have been completed, with only payments of identified obligations remaining, which consist primarily of lease obligations. Unpaid amounts totaled $82 million as of June 30, 2001, and will be paid as required over the contract period.

Note 6--Business Segments

The information presented on page 2 is consistent with the content of operating segments data provided to the Corporation's management. The Corporation's management currently does not use product group revenues to assess consolidated results. Aside from investment management and insurance products, product offerings are tailored to specific customer segments. As a result, the aggregation of product revenues and related profit measures across lines of business is not available.

Aside from the United States, no single country or geographic region generates a significant portion of the Corporation's revenues or assets. In addition, there are no single customer concentrations of revenue or profitability.

Data presented in the line of business tables prior to the caption entitled

"Financial Performance" are included in the "Business Segments" section (see pages 2 - 24 for details).

Note 7--Interest Income and Interest Expense

Details of interest income and expense are as follows:

(In millions)	Three Months Ended June 30 2001	Three Months Ended June 30 2000
Interest Income		
Loans, including fees	$ 3,395	$ 3,750
Bank balances	36	131
Federal funds sold and securities under resale agreements	136	145
Trading assets	85	100
Investment securities	733	840
Total	4,385	4,966
Interest Expense		
Deposits	1,312	1,487
Federal funds purchased and securities under repurchase agreements	177	281
Other short-term borrowings	198	307
Long-term debt	643	670
Total	2,330	2,745
Net Interest Income	2,055	2,221
Provision for credit losses	540	1,013
Net Interest Income After Provision for Credit Losses	$ 1,515	$ 1,208

Note 8--Fair Value of Financial Instruments

The carrying values and estimated fair values of financial instruments as of June 30, 2001 have not materially changed on a relative basis from the carrying values and estimated fair values of financial instruments disclosed as of December 31, 2000.

Note 9--Guaranteed Preferred Beneficial Interest in the Corporation's Junior Subordinated Debt

As of June 30, 2001 the Corporation has sponsored nine trusts with a total aggregate issuance of $2.790 billion in trust preferred securities as follows:

	Trust Preferred		Junior Subordina
	Initial Liquidation	Distribution	Initial Principal

(Dollars in millions)	Issuance Date	Value	Rate	Amount	Maturi
Capital V.............	January 30, 2001	$300	8.00%	$309.3	January 30,
Capital IV............	August 30, 2000	160	3-mo LIBOR plus 1.50%	164.9	September 1,
Capital III...........	August 30, 2000	475	8.75%	489.7	September 1,
Capital II...........	August 8, 2000	280	8.50%	288.7	August 15, 2
Capital I...........	September 20, 1999	575	8.00%	593	September 15
First Chicago NBD Capital 1.........	January 31, 1997	250	3-mo LIBOR plus 0.55%	258	February 1,
First USA Capital Trust I (2)...	December 20, 1996	200	9.33%	206.2	January 15,
First Chicago NBD Institutional Capital A............	December 3, 1996	500	7.95%	515	December 1,
First Chicago NBD Institutional Capital B............	December 5, 1996	250	7.75%	258	December 1,

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(1) Redeemable at any time subject to approval by the Federal Reserve Board.

(2) The Corporation paid a premium of $36 million to repurchase $193 million of these securities in 1997.

These trust preferred securities are tax-advantaged issues that qualify for Tier 1 capital treatment. Distributions on these securities are included in interest expense on long-term debt. Each of the trusts is a statutory business trust organized for the sole purpose of issuing trust securities and investing the proceeds thereof in junior subordinated debentures of the Corporation, the sole asset of each trust. The preferred trust securities of each trust represent preferred beneficial interests in the assets of the respective trusts and are subject to mandatory redemption upon payment of the junior subordinated debentures held by the trust. The common securities of each trust are wholly owned by the Corporation. Each trust's ability to pay amounts due on the trust preferred securities is solely dependent upon the Corporation making payment on the related junior subordinated debentures. The Corporation's obligations under the junior subordinated securities and other relevant trust agreements, in aggregate, constitute a full and unconditional guarantee by the Corporation of each respective trust's obligations under the trust securities issued by such trust.

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Note 10--Supplemental Disclosures for Accumulated Other Adjustments to Stockholders' Equity

Accumulated other adjustments to stockholders' equity is as follows:

(In millions)	June
Fair value adjustment on investment securities--available for sale:	
Balance, beginning of period..	$
Change in fair value, net of taxes of $34 and $56, for the six months ended......... June 30, 2001 and 2000, respectively..	

Reclassification adjustment, net of taxes of $8 and $(140), for the six months ended June 30, 2001 and 2000, respectively..	
	--
Balance, end of period..	
Fair value adjustment on derivative instruments--cash flow type hedges:	
Balance, beginning of period..	
Transition adjustment at January 1, 2001, net of taxes of $56......................	
Net change in fair value associated with current period hedging activities, net of taxes of $39, for the six months ended June 30, 2001.............................	
Net reclassification into earnings, net of taxes of $17, for the six months ended June 30, 2001..	
	--
Balance, end of period..	
Accumulated translation adjustment:	
Balance, beginning of period..	
Translation gain (losses), net of hedge results and taxes..........................	
	--
Balance, end of period..	
	--
Total accumulated other adjustments to stockholders' equity...........................	$
	==

Note 11--Contingent Liabilities

The Corporation and certain of its subsidiaries have been named as defendants in various legal proceedings, including certain class actions, arising out of the normal course of business or operations. In certain of these proceedings, which are based on alleged violations of consumer protection, securities, banking, insurance and other laws, rules or principles, substantial money damages are asserted against the Corporation and its subsidiaries. Since the Corporation and certain of its subsidiaries, which are regulated by one or more federal and state regulatory authorities, are the subject of numerous examinations and reviews by such authorities, the Corporation also is and will be, from time to time, normally engaged in various disagreements with regulators, related primarily to its financial services businesses. The Corporation has also received certain tax deficiency assessments. In view of the inherent difficulty of predicting the outcome of such matters, the Corporation cannot state what the eventual outcome of pending matters will be; however, based on current knowledge and after consultation with counsel, Management does not believe that liabilities arising from these matters, if any, will have a material adverse effect on the consolidated financial position of the Corporation.

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Note 12--Investment Securities

The following table is a summary of the available for sale investment portfolio:

June 30, 2001 (In millions)	Amortized Cost	Gross Unrealized Gains	Gross Un Lo
U.S. Treasury..................................	$ 1,602	$ 5	$ (
U.S. government agencies.......................	20,469	15	(1

States and political subdivisions.............	1,293	31	
Interests in credit card securitized receivables	16,985	80	
Other debt securities.........................	5,490	23	(
Equity securities (1).........................	2,237	20	(
Total available for sale securities	$48,076	$174	$(2
Venture capital and other investments (2)......			
Total investment securities..........			

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(1) The fair values of certain securities for which market quotations were not available were estimated.
(2) The fair values of certain securities reflect liquidity and other market-related factors, and includes investments accounted for at fair value consistent with specialized industry practice.

Selected Statistical Information
BANK ONE CORPORATION and Subsidiaries

Average Balances/Net Interest Margin/Rates

Three Months Ended	June 30, 2001		
(Income and rates on tax-equivalent basis) (Dollars in millions)	Average Balance	Interest	Average Rate
Assets			
Short-term investments......................................	$ 15,050	$ 172	4.58%
Trading assets..	7,276	85	4.69
Investment securities:			
U.S. government and federal agencies...................	20,013	314	6.29
States and political subdivisions......................	1,265	23	7.29
Other..	26,227	413	6.32
Total investment securities.........................	47,505	750	6.33
Loans: (1)	169,140	3,408	8.08
Total earning assets (2)............................	238,971	$4,415	7.41%
Allowance for credit losses.................................	(4,255)		
Other assets..	33,543		
Total assets..	$268,259		
Liabilities and Stockholders' Equity			
Deposits-interest-bearing:			
Savings..	$ 15,888	$ 45	1.14%
Money market...	48,914	330	2.71

Time	45,649	688	6.05
Foreign offices (3)	22,782	249	4.38
Total deposits-interest-bearing	133,233	1,312	3.95
Federal funds purchased and securities under repurchase agreements	16,890	177	4.20
Other short-term borrowings	15,024	198	5.26
Long-term debt (4)	42,191	643	6.11
Total interest-bearing liabilities	207,338	$2,330	4.51%
Demand deposits	28,575		
Other liabilities	13,039		
Preferred stock	190		
Common stockholders' equity	19,117		
Total liabilities and stockholders' equity	$268,259		
Interest income/earning assets (2)		$4,415	7.41%
Interest expense/earning assets		2,330	3.91
Net interest margin		$2,085	3.50%

----

(1) Nonperforming loans are included in average balances used to determine the average rate.
(2) Includes tax-equivalent adjustments based on federal income tax rate of 35%.
(3) Includes international banking facilities' deposit balances in domestic offices and balances of Edge Act and overseas offices.
(4) Includes trust preferred capital securities.

December 31, 2000			September 30, 2000			June 3	
Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	In
$ 16,272	$ 272	6.65%	$ 18,673	$ 306	6.52%	$ 17,356	$
6,140	101	6.54	8,252	138	6.65	6,442	
14,765	228	6.14	12,163	212	6.93	15,074	
1,283	25	7.75	1,308	25	7.60	1,398	
29,485	620	8.37	28,861	603	8.31	29,813	
45,533	873	7.63	42,332	840	7.89	46,285	
175,588	3,961	8.97	173,259	3,935	9.04	170,743	
243,533	$5,207	8.51%	242,516	$5,219	8.56%	240,826	$
(3,499)			(3,036)			(2,531)	
33,319			33,534			34,528	
$273,353			$273,014			$272,823	

========			========			========	
$ 15,543	$ 57	1.46%	$ 16,287	$ 62	1.51%	$ 16,973	$
47,084	429	3.62	47,080	419	3.54	48,450	
47,480	759	6.36	45,906	728	6.31	41,946	
25,950	397	6.09	26,228	410	6.22	28,848	
136,057	1,642	4.80	135,501	1,619	4.75	136,217	
18,564	284	6.09	19,331	311	6.40	18,632	
17,833	292	6.51	18,933	319	6.70	19,248	
41,395	742	7.13	41,018	728	7.06	38,642	
213,849	$2,960	5.51%	214,783	$2,977	5.51%	212,739	$
27,194	======	=====	26,456	======	=====	27,692	=
12,943			12,706			12,503	
190			190			190	
19,177			18,879			19,699	
$273,353			$273,014			$272,823	
========			========			========	
	$5,207	8.51%		$5,219	8.56%		$
	2,960	4.84		2,977	4.88		
	$2,247	3.67%		$2,242	3.68%		$
	======	=====		======	=====		=

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Selected Statistical Information
Bank One Corporation And Subsidiaries

Average Balances/Net Interest Margin/Rates

Six Months Ended	June 30, 2001		
(Income and rates on tax-equivalent basis) (Dollars in millions)	Average Balance	Interest	Average Rate
Assets			
Short-term investments......................................	$ 13,644	$ 358	5.29%
Trading assets..	6,494	167	5.19
Investment securities:			
U.S. government and federal agencies...................	19,672	616	6.31
States and political subdivisions......................	1,267	47	7.48
Other..	28,173	957	6.85
Total investment securities.........................	49,112	1,620	6.65
Loans: (1)	171,395	7,225	8.50
Total earning assets (2)............................	240,645	$ 9,370	7.85%

		=======	====
Allowance for credit losses	(4,235)		
Other assets	32,473		
Total assets	$268,883		
Liabilities and Stockholders' Equity			
Deposits-interest-bearing:			
Savings	$ 15,691	$ 96	1.23%
Money market	47,965	714	3.00
Time	46,454	1,431	6.21
Foreign offices (3)	23,427	591	5.09
Total deposits-interest-bearing	133,537	2,832	4.28
Federal funds purchased and securities under repurchase agreements	17,009	408	4.84
Other short-term borrowings	16,629	481	5.83
Long-term debt (4)	41,987	1,345	6.46
Total interest-bearing liabilities	209,162	$ 5,066	4.88%
Demand deposits	27,706		
Other liabilities	12,858		
Preferred stock	190		
Common stockholders' equity	18,967		
Total liabilities and stockholders' equity	$268,883		
Interest income/earning assets (2)		$ 9,370	7.85%
Interest expense/earning assets		5,066	4.24
Net interest margin		$ 4,304	3.61%

----

(1) Nonperforming loans are included in average balances used to determine the average rate.
(2) Includes tax-equivalent adjustments based on federal income tax rate of 35%.
(3) Includes international banking facilities' deposit balances in domestic offices and balances of Edge Act and overseas offices.
(4) Includes trust preferred capital securities.

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to _____________

Commission file number 001-15323

BANK ONE CORPORATION

(exact name of registrant as specified in its charter)

DELAWARE	31-0738296
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 BANK ONE PLAZA CHICAGO, ILLINOIS 60670

(Address of principal executive offices) (Zip Code)

312-732-4000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 31, 2001.

Class	Number of Shares Outstanding
Common Stock $0.01 par value	1,167,967,503

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Form 10-Q Cross-Reference Index

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

PART II - OTHER INFORMATION

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

None

ITEM 2. Changes in Securities

None

ITEM 3. Defaults Upon Senior Securities

Not applicable

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

BANK ONE CORPORATION held its Annual Meeting of Stockholders on Tuesday, May 15, 2001. A total of 986,403,417 shares were represented in person or by proxy, or nearly 85% of the total shares outstanding.

1. Proposal 1--Stockholders elected the fourteen Director nominees named in the Proxy Statement. Each of the nominees received more than 967 million votes, in excess of 98% of the shares voted at the meeting. The particulars are:

Name	For	Withheld
John H. Bryan	973,001,031	13,402,38
James S. Crown	973,117,545	13,285,87
James Dimon	973,700,571	12,702,84
Maureen A. Fay, O.P.	972,406,379	13,997,03
John R. Hall	967,381,142	19,022,27
Laban P. Jackson, Jr.	972,744,318	13,659,09
John W. Kessler	972,601,935	13,801,48
Richard A. Manoogian	973,011,030	13,392,38
William T. McCormick, Jr.	968,171,803	18,231,61
Heidi G. Miller	969,037,285	17,366,13
David C. Novak	973,439,032	12,964,38
John W. Rogers, Jr.	973,412,108	12,991,30
Frederick P. Stratton, Jr.	968,117,601	18,285,81
Robert D. Walter	973,414,426	12,988,99

2. Proposal 2--the ratification of the appointment of KPMG LLP as Bank One's independent auditor for 2001--received votes as follows:

FOR:	975,621,289	(98.907% of the shares present and entitled to vote o
AGAINST:	5,469,036	(0.554% of the shares present and entitled to vote on
ABSTAIN:	5,313,092	(0.539% of the shares present and entitled to vote on

3. Proposal 3--approval of an amendment to Bank One's Restated Certificate of Incorporation to increase the number of shares of authorized common stock--received votes as follows:

FOR:	904,601,308	(91.707% of the shares present and entitled to vot of the total shares outstanding)

AGAINST:	73,954,422	(7.497% of the shares present and entitled to vo of the total shares outstanding)
ABSTAIN:	7,847,687	(0.796% of the shares present and entitled to vo of the total shares outstanding)

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4. Proposal 4--approval of the performance goals under Bank One's Stock Performance Plan--received votes as follows:

FOR:	915,654,440	(92.828% of the shares present and entitled to vote o
AGAINST:	59,548,790	(6.037% of the shares present and entitled to vote on
ABSTAIN:	11,200,187	(1.135% of the shares present and entitled to vote on

5. Proposal 5--approval of the performance goals under Bank One's Planning Group Annual Incentive Plan--received votes as follows:

FOR:	914,622,135	(92.723% of the shares present and entitled to vote o
AGAINST:	60,086,566	(6.091% of the shares present and entitled to vote on
ABSTAIN:	11,694,716	(1.186% of the shares present and entitled to vote on

ITEM 5. Other Information

None

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibit 12 - Statement re computation of ratio.

(b) The Registrant filed the following Current Reports on Form 8-K during the quarter ended June 30, 2001.

Date	Item Reported
4/9/01	The Registrant's press release announcing the purchase of Wachovia Corporation's consumer credit card portfolio.

4/17/01	The Registrant's press release announcing 2001 first quarter earnings.
6/6/01	The Registrant's June 5 press release commenting on 2001 second quarter earnings.

SIGNATURES

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.

BANK ONE CORPORATION

Date August 14, 2001

/s/ James Dimon
James Dimon
Principal Executive Officer

Date August 14, 2001

/s/ Charles W. Scharf
Charles W. Scharf
Principal Financial Officer

Date August 14, 2001

/s/ William J. Roberts
William J. Roberts
Principal Accounting Officer

BANK ONE CORPORATION

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
12	- Statement re computation of ratio.
99	- Minutes of Bank One Corporation Annual Meeting of Stockholders, Tuesday, May 15, 2001.