

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Summary of Operations (Unaudited)
(in thousands, except per share data and financial ratios)

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	1999	1998	1999	1998
Revenues:				
Commissions	\$ 359,417	\$ 228,868	\$ 1,200,695	\$ 854,679
Underwritings	334,679	278,686	1,246,442	1,043,526
Fees	543,496	300,551	1,611,935	1,191,655
Interest-net (3)	661,285	456,540	2,175,308	2,189,108
Principal transactions-net:				
Trading	198,355	10,743	718,589	(58,596)
Investment	21,584	(7,186)	107,321	126,031
Other	19,115	18,847	85,979	60,639
Total revenues	<u>2,137,931</u>	<u>1,287,049</u>	<u>7,146,269</u>	<u>5,407,042</u>
Costs and expenses:				
Compensation and benefits	908,113	527,437	3,105,389	2,231,655
Interest	477,944	329,058	1,590,245	1,455,851
Brokerage, clearing, exchange fees, and other	100,044	68,032	313,785	258,625
Occupancy and related costs	47,779	42,913	178,933	143,832
Communications and technology	131,711	88,300	445,218	314,624
Other operating expenses	168,840	120,159	559,199	401,955
Total costs and expenses	<u>1,834,431</u>	<u>1,175,899</u>	<u>6,192,769</u>	<u>4,806,542</u>
Income before provision for income taxes	<u>303,500</u>	<u>111,150</u>	<u>953,500</u>	<u>600,500</u>
Provision for income taxes	<u>112,300</u>	<u>42,500</u>	<u>352,800</u>	<u>229,700</u>
Net income	<u>191,200</u>	<u>68,650</u>	<u>600,700</u>	<u>370,800</u>
Dividends on preferred stock	<u>5,289</u>	<u>5,289</u>	<u>21,156</u>	<u>21,310</u>
Earnings applicable to common shares	<u>\$ 185,911</u>	<u>\$ 63,361</u>	<u>\$ 579,544</u>	<u>\$ 349,490</u>
Earnings applicable to common shares (1)				
DLJ	<u>\$ 186,267</u>	<u>\$ 63,361</u>	<u>\$ 580,447</u>	<u>\$ 349,490</u>
DLJdirect	<u>\$ (356)</u>		<u>\$ (903)</u>	
Earnings per share (2):				
DLJ				
Basic	<u>\$ 1.48</u>	<u>\$ 0.52</u>	<u>\$ 4.63</u>	<u>\$ 2.93</u>
Diluted	<u>\$ 1.35</u>	<u>\$ 0.47</u>	<u>\$ 4.18</u>	<u>\$ 2.65</u>
DLJdirect				
Basic	<u>\$ (0.02)</u>		<u>\$ (0.05)</u>	
Diluted	<u>\$ (0.02)</u>		<u>\$ (0.05)</u>	
Weighted average common shares (2):				
DLJ				
Basic	<u>126,093</u>	<u>122,916</u>	<u>125,433</u>	<u>119,260</u>
Diluted	<u>137,979</u>	<u>133,493</u>	<u>138,868</u>	<u>131,980</u>
DLJdirect				
Basic	<u>18,400</u>		<u>18,400</u>	
Diluted	<u>18,400</u>		<u>18,400</u>	
DLJdirect				
Net income (loss) (included in consolidated earnings applicable to common shares)	<u>\$ (1,987)</u>	<u>\$ 1,785</u>	<u>\$ 6,932</u>	<u>\$ 1,460</u>

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Summary of Operations (Unaudited)
(in thousands, except per share data and financial ratios)

Quarter Ended		Year Ended	
December 31,		December 31,	
1999	1998	1999	1998

DLJ Inc.

Balance Sheet Data at end of period:

Long-term borrowings (4)	\$ 5,160,446	\$ 3,482,003
Redeemable preferred stock	\$ 200,000	\$ 200,000
Total stockholders' equity (2)	\$ 3,907,638	\$ 2,927,699
Book value per common share outstanding		
DLJ common stock	\$ 27.46	\$ 20.44
Common shares and RSUs outstanding at end of period		
DLJ common stock	127,114	124,895
DLJ <i>direct</i> common stock	18,400	N/A

DLJ Inc.

Other Financial Data at end of period:

Ratio of long-term borrowings to total capitalization (5)		53.4%	51.9%
Return on average common stockholders' equity (6)	21.9%	10.1%	19.1%
		19.1%	16.5%

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- (1) DLJ*direct* Common Stock tracks the separate performance of the Company's existing online discount brokerage and related investment services business ("Tracking Stock"). Prior to issuing DLJ*direct* Common Stock, the Company's existing Common Stock was designated as DLJ Common Stock and reflects the performance of the Company's primary businesses, i.e., Banking, Fixed Income, Equities and Financial Services, plus a 100% interest in DLJ*direct*. These operations are referred to as DLJ. On May 28, 1999, ("the closing date"), the Company issued in an initial public offering, 18.4 million shares of DLJ*direct* Common Stock. The shares of DLJ*direct* Common Stock have no voting rights, except in certain limited circumstances.

Earnings applicable to common shares for DLJ includes a 100% retained interest in DLJ*direct* for periods prior to the closing date and 82.1% for subsequent periods. Quarterly results reported by DLJ prior to the closing date were not affected by the issuance of the tracking stock.

- (2) Earnings per common share amounts for periods after the closing date have been calculated using the two class method. The two class method is an earnings allocation formula that determines the earnings per share for each class of common stock according to participation rights in undistributed earnings.

For DLJ, basic earnings per common share represents earnings applicable to common shares (including its retained interest in DLJ*direct*) divided by the weighted average actual common shares outstanding, i.e., excluding the effect of potentially dilutive securities. Diluted earnings per common share include the dilutive effects of the Restricted Stock Unit Plan and the dilutive effect of options calculated under the treasury stock method.

For DLJ*direct*, basic earnings per share is calculated by dividing earnings applicable to common shares for the period the tracking stock was outstanding (May 28, 1999 to December 31, 1999) by the weighted average actual common shares outstanding. Diluted earnings per common share include the dilutive effect of options calculated under the treasury stock method. DLJ's retained interest excludes the effect of the 10 million shares of common stock that have been reserved for issuance under the DLJ*direct* Stock Option Plan. Earnings per share for DLJ*direct* for periods prior to the closing date are not presented as such amounts are not meaningful.

- (3) Interest-net is net of interest expense to finance U.S. Government, agency and mortgage-backed securities of \$964.6 million, \$702.3 million, \$3,249.6 million and \$3,045.3 million, respectively.
- (4) During the fourth quarter of 1999, the Company issued an aggregate of \$600.0 million medium-term notes with various maturity dates through 2001.
- (5) Long-term borrowings and total capitalization (the sum of long-term borrowings, preferred stock, and stockholders' equity) exclude current maturities (one year or less) of long-term borrowings.
- (6) Return on average common stockholders' equity is calculated on an annualized basis for periods of less than one full year using a monthly average and is based on earnings applicable to common shares.

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Summary of Operations (Unaudited)
(in thousands, except per share data and financial ratios)

	Year Ended December 31,		1999 vs. 1998	
	1999	1998	\$	%
Revenues:				
Commissions	\$ 1,200,695	\$ 854,679	\$ 346,016	40.5%
Underwritings	1,246,442	1,043,526	202,916	19.4%
Fees	1,611,935	1,191,655	420,280	35.3%
Interest-net	2,175,308	2,189,108	(13,800)	(0.6)%
Principal transactions-net:				
Trading	718,589	(58,596)	777,185	N/M
Investment	107,321	126,031	(18,710)	(14.8)%
Other	85,979	60,639	25,340	41.8 %
Total revenues	<u>7,146,269</u>	<u>5,407,042</u>	<u>1,739,227</u>	<u>32.2%</u>
Costs and expenses:				
Compensation and benefits	3,105,389	2,231,655	873,734	39.2%
Interest	1,590,245	1,455,851	134,394	9.2%
Brokerage, clearing, exchange fees, and other	313,785	258,625	55,160	21.3%
Occupancy and related costs	178,933	143,832	35,101	24.4%
Communications and technology	445,218	314,624	130,594	41.5%
Other operating expenses	559,199	401,955	157,244	39.1%
Total costs and expenses	<u>6,192,769</u>	<u>4,806,542</u>	<u>1,386,227</u>	<u>28.8%</u>
Income before provision for income taxes	<u>953,500</u>	<u>600,500</u>	<u>353,000</u>	<u>58.8%</u>
Provision for income taxes	<u>352,800</u>	<u>229,700</u>	<u>123,100</u>	<u>53.6%</u>
Net income	<u>600,700</u>	<u>370,800</u>	<u>229,900</u>	<u>62.0%</u>
Dividends on preferred stock	<u>21,156</u>	<u>21,310</u>	<u>(154)</u>	<u>(0.7)%</u>
Earnings applicable to common shares	<u>\$ 579,544</u>	<u>\$ 349,490</u>	<u>\$ 230,054</u>	<u>65.8%</u>
<u>Earnings applicable to common shares (1)</u>				
DLJ	<u>\$ 580,447</u>	<u>\$ 349,490</u>	<u>\$ 230,957</u>	<u>66.1%</u>
DLJdirect	<u>\$ (903)</u>		<u>\$ (903)</u>	
<u>Earnings per share (2):</u>				
DLJ				
Basic	<u>\$ 4.63</u>	<u>\$ 2.93</u>	<u>\$ 1.70</u>	<u>58.0%</u>
Diluted	<u>\$ 4.18</u>	<u>\$ 2.65</u>	<u>\$ 1.53</u>	<u>57.7%</u>
DLJdirect				
Basic	<u>\$ (0.05)</u>			
Diluted	<u>\$ (0.05)</u>			
<u>Weighted average common shares (2):</u>				
DLJ				
Basic	<u>125,433</u>	<u>119,260</u>	<u>6,173</u>	<u>5.2%</u>
Diluted	<u>138,868</u>	<u>131,980</u>	<u>6,888</u>	<u>5.2%</u>
DLJdirect				
Basic	<u>18,400</u>			
Diluted	<u>18,400</u>			

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Financial Data (Unaudited)
(in thousands, except per share data)

	4q99	3q99	2q99	1q99	4q98
Revenues:					
Commissions	\$ 359,417	\$ 269,174	\$ 291,112	\$ 280,992	\$ 228,868
Underwritings	334,679	245,395	409,454	256,914	278,686
Fees	543,496	448,691	332,673	287,075	300,551
Interest-net	661,285	537,460	499,902	476,661	456,540
Principal transactions-net:					
Trading	198,355	127,771	218,418	174,045	10,743
Investment	21,584	57,558	25,155	3,024	(7,186)
Other	19,115	18,323	33,802	14,739	18,847
Total revenues	<u>2,137,931</u>	<u>1,704,372</u>	<u>1,810,516</u>	<u>1,493,450</u>	<u>1,287,049</u>
Interest expense	<u>477,944</u>	<u>375,697</u>	<u>380,651</u>	<u>355,953</u>	<u>329,058</u>
Net revenues	<u>1,659,987</u>	<u>1,328,675</u>	<u>1,429,865</u>	<u>1,137,497</u>	<u>957,991</u>
Non-interest expenses:					
Compensation and benefits	908,113	761,553	800,009	635,714	527,437
Brokerage, clearing, exchange fees, and other	100,044	66,194	76,326	71,221	68,032
Occupancy and related costs	47,779	47,034	43,032	41,088	42,913
Communications and technology	131,711	120,470	102,054	90,983	88,300
Other operating expenses	168,840	139,424	149,444	101,491	120,159
Total non-interest expenses	<u>1,356,487</u>	<u>1,134,675</u>	<u>1,170,865</u>	<u>940,497</u>	<u>846,841</u>
Income before provision for income taxes	<u>303,500</u>	<u>194,000</u>	<u>259,000</u>	<u>197,000</u>	<u>111,150</u>
Provision for income taxes	<u>112,300</u>	<u>71,800</u>	<u>93,350</u>	<u>75,350</u>	<u>42,500</u>
Net income	<u>191,200</u>	<u>122,200</u>	<u>165,650</u>	<u>121,650</u>	<u>68,650</u>
Dividends on preferred stock	<u>5,289</u>	<u>5,289</u>	<u>5,289</u>	<u>5,289</u>	<u>5,289</u>
Earnings applicable to common shares	<u>\$ 185,911</u>	<u>\$ 116,911</u>	<u>\$ 160,361</u>	<u>\$ 116,361</u>	<u>\$ 63,361</u>
<u>Earnings applicable to common shares (1)</u>					
DLJ	<u>\$ 186,267</u>	<u>\$ 117,507</u>	<u>\$ 160,312</u>	<u>\$ 116,361</u>	<u>\$ 63,361</u>
DLJdirect	<u>\$ (356)</u>	<u>\$ (596)</u>	<u>\$ 49</u>		
<u>Earnings per share (2):</u>					
DLJ					
Basic	<u>\$ 1.48</u>	<u>\$ 0.93</u>	<u>\$ 1.28</u>	<u>\$ 0.94</u>	<u>\$ 0.52</u>
Diluted	<u>\$ 1.35</u>	<u>\$ 0.85</u>	<u>\$ 1.14</u>	<u>\$ 0.84</u>	<u>\$ 0.47</u>
DLJdirect					
Basic	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>	<u>\$ 0.00</u>		
Diluted	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>	<u>\$ 0.00</u>		
<u>Weighted average common shares (2):</u>					
DLJ					
Basic	<u>126,093</u>	<u>125,993</u>	<u>125,567</u>	<u>123,995</u>	<u>122,916</u>
Diluted	<u>137,979</u>	<u>138,185</u>	<u>140,400</u>	<u>137,850</u>	<u>133,493</u>
DLJdirect					
Basic	<u>18,400</u>	<u>18,400</u>	<u>18,400</u>		
Diluted	<u>18,400</u>	<u>18,400</u>	<u>20,423</u>		

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Financial Data (Unaudited)
(in thousands, except % and per share amounts)

	Year Ended December 31,						
	1999	1998	4q99	3q99	2q99	1q99	4q98
Other financial data:							
Net revenues	\$ <u>5,556,024</u>	\$ <u>3,951,191</u>	<u>1,659,987</u>	\$ <u>1,328,675</u>	\$ <u>1,429,865</u>	\$ <u>1,137,497</u>	\$ <u>957,991</u>
Net interest revenues	\$ <u>585,063</u>	\$ <u>733,257</u>	<u>183,341</u>	\$ <u>161,763</u>	\$ <u>119,251</u>	\$ <u>120,708</u>	\$ <u>127,482</u>
Compensation and benefits as a % of net revenues	<u>55.9%</u>	<u>56.5%</u>	<u>54.7%</u>	<u>57.3%</u>	<u>55.9%</u>	<u>55.9%</u>	<u>55.1%</u>
Compensation and benefits as a % of pre-tax income before compensation & benefits	<u>76.5%</u>	<u>78.8%</u>	<u>75.0%</u>	<u>79.7%</u>	<u>75.5%</u>	<u>76.3%</u>	<u>82.6%</u>
Non-compensation expenses as a % of net revenues	<u>26.9%</u>	<u>28.3%</u>	<u>27.0%</u>	<u>28.1%</u>	<u>25.9%</u>	<u>26.8%</u>	<u>33.3%</u>
Income before provision for income taxes as a % of net revenues	<u>17.2%</u>	<u>15.2%</u>	<u>18.3%</u>	<u>14.6%</u>	<u>18.1%</u>	<u>17.3%</u>	<u>11.6%</u>
Net income as a % of net revenues	<u>10.8%</u>	<u>9.4%</u>	<u>11.5%</u>	<u>9.2%</u>	<u>11.6%</u>	<u>10.7%</u>	<u>7.2%</u>
Return on average common equity DLJ	<u>19.1%</u>	<u>16.5%</u>	<u>21.9%</u>	<u>14.3%</u>	<u>22.2%</u>	<u>17.8%</u>	<u>10.1%</u>
Common shares and RSUs outstanding at end of period DLJ	<u>127,114</u>	<u>124,895</u>	<u>127,114</u>	<u>126,972</u>	<u>126,820</u>	<u>125,612</u>	<u>124,895</u>
Book value per common share DLJ	\$ <u>27.46</u>	\$ <u>20.44</u>	<u>27.46</u>	\$ <u>26.08</u>	\$ <u>25.19</u>	\$ <u>21.45</u>	\$ <u>20.44</u>
Full-time employees: DLJ	<u>10,206</u>	<u>8,465</u>	<u>10,206</u>	<u>9,716</u>	<u>9,048</u>	<u>8,672</u>	<u>8,465</u>

Donaldson, Lufkin & Jenrette, Inc. & Subsidiaries
Consolidated Financial Data (Unaudited)
(in thousands, except per share data)

	4q99	3q99	4q98	4q99 vs 3q99	4q99 vs 4q98
Revenues:					
Commissions	\$ 359,417	\$ 269,174	\$ 228,868	33.5%	57.0%
Underwritings	334,679	245,395	278,686	36.4%	20.1%
Fees	543,496	448,691	300,551	21.1%	80.8%
Interest-net	661,285	537,460	456,540	23.0%	44.8%
Principal transactions-net:					
Trading	198,355	127,771	10,743	55.2%	N/M
Investment	21,584	57,558	(7,186)	(62.5)%	400.4%
Other	19,115	18,323	18,847	4.3%	1.4%
Total revenues	2,137,931	1,704,372	1,287,049	25.4%	66.1%
Interest expense	477,944	375,697	329,058	27.2%	45.2%
Net revenues	1,659,987	1,328,675	957,991	24.9%	73.3%
Non-interest expenses:					
Compensation and benefits	908,113	761,553	527,437	19.2%	72.2%
Brokerage, clearing, exchange fees, and other	100,044	66,194	68,032	51.1%	47.1%
Occupancy and related costs	47,779	47,034	42,913	1.6%	11.3%
Communications and technology	131,711	120,470	88,300	9.3%	49.2%
Other operating expenses	168,840	139,424	120,159	21.1%	40.5%
Total non-interest expenses	1,356,487	1,134,675	846,841	19.5%	60.2%
Income before provision for income taxes	303,500	194,000	111,150	56.4%	173.1%
Provision for income taxes	112,300	71,800	42,500	56.4%	164.2%
Net income	\$ 191,200	\$ 122,200	\$ 68,650	56.5%	178.5%
Preferred stock dividend	\$ 5,289	\$ 5,289	\$ 5,289	0.0%	0.0%
Earnings applicable to common shares	\$ 185,911	\$ 116,911	\$ 63,361	59.0%	193.4%
<u>Earnings applicable to common shares (1)</u>					
DLJ	\$ 186,267	\$ 117,507	\$ 63,361	58.5%	194.0%
DLJ <i>direct</i>	\$ (356)	\$ (596)		40.3%	
<u>Earnings per share (2):</u>					
DLJ					
Basic	\$ 1.48	\$ 0.93	\$ 0.52	59.1%	184.6%
Diluted	\$ 1.35	\$ 0.85	\$ 0.47	58.8%	187.2%
DLJ <i>direct</i>					
Basic	\$ (0.02)	\$ (0.03)		33.3%	
Diluted	\$ (0.02)	\$ (0.03)		33.3%	
<u>Weighted average common shares (2):</u>					
DLJ					
Basic	126,093	125,993	122,916	0.1%	2.6%
Diluted	137,979	138,185	133,493	(0.1)%	3.4%
DLJ <i>direct</i>					
Basic	18,400	18,400		0.0%	
Diluted	18,400	18,400		0.0%	

Donaldson, Lufkin & Jenrette, Inc. and Subsidiaries
Consolidated Revenues and Expenses as a Percentage of Net Revenues (Unaudited)

	4q99	3q99	2q99	1q99	4q98
Revenues:					
Commissions	21.7%	20.3%	20.4%	24.7%	23.9%
Underwritings	20.2%	18.5%	28.6%	22.6%	29.1%
Fees	32.7%	33.8%	23.3%	25.2%	31.4%
Interest-net	39.8%	40.5%	35.0%	41.9%	47.7%
Principal transactions-net:					
Trading	11.9%	9.6%	15.3%	15.3%	1.1%
Investment	1.3%	4.3%	1.8%	0.3%	(0.8)%
Other	1.2%	1.4%	2.4%	1.3%	2.0%
Total revenues	<u>128.8%</u>	<u>128.3%</u>	<u>126.6%</u>	<u>131.3%</u>	<u>134.3%</u>
Interest expense	<u>28.8%</u>	<u>28.3%</u>	<u>26.6%</u>	<u>31.3%</u>	<u>34.3%</u>
Net revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Non-interest expenses:					
Compensation and benefits	54.7%	57.3%	55.9%	55.9%	55.1%
Brokerage, clearing, exchange fees, and other	6.0%	5.0%	5.3%	6.3%	7.1%
Occupancy and related costs	2.9%	3.5%	3.0%	3.6%	4.5%
Communications and technology	7.9%	9.1%	7.1%	8.0%	9.2%
Other operating expenses	10.2%	10.5%	10.5%	8.9%	12.5%
Total non-interest expenses	<u>81.7%</u>	<u>85.4%</u>	<u>81.9%</u>	<u>82.7%</u>	<u>88.4%</u>
Income before provision for income taxes	<u>18.3%</u>	<u>14.6%</u>	<u>18.1%</u>	<u>17.3%</u>	<u>11.6%</u>
Provision for income taxes	<u>6.8%</u>	<u>5.4%</u>	<u>6.5%</u>	<u>6.6%</u>	<u>4.4%</u>
Net income	<u>11.5%</u>	<u>9.2%</u>	<u>11.6%</u>	<u>10.7%</u>	<u>7.2%</u>
Dividends on preferred stock	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.5%</u>	<u>0.6%</u>
Earnings applicable to common shares	<u>11.2%</u>	<u>8.8%</u>	<u>11.2%</u>	<u>10.2%</u>	<u>6.6%</u>