

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 3 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):  
January 17, 1995

NATIONSBANK CORPORATION  
(Exact name of registrant as specified in its charter)

North Carolina  
(State of Incorporation)

1-6523  
(Commission File Number)

56-0906609  
(IRS Employer Identification No.)

NationsBank Corporate Center  
Charlotte, North Carolina  
(Address of principal executive offices)

28255  
(Zip Code)

(704) 386-5000  
Registrant's telephone number, including area code)

Item 5. Other Events.

Release of Fiscal Year Earnings. On January 17, 1995, the Registrant announced financial results reporting net income for the 1994 fiscal year of \$1.7 billion or \$6.12 per common share. A copy of the press release announcing the results of the Registrant's 1994 fiscal year ended December 31, 1994 is filed as Exhibit 99.1 to this Current Report.

Item 7. Exhibits.

The following exhibit is filed herewith:

Exhibit No.	Description
99.1	Press release dated January 17, 1995 with respect to the Registrant's financial results for the fiscal year ended December 31, 1994. 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.

NATIONSBANK CORPORATION

By:\s\ MARC D. OKEN  
Marc D. Oken  
Executive Vice President and  
Chief Accounting Officer

January 26, 1995

FOR IMMEDIATE RELEASE

NATIONSBANK REPORTS 31% EARNINGS GROWTH IN 1994

CHARLOTTE NC, January 17, 1995 -- NationsBank Corporation today reported 1994 net income of \$1.7 billion, a 31-percent increase over the \$1.3 billion earned from operations in 1993, before the change in accounting for income taxes. Earnings per common share for 1994 rose 22 percent to \$6.12, compared to \$5.00 per share in 1993 and return on common shareholders' equity rose to 16.10 percent, compared to 15.00 percent last year. After adjusting for the first-quarter 1993 accounting change of \$200 million, or \$.78 per share, 1993 net income was \$1.5 billion, or \$5.78 per common share.

For the fourth quarter of 1994, net income rose nine percent to \$405 million, compared to \$373 million in the fourth quarter of 1993. Earnings per common share in the fourth quarter of 1994 increased seven percent to \$1.46, from \$1.37 per common share in 1993.

"After having rapidly built a large, diverse financial institution, our 1994 results demonstrate our ability to successfully run the company," said Hugh McColl, chairman and chief executive officer. "Our 22-percent growth in earnings per share is a significant accomplishment given the challenging environment driven by changes in our customers, competitors, regulators, interest rates and the economy. "These earnings are a reflection of our excellent revenue growth, resulting from strong loan growth and increased fee income. In addition, continued improvement in our operating efficiency and further reductions in credit costs enhanced earnings for the year. During 1994, we made important strides in improving the profitability of NationsBank and we will continue taking actions to increase the value of our shareholders' investment."

The 1994 results include the full impact of several acquisitions made throughout 1993 and the partial impact of acquisitions made during 1994. Thus, the annual growth comparisons reflect not only internal growth but the impact of these acquisitions.

Average loans and leases of \$95 billion in 1994 grew 20 percent over year-earlier levels. Excluding acquisitions over the last year and the fourth-quarter 1993 securitization of bank card assets, average loans and leases grew 12 percent from 1993. This growth was driven by an 18-percent increase in average consumer loans, primarily residential mortgage and bank card loans, and a nine-percent increase in commercial loans.

Average deposits in 1994 were \$93.7 billion versus \$83.5 billion a year ago, reflecting the impact of 1993 and 1994 acquisitions. Core customer-based deposits of \$84.2 billion made up 90 percent of this year's total.

Net interest income on a taxable-equivalent basis grew 12 percent in 1994 to \$5.3 billion. Strong loan growth coupled with disciplined loan and deposit pricing more than offset the adverse impact of higher short-term interest rates producing this increase in net interest income. The net interest yield in 1994 was 3.58 percent, compared to 3.96 percent last year. The decline in net interest yield reflected a narrowing of the spread between investment securities and market-based funds and higher trading asset levels of the Corporation's primary government securities. Noninterest income rose 24 percent to \$2.6 billion in 1994. After adjusting for acquisitions, noninterest income rose 11 percent on a year-over-year basis, driven by increased fees from investment banking, deposit servicing, and trading.

1994 results included \$13 million of losses on the sale of securities, compared to securities gains of \$84 million in 1993.

Noninterest expense totaled \$4.9 billion in 1994 compared to \$4.3 billion in the prior year. After adjusting for acquisitions, noninterest expense rose slightly more than two percent on a year-over-year basis. Investment in personnel, particularly in the Capital Markets area, added to expenses, while efforts were implemented to reduce spending on general operating and administrative expenses.

Credit quality indicators showed further substantial improvement throughout 1994 due to a strengthening economy, increased recoveries and improving commercial real estate markets. Total nonperforming assets fell by \$645 million, or 36 percent, versus levels at December 31, 1993. Total nonperforming assets stood at

\$1.1 billion on December 31, or 1.10 percent of net loans, leases and factored receivables, and other real estate owned. This compared to nonperforming assets of \$1.8 billion on December 31, 1993, or 1.92 percent of net levels.

Net charge-offs declined to \$316 million, or .33 percent of average net loans, leases and factored receivables, in 1994, from \$412 million, or .51 percent of average levels in 1993. The allowance for credit losses totaled \$2.2 billion at year-end 1994 and equaled 2.11 percent of net loans, leases and factored receivables. The allowance represented 273 percent of nonperforming loans at December 31, 1994, up dramatically from 193 percent at year-end 1993. As a result of these improving credit quality trends, provision expense in 1994 declined to \$310 million, well below the 1993 level of \$430 million. In 1994, there was a net recovery of \$12 million in the other real estate owned category, versus an expense of \$78 million in 1993, with the decrease primarily due to improving real estate markets in the Mid-Atlantic region.

On December 31, 1994, total earning assets were \$152 billion, of which net loans and leases were \$102 billion and securities were \$26 billion.

Total shareholders' equity climbed 10 percent in 1994 to \$11.0 billion on December 31. This represented 6.49 percent of year-end assets. Book value per common share rose nine percent to \$39.70 on December 31, 1994. Common dividends paid per share for the calendar year 1994 increased 15 percent to \$1.88 from \$1.64 per share in 1993. Total market capitalization was \$12.5 billion at year-end 1994.

Tier 1 and total risk-based capital ratios of 7.43 percent and 11.47 percent, respectively, and a leverage ratio of 6.18 percent all compared favorably with regulatory guidelines at December 31, 1994.

NationsBank Corporation is a bank holding company that provides financial products and services nationally and internationally to individuals, businesses, corporations, institutional investors and government agencies. Headquartered in Charlotte, N.C., NationsBank has a retail banking franchise in nine states and the District of Columbia and consumer finance offices in 31 states. As of December 31, 1994, NationsBank had total assets of \$170 billion.

#### NATIONSBANK CORPORATION FINANCIAL HIGHLIGHTS

	THREE MONTHS ENDED DECEMBER 31		FOR THE YEAR ENDED DECEMBER 31	
	1994	1993	1994	1993
<b>FINANCIAL SUMMARY</b>				
(In millions except per-share data)				
Income before effect of change in method of accounting for income taxes	\$405	\$373	\$1690	\$1301
Net income	405	373	1690	1501
Earnings per common share before effect of change in method of accounting for income taxes	1.46	1.37	6.12	5.00
Earnings per common share	1.46	1.37	6.12	5.78
Fully diluted earnings per common share before effect of change in method of accounting for income taxes	1.45	1.36	6.06	4.95
Fully diluted earnings per common share	1.45	1.36	6.06	5.72
Average common shares issued	275.735	269.679	274.656	257.969
Average fully diluted common shares issued	279.242	273.832	278.573	262.453
Price per share of common stock at period end	\$45 1/8	\$49	\$45 1/8	\$49
Common dividends paid	138	114	517	423
Common dividends paid per share	.50	.42	1.88	1.64
Preferred dividends paid	2	3	10	10
<b>EARNINGS SUMMARY (Taxable-equivalent in millions)</b>				
Net interest income	\$1326	\$1326	\$5305	\$4723
Provision for credit				

losses	(70)	(100)	(310)	(430)
Gains(losses)on sales of securities	(28)	-	(13)	84
Noninterest income	639	615	2597	2101
Other real estate owned expense	8	(22)	12	(78)
Restructuring expense	-	-	-	(30)
Noninterest expense	(1261)	(1222)	(4942)	(4293)
Income before income taxes and effect of change in method of accounting for income taxes	614	597	2649	2077
Income taxes - including FTE adjustment*	(209)	(224)	(959)	(776)
Income before effect of change in method of accounting for income taxes	405	373	1690	1301
Effect of change in method of accounting for income taxes	---	---	---	200
Net income	\$405	\$373	\$1690	\$1501
*FTE adjustment	\$26	\$23	\$94	\$86

AVERAGE BALANCE SHEET SUMMARY (In billions)

Loans and leases, net	\$99.764	\$89.147	\$95.006	\$78.984
Securities held for investment	17.966	27.273	15.048	24.823
Securities available for sale	8.560	2.211	12.386	1.017
Total securities	26.526	29.484	27.434	25.840
Earning assets	155.107	139.657	148.381	119.182
Total assets	174.554	157.790	166.319	134.400
Noninterest-bearing deposits	20.452	19.852	20.097	17.425
Interest-bearing deposits	78.122	70.486	73.640	66.046
Total deposits	98.574	90.338	93.737	83.471
Shareholders' equity	10.906	9.669	10.484	8.651
Common shareholders' equity	10.877	9.554	10.435	8.606

OTHER FINANCIAL DATA

Net interest yield	3.40pct.	3.77pct.	3.58pct.	3.96pct.
Return on average assets before effect of change in method of accounting for income taxes	.92	.94	1.02	.97
Return on average assets	.92	.94	1.02	1.12
Return on average common shareholders' equity before effect of change in method of accounting for income taxes	14.68	15.34	16.10	15.00
Return on average common shareholders' equity	14.68	15.34	16.10	17.33
Gross charge-offs (in millions)	\$155	\$196	\$533	\$609
Net charge-offs (in millions)	98	136	316	412
Pct. of average loans, leases and factored accounts receivable, net	.38pct.	.60pct.	.33pct.	.51pct.

DECEMBER 31  
1994 1993

BALANCE SHEET SUMMARY (In billions)

Loans and leases, net	\$102.367	\$91.006
Securities held for investment	17.800	13.584
Securities available for sale	8.025	15.470
Total securities	25.825	29.054
Earning assets	151.722	140.890
Factored accounts receivable	1.004	1.001
Total intangibles	1.712	1.367
Total assets	169.604	157.686
Noninterest-bearing deposits	21.380	20.723
Interest-bearing deposits	79.090	70.390
Total deposits	100.470	91.113
Shareholders' equity	11.011	9.979
Common shareholders' equity	10.976	9.859

Per common share (not in billions)	39.70	36.39
RISK-BASED CAPITAL		
Tier 1 capital	\$ 9.511	\$8.535
Tier 1 capital ratio	7.43pct.	7.41pct.
Total capital	\$14.681	\$13.505
Total capital ratio	11.47pct.	11.73pct.
Leverage ratio	6.18	6.00
Common shares issued(in millions)	276.452	270.905
Allowance for credit losses	\$2.186	\$2.169
Allowance as pct. of net loans, leases, and factored accounts receivable	2.11pct.	2.36pct.
Allowance for credit losses as pct. of nonperforming loans	273.07	193.38
Nonperforming loans	\$ .801	\$1.122
Nonperforming assets	1.138	1.783
Nonperforming assets as pct. of:		
Total assets	.67pct.	1.13pct.
Net loans, leases, factored accounts receivable and other real estate owned	1.10	1.92
Full-time equivalent headcount	61,484	57,742
Banking centers	1,929	1,930