SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-Q

(Mark One)

{X} QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

For the quarterly period ended September 30, 1995

OR

{ } TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

For the transition period from ________________ to ________________

Commission file number 1-6523

NationsBank Corporation

(Exact name of registrant as specified in its charter)

North Carolina	56-0906609
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

NationsBank Corporate Center, Charlotte, North Carolina 28255

(Address of principal executive offices and zip code)

(704) 386-5000

(Registrant's telephone number, including area code)

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, as amended, 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 ____

On October 31, 1995, there were 270,922,029 shares of NationsBank Corporation Common Stock outstanding.

NationsBank Corporation

September 30, 1995 Form 10-Q

Index

	Page
Part I. Financial Information	
Item 1. Financial Statements	
Consolidated Statement of Income for the Three Months and Nine Months Ended September 30, 1995 and 1994	3
Consolidated Balance Sheet on September 30, 1995 and December 31, 1994	4
Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 1995 and 1994	5
Consolidated Statement of Changes in Shareholders' Equity for the Nine Months Ended September 30, 1995 and 1994	6
Notes to Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Results of Operations	

and Financial Condition 11

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K................................ 40

Signature.. 41

Index to Exhibits.. 42

Part I. Financial Information

Item 1. Financial Statements
<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Statement of Income
(Dollars in Millions Except Per-Share Information)
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Income from Earning Assets				
Interest and fees on loans..............................	$ 2,392	$ 1,938	$ 6,879	$ 5,521
Lease financing income.................................	58	42	159	104
Interest and dividends on securities				
Held for investment.................................	202	196	668	514
Available for sale..................................	181	146	449	510
Interest and fees on loans held for sale................	8	3	12	20
Time deposits placed and other short-term investments...	32	29	114	58
Federal funds sold......................................	11	13	39	27
Securities purchased under agreements to resell.........	240	136	727	317
Trading account securities..............................	274	198	812	540
Total income from earning assets.....................	3,398	2,701	9,859	7,611
Interest Expense				
Deposits..	830	632	2,455	1,697
Borrowed funds..	691	437	2,068	1,090
Trading account liabilities.............................	240	192	711	507
Long-term debt..	246	134	591	406
Total interest expense...............................	2,007	1,395	5,825	3,700
Net interest income......................................	1,391	1,306	4,034	3,911
Provision for credit losses..............................	100	70	240	240
Net credit income..	1,291	1,236	3,794	3,671
Gains (losses) on sales of securities....................	3	(4)	8	15
Noninterest income.......................................	776	649	2,232	1,958
Other real estate owned expense (income).................	7	(6)	10	(4)
Noninterest expense......................................	1,245	1,234	3,821	3,681
Income before income taxes...............................	818	653	2,203	1,967
Income tax expense.......................................	288	222	763	682
Net income...	$ 530	$ 431	$ 1,440	$ 1,285
Net income available to common shareholders..............	$ 528	$ 428	$ 1,434	$ 1,277
Per-share information				
Earnings per common share..............................	$ 1.95	$ 1.55	$ 5.26	$ 4.66
Fully diluted earnings per common share................	$ 1.93	$ 1.54	$ 5.19	$ 4.62
Dividends per common share.............................	$ .50	$ .46	$ 1.50	$ 1.38
Average common shares issued (in thousands)..............	270,306	275,868	272,790	274,292

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Balance Sheet
(Dollars in Millions)
<CAPTION>

September 30

December 31

	1995	1994
<S>	<C>	<C>
Assets		
Cash and cash equivalents	$ 7,387	$ 9,582
Time deposits placed and other short-term investments	1,965	2,159
Securities		
Held for investment, at cost (market value - $13,722 and $17,101)	13,674	17,800
Available for sale	9,782	8,025
Total securities	23,456	25,825
Loans held for sale	454	318
Trading account assets	18,187	9,941
Federal funds sold	49	960
Securities purchased under agreements to resell	6,771	10,152
Loans and leases, net of unearned income	113,343	102,367
Factored accounts receivable	1,258	1,004
Loans, leases and factored accounts receivable, net of unearned income	114,601	103,371
Allowance for credit losses	(2,166)	(2,186)
Premises, equipment and lease rights, net	2,458	2,439
Customers' acceptance liability	764	684
Interest receivable	1,732	1,408
Mortgage servicing rights	718	195
Goodwill	1,035	1,047
Core deposit and other intangibles	416	470
Other assets	4,311	3,239
	$ 182,138	$ 169,604
Liabilities		
Deposits		
Noninterest-bearing	$ 21,472	$ 21,380
Savings	8,327	9,037
NOW and money market deposit accounts	26,825	29,752
Time	27,473	27,698
Foreign time	13,773	12,603
Total deposits	97,870	100,470
Federal funds purchased	5,623	3,993
Securities sold under agreements to repurchase	23,960	21,977
Commercial paper	2,754	2,519
Other short-term borrowings	5,041	

		5,640
Trading account liabilities	13,421	11,426
Liability to factoring clients	719	586
Acceptances outstanding	764	684
Accrued expenses and other liabilities	4,304	2,810
Long-term debt	15,741	8,488
Total liabilities	170,197	158,593
Shareholders' Equity		
Preferred stock: authorized - 45,000,000 shares		
ESOP Convertible, Series C: issued - 2,518,153 and 2,606,657 shares	107	111
Common stock: authorized - 800,000,000 shares; issued - 270,544,137 and 276,451,552 shares	4,388	4,740
Retained earnings	7,476	6,451
Other, including loan to ESOP trust	(30)	(291)
Total shareholders' equity	11,941	11,011
	$ 182,138	$ 169,604

See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Statement of Cash Flows
(Dollars in Millions)
<CAPTION>

<S>	Nine Months Ended September 30 1995 <C>	1994 <C>
Operating Activities		
Net income	$ 1,440	$ 1,285
Reconciliation of net income to net cash (used) provided by operating activities		
Provision for credit losses	240	240
Gains on sales of securities	(8)	(15)
Depreciation and premises improvements amortization	209	196
Amortization of intangibles	90	103
Deferred income tax expense	119	95
Net change in trading instruments	(6,251)	5,204
Net (increase) decrease in interest receivable	(324)	120
Net increase in interest payable	362	16
Net (increase) decrease in loans held for sale	(136)	953
Net increase in liability to factoring clients	133	129
Other operating activities	67	1,436
Net cash (used) provided by operating activities	(4,059)	9,762
Investing Activities		
Proceeds from maturities of securities held for investment	4,662	4,936
Purchases of securities held for investment	(540)	(9,204)
Proceeds from sales and maturities of securities available for sale	22,464	21,598
Purchases of securities available for sale	(23,873)	(16,006)
Net (increase) decrease in federal funds sold and securities purchased under agreements to resell	4,292	(7,896)
Net (increase) decrease in time deposits placed and other short-term investments	194	(1,285)
Net originations of loans and leases	(9,331)	(8,147)
Purchases of loans and leases	(4,151)	(2,115)
Proceeds from sales and securitizations of loans	2,066	3,555
Purchases of mortgage servicing rights	(580)	(117)
Purchases of factored accounts receivable	(5,996)	(6,007)
Collections of factored accounts receivable	5,722	5,753
Net purchases of premises and equipment	(232)	(225)
Proceeds from sales of other real estate owned	143	383
Sales/(acquisitions) of business activities, net of cash	(667)	3,846

Net cash used in investing activities	(5,827)	(10,931)
Financing Activities		
Net increase (decrease) in deposits	(2,043)	1,206
Net increase in federal funds purchased and securities sold under agreements to repurchase	3,613	1,453
Net increase (decrease) in other short-term borrowings and commercial paper	(364)	722
Proceeds from issuances of long-term debt	8,268	299
Retirement of long-term debt	(1,000)	(852)
Preferred stock repurchased and redeemed	0	(94)
Proceeds from issuances of common stock	184	195
Cash dividends paid	(415)	(387)
Common stock repurchased	(522)	(123)
Other financing activities	(30)	(7)
Net cash provided by financing activities	7,691	2,412
Net increase (decrease) in cash and cash equivalents	(2,195)	1,243
Cash and cash equivalents on January 1	9,582	7,649
Cash and cash equivalents on September 30	$ 7,387	$ 8,892

Loans transferred to other real estate owned amounted to $73 and $210 for the nine months ended September 30, 1995 and 1994, respectively.

See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
(Dollars in Millions, Shares in Thousands)
<CAPTION>

	Preferred Stock	Common Stock Shares	Common Stock Amount	Retained Earnings	Loan to ESOP Trust	Other	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1993	$ 208	270,905	$ 4,594	$ 5,247	$ (88)	$ 18	$ 9,979
Net income				1,285			1,285
Cash dividends							
Common				(379)			(379)
Preferred				(8)			(8)
Preferred stock repurchased and redeemed	(93)		(1)				(94)
Common stock issued under dividend reinvestment and employee plans		4,274	188			7	195
Common stock issued in acquisitions		2,629	21	41			62
Common stock repurchased		(2,300)	(123)				(123)
Net change in unrealized gains (losses) on securities available for sale and marketable equity securities						(215)	(215)
Other	(3)	60	3		6	1	7
Balance on September 30, 1994	$ 112	275,568	$ 4,682	$ 6,186	$ (82)	$ (189)	$ 10,709
Balance on December 31, 1994	$ 111	276,452	$ 4,740	$ 6,451	$ (76)	$ (215)	$ 11,011
Net income				1,440			1,440
Cash dividends							
Common				(409)			(409)

Preferred				(6)			(6)
Common stock issued under dividend reinvestment and employee plans		3,750	166			18	184
Common stock repurchased		(9,733)	(522)				(522)
Net change in unrealized gains (losses) on securities available for sale and marketable equity securities						241	241
Other	(4)	75	4		6	(4)	2
Balance on September 30, 1995	$ 107	270,544	$ 4,388	$ 7,476	$ (70)	$ 40	$ 11,941

See accompanying notes to consolidated financial statements.
</TABLE>

NationsBank Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 1 - Accounting Policies

The consolidated financial statements include the accounts of NationsBank Corporation and its subsidiaries (the Corporation). Significant intercompany accounts and transactions have been eliminated in consolidation.

The information contained in the consolidated financial statements is unaudited. In the opinion of management, all normal recurring adjustments necessary for a fair presentation of the results of interim periods have been made. Certain prior period amounts have been reclassified to conform to current period classifications.

Accounting policies followed in the presentation of interim financial results are presented on pages 62 and 63 of the 1994 Annual Report to Shareholders, incorporated by reference into the Annual Report on Form 10-K, for the year ended December 31, 1994, as updated by the following and Note 1 in the Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 1995.

Stock-Based Compensation

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" which is effective for awards granted in fiscal years beginning after December 15, 1995. This standard defines a fair value based method of measuring employee stock options or similar equity instruments. In lieu of recording the value of such options as compensation expense, companies may provide pro forma disclosures quantifying the difference between compensation cost included in net income as prescribed by current accounting standards and the related cost measured by such fair value based method. The Corporation will provide such disclosure in its financial statements after the effective date of the standard.

Note 2 - Acquisition Activity

On September 4, 1995, the Corporation entered into an agreement to merge with Bank South Corporation (Bank South), headquartered in Atlanta, Georgia. Under the terms of the merger agreement, the Corporation agreed to exchange .44 shares of its common stock for each share of Bank South's common stock. Bank South had 58,770,825 shares of common stock outstanding on September 30, 1995. Bank South's total assets, total deposits and total shareholders' equity were approximately $7.7 billion, $5.0 billion and $676 million, respectively, on September 30, 1995. This acquisition, which the Corporation intends to account for as a pooling of interests, is subject to approval by Bank South's shareholders and various regulatory agencies, and is currently expected to be completed during the first quarter of 1996. This acquisition will not have a material impact on the results of operations or financial condition of the Corporation.

Note 3 - Trading Account Assets and Liabilities

The market values of the components of trading account assets and liabilities on September 30, 1995 and on December 31, 1994, and the average market values for the nine months ended September 30, 1995 were (dollars in millions):

<TABLE>
<CAPTION>

	September 30	December 31	Average for the Nine Months Ended September 30

	1995	1994	1995
<S>	<C>	<C>	<C>
Securities owned			
U.S. Treasury securities........................	$ 10,529	$ 5,968	$ 9,985
Securities of other U.S. Government agencies and corporations.............................	1,505	1,185	1,480
Certificates of deposit, bankers' acceptances and commercial paper..........................	723	371	432
Corporate debentures............................	940	581	908
Other securities................................	686	259	690
Total securities owned........................	14,383	8,364	13,495
Derivative-dealer positions.......................	3,804	1,577	3,118
Total trading account assets..................	$ 18,187	$ 9,941	$ 16,613
Short sales			
U.S. Treasury securities........................	$ 9,326	$ 9,352	$ 11,749
Securities of other U.S. Government agencies and corporations.............................	228	182	223
Corporate debentures............................	548	278	337
Other securities................................	25	-	19
Total short sales.............................	10,127	9,812	12,328
Derivative-dealer positions.......................	3,294	1,614	2,924
Total trading account liabilities............	$ 13,421	$ 11,426	$ 15,252

</TABLE>

Derivative-dealer positions represent the market values of interest rate, foreign exchange and commodity-related products, including swap, futures, forward and option contracts associated with the Corporation's derivative trading activities.

Note 4 - Debt

In the third quarter of 1995, under an effective shelf registration statement, the Corporation issued $439 million of senior notes, due 1998 to 2002, $381 million of which bear interest at floating rates and $58 million of which bear interest of 6.75%. Subordinated notes in the amount of $375 million were issued with $350 million due 2015 bearing interest of 7 3/4% and the remainder due 2010 at an interest rate of 7.20%.

Under the bank note program jointly maintained by NationsBank, N.A., NationsBank of Georgia, N.A. and NationsBank of Texas, N.A., there were short-term bank notes outstanding of $3.6 billion on September 30, 1995. In addition, NationsBank of Texas, N.A. and NationsBank, N.A. had outstanding bank notes of $1.6 billion on September 30, 1995 that were classified as long-term debt.

Subsequent to September 30, 1995 and through November 10, 1995, the Corporation issued $450 million of 7 1/4% subordinated notes, due 2025, $155 million of senior notes which bear interest at floating rates, due 1999 to 2001, and $105 million of subordinated notes with fixed interest rates ranging from 6.83% to 7.10%, due 2005 to 2010. On October 31, 1995, Main Place Funding Corporation, a wholly-owned, limited-purpose finance subsidiary of NationsBank of Texas, N.A., issued, under its shelf registration statement, $1.5 billion of Series 1995-2 Mortgage-Backed Bonds, due 2000, bearing interest at a spread over the three-month London interbank offered rate. This series was initially collateralized by approximately $2.5 billion of residential mortgage notes.

On September 29, 1995, the Corporation filed a shelf registration statement to issue up to an aggregate of $3 billion in senior or subordinated debt or equity securities.

As of November 10, 1995, the Corporation and its subsidiaries had approximately $1.5 billion of capacity available under various existing shelf registration statements, other than the September 29, 1995 shelf registration statement.

Additionally, on November 8, 1995, the Corporation announced plans to offer up to $1.5 billion of senior or subordinated notes exclusively to non-United States residents under a Euro medium-term note program. The notes may bear interest at fixed or floating rates.

Note 5 - Commitments and Contingencies

The Corporation's commitments to extend credit on September 30, 1995 were $84.7 billion compared to $74.7 billion on December 31, 1994. Standby letters of credit (SBLC) and financial guarantees represent commitments by the Corporation to meet the obligations of the account party, if called upon. Outstanding SBLC and guarantees on September 30, 1995 were $7.6 billion compared to $6.9 billion on December 31, 1994. Commercial letters of credit, issued primarily to facilitate customer trade finance activities, were $1.2 billion and $1.3 billion on September 30, 1995 and December 31, 1994, respectively. The above amounts have been reduced by amounts collateralized by cash and amounts participated to other financial institutions.

On September 30, 1995 and December 31, 1994, indemnified securities lending transactions totaled $4.4 billion and $5.7 billion, respectively. Collateral, with a market value of $4.5 billion and $5.9 billion for the respective periods, was obtained by the Corporation in support of these transactions.

On September 30, 1995, the Corporation had commitments to purchase and sell when-issued securities of $5.2 billion and $5.1 billion, respectively. This compares to commitments to purchase and sell when-issued securities of $2.2 billion and $2.5 billion, respectively, on December 31, 1994.

See Tables 5 and 6 and the accompanying discussion in Item 2 regarding the Corporation's derivatives used for risk management purposes.

In conducting its mortgage banking activities, the Corporation is exposed to fluctuations in interest rates. Loans originated for sale to third parties expose the Corporation to interest rate risk for the period between loan origination and subsequent delivery. Additionally, the value of the Corporation's mortgage servicing rights is affected by changes in interest rates and the resulting impact of such changes on the level of prepayments. To manage interest rate risk associated with mortgage banking activities, the Corporation enters into various instruments including option contracts, forward delivery contracts and certain interest rate swaps. The contract/notional amounts of these instruments approximated $5 billion on September 30, 1995. Net unrealized gains associated with these contracts were not significant on September 30, 1995.

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to a number of pending and threatened legal actions and proceedings, including several actions brought on behalf of various classes of claimants. In certain of these actions and proceedings, substantial money damages are asserted against the Corporation and its subsidiaries, and certain of these actions and proceedings are based on alleged violations of consumer protection, securities, banking and other laws. Management believes, based upon the advice of counsel, that these actions and proceedings and losses, if any, resulting from the final outcome thereof, will not be material in the aggregate to the Corporation's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Earnings Review

A comparison of selected operating results for the three- and nine-month periods ended September 30, 1995 and 1994 is presented in Table 1.

Net income for the third quarter of 1995 was $530 million, an increase of 23 percent over the third quarter of 1994. Earnings per common share were $1.95 and $1.55 for the third quarters of 1995 and 1994, respectively. The return on average common shareholders' equity increased to 18.29 percent for the third quarter of 1995.

Net income of $1.44 billion for the first nine months of 1995 represented an increase of 12 percent over earnings of $1.29 billion during the same period in 1994. Earnings per common share were $5.26 and $4.66 for the first nine months of 1995 and 1994, respectively. The return on average common shareholders' equity was 17.02 percent for the first nine months of 1995, up 41 basis points from the prior year comparable period.

Key performance highlights for the first nine months of 1995 compared with the same period last year were:

- Fifteen-percent growth in average loans was the primary factor leading to the $143-million increase in taxable-equivalent net interest income. Partially offsetting the positive impact of loan growth was the funding of earning asset growth largely with wholesale funds.

- Provision for credit losses totaled $240 million for both periods. Net charge-offs were $265 million, or .33 percent of average net loans, leases and factored receivables, versus $218 million, or .31 percent of average levels, in the prior year period. Nonperforming assets continued to decline with September 30, 1995 levels $100 million lower than year-end levels.

- Noninterest income rose $274 million, or 14 percent, to $2.23 billion for the first nine months of 1995, driven by increased capital markets revenues, deposit service fee income, acquisition-related mortgage servicing income and miscellaneous other income.

- Noninterest expense increased four percent, primarily related to acquisitions of several smaller banking organizations and mortgage banking operations. Expenses reflect increased investment in personnel in selected areas, higher equipment expense and expanded marketing efforts to support revenue growth. These increases were partially offset by declines in other general operating expenses and FDIC insurance expense. The efficiency ratio, which measures the relationship of noninterest expense to total revenue, improved to 60.14

percent in the first nine months of 1995 compared to 62.00 percent in the prior year's period. After adjusting for the impact of reduced FDIC insurance expense, management's ongoing cost control efforts have resulted in relatively flat levels of noninterest expense for each of the three 1995 quarters.

Business Unit Review

The Corporation manages its business activities through three major internal management groups, or Business Units. These units, as shown in Table 2, are managed with a focus on numerous performance objectives including return on equity, operating efficiency and net income.

The net income of the Business Units reflects the results of a funds transfer pricing process which derives net interest income by matching assets and liabilities with similar interest rate sensitivity and maturity characteristics. Equity capital is allocated to each Business Unit based on an assessment of its inherent risk.

The General Bank includes the Banking Group, which contains the retail banking network and is the service provider for the consumer sector as well as small and medium-size companies; Financial Products, which provides specialized services such as credit cards, residential mortgages, indirect lending and dealer finance; the Trust & Investment Management Group and the Private Client Group, which offers asset management services, banking and personal trust services.

The General Bank earned $863 million in the first nine months of 1995, a 22-percent increase over the same period in 1994. The Banking Group, reflecting 17-percent average loan growth, improved asset quality and growth in fee income, accounted for most of the increased earnings over the same period last year. The General Bank's return on equity was unchanged at 19 percent. Taxable-equivalent net interest income in the General Bank increased $55 million as broad-based loan growth and deposit cost containment efforts helped offset the impact of higher interest rates, as more fully discussed in the Net Interest Income section. Average loans increased $9.7 billion, or 17 percent, primarily in the Banking Group, with increased residential mortgages, and in Financial Products, which experienced strong credit card loan growth.

Noninterest income rose 16 percent to $1.5 billion, led by increases in deposit service fee income, acquisition-related mortgage servicing income, acquisition of the third party interest in the Corporation's full service brokerage company and miscellaneous income. Noninterest expense increased $77 million, reflecting several mortgage and banking acquisitions, the full service brokerage acquisition and expanded marketing efforts, primarily credit card solicitations. These increased expenses were partly offset by reduced FDIC insurance expense. With seven-percent growth in revenues and three-percent expense growth, the efficiency ratio improved 229 basis points.

The Global Finance unit includes Corporate Finance, Specialized Finance and the Capital Markets group. Included under Specialized Finance are Real Estate, Specialized Lending (includes Business Credit, Factoring and Leasing), Structured Finance (asset-backed and project financing), Real Estate Finance, Leveraged Capital and International. The Capital Markets group includes securities trading and debt underwriting, customer-related derivatives and foreign exchange activities. Housed in this group are NationsBanc-CRT, the derivatives and foreign exchange trading and sales operating unit, and NationsBanc Capital Markets Inc., which, with its Section 20/Tier II powers, underwrites and deals in various types of corporate debt and has the authority to underwrite and deal in equity securities.

The Global Finance unit earned $472 million in the first nine months of 1995, a one-percent decrease from the same period in 1994. The return on equity was 16 percent compared to 17 percent for 1994. Taxable-equivalent net interest income for the first nine months of 1995 increased $14 million over the same period a year ago. The benefit to net interest income of the $3.3-billion, or 11-percent, increase in average loans was partially offset by the increased use of foreign time deposits to support earning asset growth, as more fully discussed in the Net Interest Income section. Loan growth, primarily commercial, was concentrated in the Corporate Finance and Specialized Lending units, while the Real Estate unit reduced average outstandings by $538 million compared to last year. Asset quality continued to improve, though at a slower pace than in 1994, leading to no provision for credit losses during the first nine months of 1995.

Noninterest income increased 10 percent over last year, primarily related to significant growth in investment banking fees. Continued investment aimed at expanding Capital Markets-related activities, mostly personnel-related, contributed to the $36-million increase in noninterest expense.

Financial Services, the Corporation's nonbank subsidiary which offers a wide variety of financing to small and large corporations, consumers, retailers, manufacturers and distributors, contributed $89 million of net income for the first nine months of 1995, a 22-percent increase from a year ago. This improvement, the result of $1.7-billion, or 31-percent, growth in average loans and leases, was partly offset by a higher provision for credit losses to support loan growth. Market demand in the consumer lending, commercial real estate and inventory finance businesses coupled with new office expansion in consumer lending contributed to loan growth. The net interest yield of 7.25 percent was down 25 basis points from the first nine months of 1994, due to higher funding costs. Noninterest expense increased $27 million, or 17 percent, driven by the expansion of consumer finance operations. The efficiency ratio of 42.80 percent for the first nine months of 1995 improved from 45.83 percent for the same period last year, due to loan growth and productivity improvements.

Net Interest Income

As presented in Table 3, taxable-equivalent net interest income increased $90 million to $1.4 billion in the third quarter of 1995 compared to the third quarter of 1994. Average earning asset levels increased $19.0 billion in the third quarter of 1995 compared to the third quarter of 1994, driven by growth in average loans and leases of $15.5 billion, or 16 percent. Additionally, the aggregate of average securities purchased under agreements to resell and trading account securities increased, reflecting expanded trading-related activities. The increase in net interest income resulting primarily from loan growth, deposit cost containment efforts and the maturities and sales of lower-yielding investment securities was partially offset by the use of higher cost market-based funds to support earning asset growth. Future loan growth is dependent on economic conditions, decisions to securitize certain loan portfolios, the retention of residential mortgage loans generated by the Corporation's mortgage subsidiary and the management of real estate loan levels.

The net interest yield of 3.35 percent in the third quarter of 1995 reflected the funding of loan growth principally with market-based funds and the addition of $4.6 billion in low-spread trading-related assets when compared to the third quarter of 1994.

As presented in Table 4, taxable-equivalent net interest income increased $143 million to $4.1 billion in the first nine months of 1995 compared to the same period of 1994, due to an increase in taxable-equivalent interest income of $2.3 billion offset by an increase in interest expense of $2.1 billion. Growth in average earning assets drove $1.1 billion of the $2.3 billion-increase in taxable-equivalent interest income, while $1.2 billion was related to a 98-basis point rise in the yield on earning assets. Led by a 15-percent increase in average loans and leases, average earning assets increased $20.1 billion, or 14 percent, in the first nine months of 1995 compared to the same period of 1994. Loan growth included residential mortgages, other consumer and commercial loans and was spread across Business Units with 17-percent, 11-percent and 31-percent growth in the General Bank, Global Finance and Financial Services, respectively. In addition, average securities purchased under agreements to resell and trading account securities increased, reflecting expanded trading-related activities. The combined securities portfolio declined $1.2 billion between the two periods, resulting from maturities and sales of securities partially offset by new investments.

Growth in average interest-bearing liabilities accounted for $604 million of the $2.1-billion increase in interest expense, while $1.5 billion was attributable to a 144-basis point rise in rates paid. Average interest-bearing liabilities increased $18.9 billion, or 15 percent, in the first nine months of 1995 compared to the same period of 1994. Interest-bearing deposits grew $6.5 billion to $78.6 billion in 1995 compared to the same period of 1994. An increase in average foreign time deposits of $8.1 billion, as well as deposit increases resulting from acquisitions, were the primary factors in this growth. These increases were partially offset by declines in certain interest-bearing deposit accounts, reflecting industry-wide trends of customers seeking higher-yielding investment alternatives as well as the Corporation's disciplined deposit pricing. Borrowed funds and trading account liabilities increased to $57.0 billion, funding earning asset growth. Average long-term debt increased $3.1 billion period-over-period to $11.1 billion, primarily due to issuances of medium-term notes and other debt instruments. Average noninterest-bearing deposits increased $888 million during the first nine months of 1995 compared to the same period of 1994.

The yield on average earning assets increased 98 basis points to 8.00 percent between the two nine-month periods. The yield on total loans and leases increased 68 basis points to 8.80 percent in the first nine months of 1995, reflecting loan growth in a higher interest rate environment and the variable-rate nature of a significant portion of the loan portfolio. The Corporation's average prime interest rate rose from 6.81 percent in the first nine months of 1994 to 8.87 percent in the first nine months of 1995. The yield on total securities increased 76 basis points to 5.78 percent compared to the same period of 1994, due to maturities and sales of lower-yielding securities coupled with investment at higher rates mainly during the first half of 1995.

The rate on average interest-bearing liabilities increased 144 basis points to 5.31 percent in the first nine months of 1995 from 3.87 percent in the first nine months of 1994, due to a greater use of market-based funds and the higher level of interest rates in general.

The net interest yield was 3.31 percent in the first nine months of 1995 compared to 3.64 percent in the same period of 1994. The decline in the net interest yield for the first nine months of 1995 compared to the same period of 1994 resulted from the funding of loan growth principally with market-based funds and growth of $6.9 billion in trading-related assets. Had the relative mix of low-spread trading-related assets to total average earning assets remained constant in the first nine months of 1995 compared to the same period of 1994, the net interest yield would have been nine basis points higher for the first nine months of 1995.

The Corporation's asset and liability management process is utilized to manage the Corporation's interest rate risk through structuring the balance sheet and off-balance sheet portfolios to maximize net interest income while maintaining acceptable levels of risk to changes in market interest rates. In implementing strategies to manage interest rate risk, the primary tools used by the Corporation are the discretionary portfolio, which is comprised of the securities portfolio and interest rate swaps, and the management of the mix, rates and maturities of the wholesale and retail funding sources of the Corporation.

Swaps allow the Corporation to adjust its interest rate risk position without exposure to principal risk and funding requirements as swaps do not involve the exchange of notional amounts, only net interest payments. The Corporation uses non-leveraged generic, index amortizing, collateralized mortgage obligation (CMO) and basis swaps. Generic swaps involve the exchange of fixed and variable interest rates based on the contractual underlying notional amounts. Index amortizing and CMO swaps also involve the exchange of fixed and variable interest rates; however, their notional amounts decline and their maturities vary based on certain interest rate indices in the case of index amortizing swaps, or mortgage prepayment rates in the case of CMO swaps. Basis swaps involve the exchange of payments based on the contractual underlying notional amounts where both the pay rate and the receive rate are floating rates based on different indices.

As reflected in Table 5, the gross notional amount of the Corporation's asset and liability management interest rate swap position on September 30, 1995 was $24.9 billion, with the Corporation receiving fixed on $14.5 billion, converting variable-rate commercial loans to fixed rate and converting the cost of certain long-term debt to variable rate, and receiving variable on $10.0 billion, fixing the cost of certain variable-rate liabilities, primarily market-based borrowed funds. On September 30, 1995, the net receive fixed position was $4.5 billion, representing a reduction from the net receive fixed position of $8.9 billion on December 31, 1994, and $9.1 billion on September 30, 1994.

Net interest receipts and payments have been included in interest income and expense on the underlying instruments. Asset and liability management interest rate swaps resulted in a reduction of net interest income of $193 million in the first nine months of 1995 compared to an increase of $86 million in the first nine months of 1994. Deferred gains and losses related to terminated contracts are insignificant.

The net unrealized depreciation on September 30, 1995 was $196 million compared to $726 million on December 31, 1994, reflecting the reduction in interest rates and maturities.

The unrealized depreciation in the estimated value of the asset and liability management swap portfolio should be viewed in the context of the overall balance sheet. The value of any single component of the balance sheet or off-balance sheet position should not be viewed in isolation. The overall impact of a 100-basis point parallel increase in interest rates from September 30, 1995 levels was estimated to have an insignificant impact on the market value of equity.

Average securities for the first nine months of 1995 totaled $26.5 billion, a decrease of $1.2 billion from the same period of 1994. Beginning in the second quarter of 1994, the Corporation did not fully replace maturities and sales of securities. In light of expected market conditions, the Corporation began to add to securities levels late in the first quarter and during the second quarter of 1995, essentially investing the majority of maturities scheduled for the second half of 1995 prior to their maturity. Additionally, during the third quarter of 1995, net maturities and sales of securities were $3.6 billion. The yield on securities was 5.78 percent for the first nine months of 1995 compared to 5.02 percent in the same period of 1994. The weighted average yield of the securities portfolio on September 30, 1995, was 5.99 percent. See Analysis of Financial Condition - Securities for further details on the securities portfolio.

On September 30, 1995, the interest rate risk position of the Corporation continued to be relatively neutral as the impact of a gradual 100-basis-point rise or fall in interest rates over the next 12 months was estimated to have an insignificant impact on net income when compared to stable rates.

Table 7 represents the Corporation's interest rate gap position on September 30, 1995. Based on contractual maturities or repricing dates, or anticipated dates where no contractual maturity or repricing date exists, interest-sensitive assets and liabilities are placed in maturity categories. The Corporation's negative cumulative interest rate gap position in the near term reflects the strong customer-deposit gathering franchise which provides a relatively stable core deposit base. These available funds have been deployed in longer-term interest-earning assets including certain loans and securities. A gap analysis is limited in its usefulness as it represents a one-day position that is continually changing and is not necessarily indicative of the Corporation's position at any other time. Additionally, the gap analysis does not consider the many factors accompanying interest rate movements.

Provision for Credit Losses

The provision for credit losses was $100 million and $240 million in the third quarter and first nine months of 1995, respectively, compared to $70 million and $240 million in the comparable 1994 periods. The level of the provision in the third quarter is consistent with loan growth and credit quality, as more fully discussed in the Allowance for Credit Losses section. Future economic conditions may impact credit quality.

Noninterest Income

Table 8 compares the major categories of noninterest income for the three- and nine-month periods of 1995 and 1994. Noninterest income totaled $776 million in the third quarter of 1995, an increase of 20 percent from $649 million in the same quarter of 1994. Noninterest income totaled $2.23 billion in the first nine months of 1995, an increase of 14 percent from $1.96 billion in the first nine months of 1994.

Service charges on deposit accounts increased $28 million and $53 million for the third quarter and first nine months of 1995, respectively, from the comparable 1994 periods, primarily reflecting higher fees, increased consumer account volumes, in part due to smaller banking organization acquisitions, and emphasis on fee collections.

Mortgage servicing and related fees totaled $37 million in the third quarter of 1995, an increase of 76 percent from the same quarter of 1994. Mortgage servicing and related fees totaled $92 million in the first nine months of 1995, an increase of 59 percent from the first nine months of 1994. The increase was primarily attributable to the acquisitions of mortgage servicing portfolios. In the latter part of 1994, the Corporation's mortgage subsidiary acquired $7.6 billion in servicing, and on March 31, 1995, an additional $35 billion was acquired. The total servicing portfolio on September 30, 1995, was $79.4 billion. Mortgage loan originations through the Corporation's mortgage subsidiary totaled $4.0 billion for the third quarter of 1995 compared to $1.4 billion for the third quarter of 1994 and totaled $8.1 billion for the first nine months of 1995 compared to $5.4 billion for the first nine months of 1994, primarily reflecting changes in the interest rate environment. Third quarter 1995 origination volume consisted of approximately $2.3 billion of retail loan volume and $1.7 billion of correspondent loan volume.

The 92-percent increase in investment banking income in the third quarter of 1995 and the 80-percent increase in the first nine months of 1995 compared to the same 1994 periods were the result of higher syndication fees, increased venture capital income and increased fee income associated with arranging asset-backed financings. The Capital Markets syndication group was agent or co-agent on 257 deals totaling $184 billion during the first nine months of 1995 compared to 241 deals totaling $139 billion during the same period in 1994.

General Bank trust fees for the third quarter and the first nine months of 1995 were relatively flat compared to the same periods in 1994. On September 30, 1995, discretionary assets under management and total assets under administration were $62.2 billion and $174.3 billion, respectively, compared to $57.4 billion and $163.6 billion, respectively, on December 31, 1994.

During the first quarter of 1995, the Corporation announced its decision to sell a portion of its trust business that deals with bond servicing and administration, known as Corporate Trust. This decision was based on management's desire to focus on investment management, retirement and fiduciary services. On June 1, 1995, the Corporation announced that it had reached a definitive agreement, on the sale of this business, which is expected to close around year end. Historically, the Corporate Trust business has generated approximately 10 percent of the Corporation's trust fees. Management does not expect the loss of this revenue to have a significant impact on future net income.

The higher levels of brokerage income for both 1995 periods are due to the acquisition of the third party interest in the Corporation's full service brokerage company. This company was a joint venture arrangement prior to November 15, 1994, and was accounted for under the equity method.

The Corporation maintains trading positions in a variety of cash and derivative financial instruments. The Corporation offers a number of products to customers, as well as enters into transactions for its own account. In setting trading strategies, the Corporation manages these activities to maximize trading revenues while, at the same time, taking controlled risks.

Trading revenues are dependent on a number of factors, including economic conditions such as interest rate and currency fluctuations. Trading account profits and fees increased $26 million to $98 million in the third quarter of 1995 compared to the third quarter of 1994 and increased $14 million to $243 million in the first nine months of 1995 compared to the first nine months of 1994. An analysis of trading account profits and fees by major business activity for the nine months ended September 30 is as follows (dollars in millions):

<TABLE>
<CAPTION>

	Nine Months Ended September 30	
	1995	1994
<S>	<C>	<C>
Securities trading..........................	$ 97	$ 95
Interest rate contracts......................	94	81
Foreign exchange contracts...................	16	20

Other, including commodity contracts.........	36	33
	$ 243	$ 229

</TABLE>

Miscellaneous other income totaled $64 million in the third quarter of 1995 compared to $59 million in the third quarter of 1994 and totaled $230 million in the first nine months of 1995 compared to $184 million in the first nine months of 1994. This category of miscellaneous income includes certain prepayment fees and other fees such as net gains on sales of miscellaneous investments, business activities, premises, venture capital investments, mortgage servicing and other similar items.

Noninterest Expense

The Corporation's noninterest expense, as shown in Table 9, increased $11 million, or one percent, in the third quarter of 1995 compared to the same quarter in 1994, to a total of $1.25 billion. For the first nine months of 1995, noninterest expense increased $140 million, or four percent, compared to the first nine months of 1994, to a total of $3.82 billion. Increased expenditures in selected areas to support the continued growth in revenues coupled with the acquisitions of several smaller banking organizations, several mortgage banking operations and the third party interest in the Corporation's full service brokerage company were partially offset by reduced expenses associated with the sale of the merchant discount credit card services unit during the second quarter of 1995 and lower FDIC insurance.

Included in the various components of noninterest expense are the costs of ongoing initiatives related to enhancing customer sales and optimizing product delivery channels. For example, the Model Banking project is being implemented across the Corporation's franchise to facilitate and enhance the General Bank's retail customer sales and product delivery. Other projects include the development of alternative delivery channels, such as PC-based banking, and activities to define and achieve optimal composition of customer delivery channels.

Personnel expense, which accounts for approximately one half of noninterest expense, increased $41 million in the third quarter of 1995 and $164 million in the first nine months of 1995 compared to the comparable prior-year periods. Of the $41-million quarter-over-quarter increase, $19 million was due to acquisitions. Continued investment in personnel for the Capital Markets group also contributed to the increase in personnel expense.

Compared to the respective prior-year periods, equipment expense increased $6 million in the third quarter and $23 million in the first nine months of 1995. These increases were primarily due to enhancements to computer resources, including higher rental expense for upgraded mainframe equipment and increased costs related to product delivery systems.

Marketing expense increased 29 percent in the third quarter and 33 percent in the first nine months of 1995. This increase was driven primarily by increased credit card solicitations in the Financial Products group.

FDIC insurance expense decreased $51 million in the third quarter and decreased $54 million in the first nine months of 1995 relative to the comparable periods in 1994. FDIC insurance expense in the third quarter of 1995 reflected a quarterly expense reduction of $37 million due to a decrease in insurance rates charged by the FDIC and an additional refund of $11 million relating to insurance payments in the second quarter of 1995.

Other general operating expense remained flat in the third quarter of 1995 compared to the third quarter of 1994 and decreased $34 million in the first nine months of 1995 compared to the first nine months of 1994. This decrease was primarily due to lower loan and collection expenses.

Congressional discussions to enact legislation to recapitalize the Savings Association Insurance Fund (SAIF) may result in a one-time assessment as early as the fourth quarter of 1995 on the Corporation's SAIF-insured deposits at a currently estimated rate ranging from 66 to 85 basis points per $100 of such deposits. On September 30, 1995, the amount of deposits which would be subject to such proposed assessment approximates $5.3 billion.

Income Taxes

The Corporation's income tax expense was $763 million and $682 million in the first nine months of 1995 and 1994, respectively, for an effective rate of 35 percent of pretax income for both periods. Income tax expense for the third quarter of 1995 was $288 million, for an effective rate of 35 percent. Tax expense for the same quarter of 1994 was $222 million, resulting in an effective rate of 34 percent.

Analysis of Financial Condition

Liquidity, a measure of the Corporation's ability to fulfill its cash requirements, is managed by the Corporation through its asset and liability management process. This entails measuring and managing the relative balance between asset, liability and off-balance sheet positions. This process, coupled with the Corporation's ability to raise equity and debt financing and to securitize certain assets, ensures the maintenance of sufficient funds to meet the liquidity needs of the Corporation. The Corporation continues to diversify its funding sources as evidenced by its recent Eurobond offering, mortgage-backed bond issuances and securitizations.

Table 10 presents an analysis of the major sources and uses of funds for the two nine-month periods based on average levels.

Market-based funds increased 30 percent and represented 39 percent of total sources of funds in the first nine months of 1995 compared to 34 percent of total sources in the same period of 1994. Customer-based funds remained relatively flat; however, they represented 45 percent of total sources of funds in the first nine months of 1995, down from 51 percent of total sources in the same period of 1994.

The composition of uses of funds reflected a 15-percent increase in average loans and leases to $107.8 billion in the first nine months of 1995 compared to the same period one year earlier. Expanded trading-related activities resulted in higher levels of securities purchased under agreements to resell and trading account securities.

The Corporation's ratio of average loans to customer-based funds was 129 percent for the first nine months of 1995 compared to 111 percent for the first nine months of 1994. The higher loan to deposit ratio was driven by loan growth of 15 percent, flat levels of customer-based deposits resulting from disciplined deposit pricing and the use of market-based funds to support earning asset growth.

Cash and cash equivalents decreased $2.2 billion from December 31, 1994 to $7.4 billion on September 30, 1995, due to $4.1 billion in net cash used by operating activities and $5.8 billion in net cash used in investing activities, offset by $7.7 billion in net cash provided by financing activities.

Net cash used in investing activities primarily reflected $9.3 billion in net originations of loans and leases and $4.2 billion in purchases of loans and leases, offset by a net decrease of $4.3 billion in federal funds sold and securities purchased under agreements to resell, proceeds from sales and securitizations of loans of $2.1 billion and net proceeds from sales and maturities of securities of $2.7 billion.

Net cash provided by financing activities primarily resulted from $7.3 billion in proceeds from net issuances of long-term debt.

Period-end assets were $182.1 billion and $169.6 billion on September 30, 1995 and December 31, 1994, respectively. The following discussion analyzes the major changes in the period-end balance sheet from December 31, 1994 to September 30, 1995.

Securities

The securities portfolio on September 30, 1995 consisted of securities held for investment totaling $13.7 billion and securities available for sale totaling $9.8 billion compared to $17.8 billion and $8.0 billion, respectively, on December 31, 1994.

On September 30, 1995, the Corporation's portfolio of securities held for investment reflected net unrealized appreciation of $48 million compared to net unrealized depreciation of $699 million on December 31, 1994.

The valuation amount for securities available for sale and marketable equity securities increased shareholders' equity by $104 million on September 30, 1995, reflecting $72 million and $90 million of pretax appreciation on securities available for sale and marketable equity securities, respectively. The valuation amount reduced shareholders' equity by $136 million on December 31, 1994. The appreciation in both securities held for investment and securities available for sale from year-end 1994 was primarily due to the levels of securities combined with the general level of interest rates during the first nine months of 1995.

The estimated average maturity of the combined securities portfolio was 2.76 years on September 30, 1995, and 2.56 years on December 31, 1994, a reflection of the investment activity which occurred primarily in the first half of 1995.

Loans

Loans and leases, net of unearned income, on September 30, 1995 and December 31, 1994, were $113.3 billion and $102.4 billion, respectively.

Approximately $5.5 billion of the increase in loans and leases was in the residential mortgages category which increased to $22.8 billion on September 30, 1995. Increased originations through the Corporation's mortgage subsidiary coupled with retention of a substantial portion of these loans by the Corporation's bank subsidiaries were the primary factors leading to the increase in this category.

Commercial loans increased approximately $2.3 billion from December 31, 1994 to $46.9 billion on September 30, 1995. Almost one half of this growth occurred in the General Bank. Real estate commercial and construction outstandings of $9.7 billion on September 30, 1995 reflected a net decline of $626 million from December 31, 1994 levels and comprised 8.6 percent of the total loans and leases portfolio on September 30, 1995 compared to 10.1 percent at the end of 1994.

Other consumer loans increased approximately $2.5 billion from December 31, 1994 to $23.0 billion on September 30, 1995. The General Bank accounted for approximately two-thirds of the increase, while Financial

Services accounted for the remaining one-third of the increase.

Nonperforming Assets

On September 30, 1995, nonperforming assets, as presented in Table 11, were $1.04 billion, or .90 percent of net loans, leases, factored accounts receivable and other real estate owned, compared to $1.14 billion, or 1.10 percent, on December 31, 1994.

Nonperforming loans totaled $848 million on September 30, 1995 compared to $801 million on December 31, 1994. The net increase in nonperforming loans from December 31, 1994 reflected $80 million of in-substance foreclosed loans previously reported as other real estate owned offset by decreases in certain nonperforming loan categories. After reflecting this change in the December 31, 1994 amounts, nonperforming loans decreased $33 million, primarily reflecting a decrease of $97 million in nonperforming real estate commercial and construction loans offset by increases of $22 million and $47 million in nonperforming commercial and total consumer loans, respectively.

Other real estate owned, which represents real estate acquired through foreclosure, totaled $190 million on September 30, 1995, a net decline of $147 million, or 44 percent, from December 31, 1994.

On January 1, 1995, the Corporation adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 114 "Accounting by Creditors for Impairment of a Loan" (SFAS 114). See Tables 11 and 12 and the Allowance for Credit Losses section.

Allowance for Credit Losses

On September 30, 1995 and December 31, 1994, the allowance for credit losses was $2.2 billion and represented 1.89 percent and 2.11 percent, respectively, of loans, leases and factored accounts receivable.

The allowance for credit losses as a percentage of nonperforming loans was 256 percent on September 30, 1995 compared to 273 percent at year-end 1994.

Table 12 provides an analysis of the changes in the allowance for credit losses for the three and nine months ended September 30, 1995 and 1994. The provision for credit losses for the third quarter of 1995 was $30 million higher than in the previous five quarters, reflecting loan growth principally in the consumer loan portfolios. Total net charge-offs for the third quarter of 1995 were $99 million, or .35 percent of average loans, leases and factored accounts receivable, versus $64 million, or .27 percent, in the comparable three-month period in 1994. Total net charge-offs for the first nine months of 1995 were $265 million, or .33 percent of average loans, leases and factored accounts receivable, compared to $218 million, or .31 percent, in the same period of 1994. Net charge-offs in the credit card and other consumer loan portfolios increased $36 million and $38 million, respectively, for the first nine months of 1995 relative to the comparable 1994 period. As a percentage of average credit card loans, net credit card charge-offs increased to 3.13 percent in the first nine months of 1995 compared to 2.66 percent for the same period of 1994. Other consumer loan net charge-offs as a percentage of other consumer average loans were .80 percent and .62 percent for the first nine months of 1995 and 1994, respectively. These increases resulted from strong loan growth that generally leads to higher charge-offs as the portfolios season. Future economic conditions may also impact credit quality.

On September 30, 1995, the recorded investment in certain loans that are considered to be impaired under SFAS 114 was $634 million, all of which was classified as nonperforming. Provision expense associated with impaired loans approximated $22 million for the first nine months of 1995. The average recorded investment in certain impaired loans during the nine months ended September 30, 1995 was approximately $674 million. During the nine months ended September 30, 1995, interest income recognized on impaired loans totaled $21 million, all of which was recognized on a cash basis.

Capital

Shareholders' equity totaled $11.9 billion on September 30, 1995 compared to $11.0 billion on December 31, 1994. Under common stock repurchase programs, the Corporation repurchased and retired 9.7 million common shares during the first nine months of 1995 at a cost of $522 million, including approximately 3.8 million shares to offset shares issued through dividend reinvestment and stock option and grant programs. The level of share repurchase activities may be impacted by pending acquisitions.

The valuation reserve for securities held for sale and marketable equity securities increased shareholders' equity $104 million on September 30, 1995 compared to a reduction of $136 million on December 31, 1994.

The Corporation's Tier 1 capital ratios were 7.16 percent and 7.43 percent on September 30, 1995 and December 31, 1994, respectively. The total risk-based capital ratios were 11.23 percent and 11.47 percent on September 30, 1995 and December 31, 1994, respectively. Both of these measures compare favorably with regulatory minimums. Decreases in these ratios resulted primarily from increases in the level of the Corporation's risk weighted assets, primarily loans and loan commitments. The Corporation's leverage ratios were 5.96 percent and 6.18 percent on September 30, 1995 and December 31, 1994, respectively. The decrease in the leverage ratio was primarily a result of an increase in average assets, mainly loans and trading-related assets.

On October 25, 1995, the Board of Directors authorized a 16-percent increase in the quarterly dividend paid on common shares outstanding from $.50 to $.58 per share as of the next dividend declaration date.

Derivative - Dealer Positions

Within the Corporation's Credit Policy organization, a group is dedicated to managing credit risks associated with trading activities. The Corporation maintains trading positions in a number of markets and with a variety of counterparties or obligors (counterparties). To limit credit exposure arising from such transactions, the Corporation evaluates the credit standing of counterparties, establishes limits for the total exposure to any one counterparty, monitors exposure against the established limits and monitors trading portfolio composition to manage concentrations.

Counterparties are subject to the credit approval and credit monitoring policies and procedures of the Corporation. Certain instruments require the Corporation or the counterparty to maintain collateral for all or part of the exposure. Generally, such collateral is in the form of cash or other highly liquid instruments. Limits for exposure to any particular counterparty are established and monitored. In certain jurisdictions, counterparty risk is also reduced through the use of legally enforceable master netting agreements, which allow the Corporation to settle positions with the same counterparty on a net basis. The contract or notional amounts associated with the Corporation's derivative-dealer positions are reflected in Table 13. The notional or contract amounts indicate the total volume of transactions and significantly exceed the amount of the Corporation's credit or market risk associated with these instruments. The Corporation's exposure to credit risk from derivative financial instruments is represented by the fair value of the instruments. Credit risk represents the replacement cost the Corporation could incur should counterparties with contracts in a gain position to the Corporation completely fail to perform under the terms of those contracts and any collateral underlying the contracts proves to be of no value to the Corporation. Such aggregate amounts measured by the Corporation as the positive replacement cost on September 30, 1995 and December 31, 1994, were $3.7 billion and $1.8 billion, respectively. Of these credit risk amounts, $494 million and $354 million relates to exchange-traded instruments for 1995 and 1994, respectively. Because exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements, the credit risk to the Corporation is minimal. The $1.9-billion increase in the credit risk amount from December 31, 1994 is related to expanded derivatives trading activities coupled with the effects of underlying market movements.

<TABLE>
Table 1
Selected Operating Results
(Dollars in Millions Except Per-Share Information)
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Income from earning assets	$ 3,398	$ 2,701	$ 9,859	$ 7,611
Interest expense	2,007	1,395	5,825	3,700
Net interest income (taxable-equivalent)	1,420	1,330	4,122	3,979
Net interest income	1,391	1,306	4,034	3,911
Provision for credit losses	100	70	240	240
Gains (losses) on sales of securities	3	(4)	8	15
Noninterest income	776	649	2,232	1,958
Other real estate owned expense (income)	7	(6)	10	(4)
Noninterest expense	1,245	1,234	3,821	3,681
Income before income taxes	818	653	2,203	1,967
Income tax expense	288	222	763	682
Net income	530	431	1,440	1,285
Earnings per common share	1.95	1.55	5.26	4.66
Yield on average earning assets	8.08 %	7.24 %	8.00 %	7.02 %
Rate on average interest-bearing liabilities	5.38	4.22	5.31	3.87
Net interest spread	2.70	3.02	2.69	3.15
Net interest yield	3.35	3.54	3.31	3.64
Return on average common shareholders' equity (1)	18.29	16.00	17.02	16.61
Market price per share of common stock				
High for the period	$ 68 7/8	$ 56	$ 68 7/8	$ 57 3/8
Low for the period	53 3/4	47 1/8	44 5/8	44 3/8
Closing price	67 1/4	49	67 1/4	49
Risk-based capital ratios				
Tier 1	7.16 %	7.48 %		
Total	11.23	11.57		

(1)Average common shareholders' equity does not include the effect of fair value adjustments to securities

available for sale and marketable equity securities.
</TABLE>

<TABLE>
Table 2
Business Unit Summary
For the Nine Months Ended September 30
(Dollars in Millions)
<CAPTION>

	General Bank		Global Finance		Financial Services	
	1995	1994	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent).........	$ 2,822	$ 2,767	$ 901	$ 887	$ 382	$ 301
Noninterest income............	1,496	1,286	690	630	46	42
Total revenue.................	4,318	4,053	1,591	1,517	428	343
Provision for credit losses...	154	216	-	(36)	86	60
Other real estate owned expense (income)............	5	8	(5)	(17)	10	5
Noninterest expense...........	2,790	2,713	848	812	183	156
Income before income taxes....	1,369	1,116	748	758	149	122
Income tax expense............	506	407	276	280	60	49
Net income (1)................	$ 863	$ 709	$ 472	$ 478	$ 89	$ 73
Net interest yield............	4.54 %	4.76 %	2.83 %(2)	2.71 %(2)	7.25 %	7.50 %
Return on equity..............	19 %	19 %	16 %	17 %	13 %	13 %
Efficiency ratio..............	64.63	66.92	53.32	53.49	42.80	45.83
Average (3)						
Total loans and leases, net of unearned income......	$67,175	$57,499	$34,042	$30,769	$ 7,043	$ 5,364
Total deposits..............	77,314	77,090	15,224	10,414	-	-
Total assets................	88,743	82,755	81,326	67,366	7,532	5,904
Period end (3)						
Total loans and leases, net of unearned income......	72,069	60,510	34,641	31,756	7,473	5,825
Total deposits..............	76,866	78,964	14,681	12,672	-	-

(1) Business Unit results are presented on a fully allocated basis but do not include $16 million and $25 million of net income for 1995 and 1994, respectively, which represents earnings associated with unassigned capital, gains on sales of securities and other corporate activities.

(2) Global Finance's net interest yield excludes the impact of trading-related activities. Including trading-related activities, the net interest yield was 1.70 percent in 1995 and 1.97 percent in 1994.

(3) The sums of balance sheet amounts differ from consolidated amounts due to activities between the Business Units.
</TABLE>

<TABLE>
Table 3
Quarterly Taxable-Equivalent Data
(Dollars in Millions)
<CAPTION>

	Third Quarter 1995			Second Quarter 1995		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2).....................................	$ 46,574	$ 953	8.12 %	$ 46,525	$ 954	8.22 %
Real estate commercial.............................	7,116	168	9.38	7,395	171	9.29
Real estate construction...........................	3,091	75	9.63	3,216	78	

						9.76
Total commercial	56,781	1,196	8.36	57,136	1,203	8.45
Residential mortgage	21,581	420	7.78	19,242	378	7.84
Credit card	5,014	164	12.94	4,775	156	13.13
Other consumer	22,638	583	10.19	21,609	544	10.11
Total consumer	49,233	1,167	9.41	45,626	1,078	9.47
Foreign	2,034	40	7.73	2,048	41	7.96
Lease financing	3,407	65	7.65	3,114	58	7.43
Total loans and leases, net	111,455	2,468	8.79	107,924	2,380	8.84
Securities						
Held for investment	14,101	205	5.77	17,457	235	5.40
Available for sale (3)	11,891	188	6.28	10,730	170	6.33
Total securities	25,992	393	6.01	28,187	405	5.76
Loans held for sale	424	8	7.36	153	3	8.06
Federal funds sold and securities purchased under agreements to resell	15,487	251	6.43	17,534	285	6.51
Time deposits placed and other short-term investments	2,031	32	6.32	2,310	42	7.29
Trading account securities (4)	13,063	275	8.37	15,834	307	7.77
Total earning assets (5)	168,452	3,427	8.08	171,942	3,422	7.98
Cash and cash equivalents	7,449			8,024		
Factored accounts receivable	1,201			1,181		
Other assets, less allowance for credit losses	13,399			13,155		
Total assets	$ 190,501			$ 194,302		
Interest-bearing liabilities						
Savings	$ 8,455	51	2.37	$ 8,656	51	2.40
NOW and money market deposit accounts	27,160	183	2.67	27,608	185	2.68
Consumer CDs and IRAs	24,786	335	5.36	25,075	325	5.20
Negotiated CDs, public funds and other time deposits	2,830	41	5.72	3,046	42	5.51
Foreign time deposits	13,921	220	6.27	15,107	239	6.36
Borrowed funds and trading account liabilities (4)(6)	56,815	931	6.50	63,111	1,028	6.53
Long-term debt	14,127	246	6.98	10,209	185	7.22
Total interest-bearing liabilities	148,094	2,007	5.38	152,812	2,055	5.39
Noninterest-bearing sources						
Noninterest-bearing deposits	21,519			21,077		
Other liabilities	9,401			9,200		
Shareholders' equity	11,487			11,213		
Total liabilities and shareholders' equity	$ 190,501			$ 194,302		
Net interest spread			2.70			2.59
Impact of noninterest-bearing sources			.65			.60
Net interest income/yield on earning assets		$ 1,420	3.35 %		$ 1,367	3.19 %

(1) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is

recognized on a cash basis.
(2) Commercial loan interest income includes the impact of interest rate swaps converting variable-rate commercial loans to fixed rate. Interest rate swaps decreased interest income $49, $65 and $61 in the third, second and first quarters of 1995, respectively, and $32 and $0 in the fourth and third quarters of 1994, respectively.
(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
(4) Unrealized gains and losses on off-balance sheet trading positions are reported in other assets and liabilities, respectively.
(5) Interest income includes taxable-equivalent adjustments of $29, $31 and $28 in the third, second and first quarters of 1995, respectively, and $26 and $24 in the fourth and third quarters of 1994, respectively.
(6) Borrowed funds and trading account liabilities interest expense includes net interest rate swap expense related to swaps fixing the cost of certain variable-rate liabilities, primarily market-based funds. Such increases (decreases) in interest expense were $4, $(2) and $12 in the third, second and first quarters of 1995, respectively, and $20 and $9 in the fourth and third quarters of 1994, respectively.
</TABLE>

<TABLE>
Table 3 (Continued)
Quarterly Taxable-Equivalent Data
(Dollars in Millions)
<CAPTION>

	First Quarter 1995			Fourth Quarter 1994		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)......................................	$ 45,238	$ 919	8.24 %	$ 43,587	$ 855	7.78 %
Real estate commercial..............................	7,630	173	9.16	7,289	162	8.86
Real estate construction............................	3,100	77	10.07	3,038	72	9.33
Total commercial..................................	55,968	1,169	8.47	53,914	1,089	8.01
Residential mortgage................................	17,780	343	7.76	16,680	321	7.68
Credit card...	4,543	139	12.36	4,357	141	12.80
Other consumer......................................	20,624	501	9.85	20,294	486	9.50
Total consumer....................................	42,947	983	9.25	41,331	948	9.11
Foreign...	1,961	36	7.50	1,764	30	6.79
Lease financing.....................................	2,951	58	7.86	2,755	53	7.71
Total loans and leases, net.......................	103,827	2,246	8.76	99,764	2,120	8.44
Securities						
Held for investment.................................	17,648	238	5.45	17,966	245	5.40
Available for sale (3)..............................	7,728	110	5.80	8,560	117	5.44
Total securities..................................	25,376	348	5.56	26,526	362	5.42
Loans held for sale.................................	61	1	9.10	109	3	7.65
Federal funds sold and securities purchased under agreements to resell..........................	15,014	230	6.22	16,159	203	5.00
Time deposits placed and other short-term investments..	2,297	40	7.01	2,231	32	5.75
Trading account securities (4).........................	11,574	233	8.16	10,318	224	

						8.64
Total earning assets (5)	158,149	3,098	7.93	155,107	2,944	7.54
Cash and cash equivalents	8,321			8,674		
Factored accounts receivable	1,048			1,235		
Other assets, less allowance for credit losses	9,997			9,538		
Total assets	$ 177,515			$ 174,554		
Interest-bearing liabilities						
Savings	$ 8,911	53	2.39	$ 9,143	54	2.37
NOW and money market deposit accounts	28,577	187	2.66	29,442	190	2.53
Consumer CDs and IRAs	24,818	291	4.76	25,136	277	4.40
Negotiated CDs, public funds and other time deposits	3,151	41	5.30	2,825	35	4.80
Foreign time deposits	13,844	211	6.18	11,576	162	5.57
Borrowed funds and trading account liabilities (4)(6)	50,993	820	6.52	50,110	756	5.99
Long-term debt	8,888	160	7.22	8,147	144	7.08
Total interest-bearing liabilities	139,182	1,763	5.13	136,379	1,618	4.71
Noninterest-bearing sources						
Noninterest-bearing deposits	19,984			20,452		
Other liabilities	7,157			6,817		
Shareholders' equity	11,192			10,906		
Total liabilities and shareholders' equity	$ 177,515			$ 174,554		
Net interest spread			2.80			2.83
Impact of noninterest-bearing sources			.61			.57
Net interest income/yield on earning assets		$ 1,335	3.41 %		$ 1,326	3.40 %

</TABLE>

<TABLE>
Table 3 (Continued)
Quarterly Taxable-Equivalent Data
(Dollars in Millions)
<CAPTION>

	Third Quarter 1994		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>
Earning assets			
Loans and leases, net of unearned income (1)			
Commercial (2)	$ 42,037	$ 805	7.60 %
Real estate commercial	7,473	159	8.43
Real estate construction	3,106	66	8.50
Total commercial	52,616	1,030	7.77
Residential mortgage	15,528	296	7.60
Credit card	4,003	131	12.96
Other consumer	19,873	467	9.33
Total consumer	39,404	894	9.02
Foreign	1,453	23	6.34
Lease financing	2,474	49	7.90
Total loans and leases, net	95,947	1,996	8.26
Securities			
Held for investment	15,443	197	5.08
Available for sale (3)	11,683	152	5.17
Total securities	27,126	349	5.12
Loans held for sale	183	3	6.69

Federal funds sold and securities purchased under agreements to resell	13,495	149	4.38
Time deposits placed and other short-term investments	2,216	29	5.16
Trading account securities (4)	10,488	199	7.52
Total earning assets (5)	149,455	2,725	7.24
Cash and cash equivalents	8,372		
Factored accounts receivable	1,156		
Other assets, less allowance for credit losses	8,300		
Total assets	$ 167,283		
Interest-bearing liabilities			
Savings	$ 9,255	54	2.31
NOW and money market deposit accounts	29,507	179	2.41
Consumer CDs and IRAs	24,439	257	4.17
Negotiated CDs, public funds and other time deposits	3,223	34	4.23
Foreign time deposits	8,436	108	5.06
Borrowed funds and trading account liabilities (4)(6)	48,688	629	5.13
Long-term debt	7,731	134	6.95
Total interest-bearing liabilities	131,279	1,395	4.22
Noninterest-bearing sources			
Noninterest-bearing deposits	19,796		
Other liabilities	5,543		
Shareholders' equity	10,665		
Total liabilities and shareholders' equity	$ 167,283		
Net interest spread			3.02
Impact of noninterest-bearing sources			.52
Net interest income/yield on earning assets		$ 1,330	3.54 %

</TABLE>

<TABLE>
Table 4
Nine Month Taxable-Equivalent Data
(Dollars in Millions)
<CAPTION>

	Nine Months Ended September 30					
	1995			1994		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)	$ 46,116	$ 2,826	8.19 %	$ 40,938	$ 2,292	7.49 %
Real estate commercial	7,379	512	9.27	7,945	474	7.97
Real estate construction	3,136	230	9.82	3,194	196	8.21
Total commercial	56,631	3,568	8.42	52,077	2,962	7.61
Residential mortgage	19,548	1,141	7.79	14,407	820	7.59
Credit card	4,779	459	12.82	3,821	367	12.85
Other consumer	21,631	1,628	10.06	19,591	1,345	9.18
Total consumer	45,958	3,228	9.38	37,819	2,532	8.94
Foreign	2,014	117	7.74	1,300	56	5.79
Lease financing	3,160	181	7.64	2,206	123	7.43

Total loans and leases, net	107,763	7,094	8.80	93,402	5,673	8.12
Securities						
Held for investment	16,389	678	5.53	14,065	516	4.90
Available for sale (3)	10,132	468	6.18	13,675	527	5.15
Total securities	26,521	1,146	5.78	27,740	1,043	5.02
Loans held for sale	214	12	7.64	417	20	6.53
Federal funds sold and securities purchased under agreements to resell	16,014	766	6.40	12,454	344	3.70
Time deposits placed and other short-term investments	2,212	114	6.89	1,604	58	4.82
Trading account securities (4)	13,495	815	8.07	10,497	541	6.88
Total earning assets (5)	166,219	9,947	8.00	146,114	7,679	7.02
Cash and cash equivalents	7,928			8,134		
Factored accounts receivable	1,144			1,257		
Other assets, less allowance for credit losses	12,196			8,039		
Total assets	$ 187,487			$ 163,544		
Interest-bearing liabilities						
Savings	$ 8,673	155	2.39	$ 9,106	158	2.31
NOW and money market deposit accounts	27,777	555	2.67	29,819	506	2.27
Consumer CDs and IRAs	24,892	951	5.11	23,534	722	4.09
Negotiated CDs, public funds and other time deposits	3,008	124	5.50	3,485	98	3.81
Foreign time deposits	14,291	670	6.27	6,185	213	4.60
Borrowed funds and trading account liabilities (4)(6)	56,993	2,779	6.52	47,721	1,597	4.48
Long-term debt	11,094	591	7.10	7,995	406	6.77
Total interest-bearing liabilities	146,728	5,825	5.31	127,845	3,700	3.87
Noninterest-bearing sources						
Noninterest-bearing deposits	20,866			19,978		
Other liabilities	8,594			5,380		
Shareholders' equity	11,299			10,341		
Total liabilities and shareholders' equity	$ 187,487			$ 163,544		
Net interest spread			2.69			3.15
Impact of noninterest-bearing sources			.62			.49
Net interest income/yield on earning assets		$ 4,122	3.31 %		$ 3,979	3.64 %

(1) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
(2) Commercial loan interest income includes the impact of interest rate swaps converting variable-rate commercial loans to fixed rate. Interest rate swaps increased (decreased) interest income ($175) and $94 in 1995 and 1994, respectively.
(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
(4) Unrealized gains and losses on off-balance sheet trading positions are reported in other assets and liabilities, respectively.
(5) Interest income includes taxable-equivalent adjustments of $88 and $68 in 1995 and 1994, respectively.
(6) Borrowed funds and trading account liabilities interest expense includes net interest rate swap expense related to swaps fixing the cost of certain variable-rate liabilities, primarily market-based funds. Such increases in interest expense were $14 and $11 in 1995 and 1994, respectively.
</TABLE>

<TABLE>
Table 5
Asset and Liability Management Interest Rate Swaps
Notional Contracts
(Dollars in Millions)

<CAPTION>

	Generic Receive Fixed	Generic Pay Fixed	Index Amortizing Receive Fixed	CMO Receive Fixed	CMO Pay Fixed	Total Receive Fixed	Total Pay Fixed	Basis	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1994....	$ 6,528	$ 8,446	$ 8,450	$ 2,504	$ 97	$ 17,482	$ 8,543	$ -	$ 26,025
Additions....................	1,758	1,561	-	-	-	1,758	1,561	471	3,790
Maturities...................	(2,664)	(96)	(1,750)	(362)	(15)	(4,776)	(111)	-	(4,887)
Balance on September 30, 1995...	$ 5,622	$ 9,911	$ 6,700	$ 2,142	$ 82	$ 14,464	$ 9,993	$ 471	$ 24,928

</TABLE>

<TABLE>
Table 6
Asset and Liability Management Interest Rate Swaps
September 30, 1995
(Dollars in Millions, Average Maturity in Years)
<CAPTION>

	Market Value	Maturities: Total	1995	1996	1997	1998	1999	After 1999	Average Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Asset Conversion Swaps									
Receive fixed generic.............	$ (27)								.55
Notional value....................		$ 3,725	$ 450	$ 2,700	$ 575	-	-	-	
Weighted average receive rate.....		4.60 %	4.62 %	4.62 %	4.45 %	-	-	-	
Weighted average pay rate.........		6.04 %							
Receive fixed amortizing..........	(107)								1.19
Notional value....................		$ 6,700	$ 758	$ 2,831	$ 2,399	$ 712	-	-	
Weighted average receive rate.....		4.88 %	4.85 %	4.87 %	4.85 %	5.05 %	-	-	
Weighted average pay rate.........		5.89 %							
Receive fixed CMO.................	(33)								1.79

Notional value....................		$ 2,142	$ 212	$ 642	$ 411	$ 464	$ 413	-	
Weighted average receive rate.....		5.12 %	5.09 %	5.10 %	5.11 %	5.08 %	5.21 %	-	
Weighted average pay rate.........		5.87 %							
Total asset conversion swaps.......	$(167)								
	======								
Notional value....................		$12,567	$1,420	$ 6,173	$ 3,385	$1,176	$ 413	-	
Liability Conversion Swaps									
Receive fixed generic.............	$ 24								4.48
Notional value....................		$ 1,897	$ 24	$ 354	-	$ 3	-	$1,516	
Weighted average receive rate.....		6.64 %	8.94 %	6.18 %	-	6.58 %	-	6.71 %	
Weighted average pay rate.........		5.93 %							
Pay fixed generic.................	(55)								.99
Notional value....................		$ 9,911	-	$ 8,800	$ 925	$ 100	-	$ 86	
Weighted average pay rate.........		6.58 %	-	6.53 %	7.34 %	5.02 %	-	5.82 %	
Weighted average receive rate.....		5.93 %							
Pay fixed CMO.....................	2								1.68

Notional value....................		$ 82	$ 7	$ 22	$ 15	$ 38	-	-	
Weighted average pay rate.........		4.44 %	4.44 %	4.44 %	4.44 %	4.44 %	-	-	
Weighted average receive rate.....		5.94 %							
Total liability conversion swaps...	$ (29)								
	======								

Notional value....................		$11,890	$ 31	$ 9,176	$ 940	$ 141	-	$1,602	
Basis Swaps.......................	$ -								1.73
Notional value....................		$ 471	-	$ 100	$ 371	-	-	-	
Weighted average receive rate.....		5.98 %							
Weighted average pay rate.........		5.86 %							
Total Swaps.......................	$(196)								
	======								
Notional value....................		$24,928	$1,451	$15,449	$ 4,696	$1,317	$ 413	$1,602	
Total Receive Fixed Rate Swaps.....	$(143)								1.55
	======								
Notional value....................		$14,464	$1,444	$ 6,527	$ 3,385	$1,179	$ 413	$1,516	
Weighted average receive rate.....		5.07 %	4.88 %	4.86 %	4.82 %	5.07 %	5.21 %	6.71 %	
Weighted average pay rate.........		5.93 %							
Total Pay Fixed Rate Swaps.........	$ (53)								.99
	======								
Notional value....................		$ 9,993	$ 7	$ 8,822	$ 940	$ 138	-	$ 86	
Weighted average pay rate.........		6.56 %	4.44 %	6.52 %	7.29 %	4.86 %	-	5.82 %	
Weighted average receive rate.....		5.93 %							

Floating rates represent the last repricing and will change in the future based primarily on movements in one, three and six month LIBOR.

Maturities for CMO and amortizing swaps are based on interest rates implied by the forward curve on September 30, 1995, and may differ from actual maturities, depending on future interest rate movements and resultant prepayment patterns.

On September 30, 1995, in addition to the above interest rate swaps, the Corporation had approximately $1.2 billion notional of receive fixed generic interest rate swaps associated primarily with a credit card securitization. On September 30, 1995, these positions had an unrealized market value of negative $26 million, a weighted average receive rate of 5.19 percent, a pay rate of 6.00 percent and an average maturity of 4.01 years. Additionally, the Corporation had $80 million notional of asset and liability management interest rate caps and floors with an insignificant market value.
</TABLE>

<TABLE>
Table 7
Interest Rate Gap Analysis
September 30, 1995
(Dollars in Millions)
<CAPTION>

	Interest-Sensitive					Over 12 Months and Noninterest-Sensitive	Total
	30-Day	3-Month	6-Month	12-Month	Total		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets							
Loans and leases, net of unearned income........................	$ 47,413	$ 11,125	$ 4,104	$ 7,824	$ 70,466	$ 42,877	$ 113,343
Securities held for investment...........	102	710	2,395	1,210	4,417	9,257	13,674
Securities available for sale...........	21	339	39	265	664	9,118	9,782
Loans held for sale......................	454	-	-	-	454	-	454
Time deposits placed and other short-term investments................	964	603	214	184	1,965	-	1,965
Trading account securities..............	14,383	-	-	-	14,383	-	14,383
Other earning assets....................	6,820	-	-	-	6,820	-	6,820
Total.................................	70,157	12,777	6,752	9,483	99,169	61,252	$ 160,421

Interest-bearing liabilities							
Savings.................................	8,327	-	-	-	8,327	-	$ 8,327
NOW and money market deposit accounts............................	26,035	-	-	-	26,035	790	26,825
Consumer CDs and IRAs...................	2,641	3,222	4,480	6,257	16,600	8,035	24,635
Negotiated CDs, public funds and other time deposits...................	858	616	608	232	2,314	524	2,838
Foreign time deposits...................	5,909	3,375	4,006	481	13,771	2	13,773
Borrowed funds..........................	31,205	2,802	2,473	898	37,378	-	37,378
Short sales.............................	10,127	-	-	-	10,127	-	10,127
Long-term debt..........................	2,439	4,891	96	608	8,034	7,707	15,741
Total.................................	87,541	14,906	11,663	8,476	122,586	17,058	139,644
Noninterest-bearing, net..................	-	-	-	-	-	20,777	20,777
Total.................................	87,541	14,906	11,663	8,476	122,586	37,835	$ 160,421
Interest rate gap.........................	(17,384)	(2,129)	(4,911)	1,007	(23,417)	23,417	
Effect of asset and liability management interest rate swaps, futures and other off-balance sheet items...........	(5,998)	(5,224)	9,669	(5,543)	(7,096)	7,096	
Adjusted interest rate gap................	$ (23,382)	$ (7,353)	$ 4,758	$ (4,536)	$ (30,513)	$ 30,513	
Cumulative adjusted interest rate gap......	$ (23,382)	$ (30,735)	$ (25,977)	$ (30,513)			

</TABLE>

<TABLE>
Table 8
Noninterest Income
(Dollars in Millions)
<CAPTION>

	Three Months Ended September 30		Change		Nine Months Ended September 30		Change	
	1995	1994	Amount	Percent	1995	1994	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Service charges on deposit accounts.....	$ 230	$ 202	$ 28	13.9 %	$ 649	$ 596	$ 53	8.9 %
Nondeposit-related service fees								
Safe deposit rent.....................	6	6	-	-	21	21	-	-
Mortgage servicing and related fees...................	37	21	16	76.2	92	58	34	58.6
Fees on factored accounts receivable.........................	19	20	(1)	(5.0)	52	56	(4)	(7.1)
Investment banking income.............	50	26	24	92.3	144	80	64	80.0
Other service fees....................	33	25	8	32.0	91	78	13	16.7
Total nondeposit-related service fees.....................	145	98	47	48.0	400	293	107	36.5

Trust fees	108	108	-	-	336	333	3	.9
Credit card income								
Merchant discount fees	-	7	(7)	(100.0)	7	20	(13)	(65.0)
Annual credit card fees	6	6	-	-	18	17	1	5.9
Other credit card fees	62	59	3	5.1	171	169	2	1.2
Total credit card income	68	72	(4)	(5.6)	196	206	(10)	(4.9)
Other income								
Brokerage income	28	11	17	154.5	77	34	43	126.5
Trading account profits and fees	98	72	26	36.1	243	229	14	6.1
Bankers' acceptances and letters of credit	18	16	2	12.5	54	48	6	12.5
Insurance commissions and earnings	17	11	6	54.5	47	35	12	34.3
Miscellaneous	64	59	5	8.5	230	184	46	25.0
Total other income	225	169	56	33.1	651	530	121	22.8
	$ 776	$ 649	$ 127	19.6	$ 2,232	$ 1,958	$ 274	14.0

</TABLE>

<TABLE>
Table 9
Noninterest Expense
(Dollars in Millions)
<CAPTION>

	Three Months Ended September 30		Change		Nine Months Ended September 30		Change	
	1995	1994	Amount	Percent	1995	1994	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Personnel	$ 625	$ 584	$ 41	7.0 %	$ 1,875	$ 1,711	$ 164	9.6 %
Occupancy, net	122	123	(1)	(.8)	366	363	3	.8
Equipment	101	95	6	6.3	292	269	23	8.6
Marketing	49	38	11	28.9	158	119	39	32.8
Professional fees	42	34	8	23.5	122	126	(4)	(3.2)
Amortization of intangibles	29	35	(6)	(17.1)	90	103	(13)	(12.6)
Credit card	14	18	(4)	(22.2)	40	53	(13)	(24.5)
FDIC insurance	1	52	(51)	(98.1)	103	157	(54)	(34.4)
Processing	51	57	(6)	(10.5)	174	173	1	.6
Telecommunications	37	35	2	5.7	110	101	9	8.9
Postage and courier	34	31	3	9.7	101	95	6	6.3
Other general operating	97	97	-	-	270	304	(34)	(11.2)
General administrative								

and miscellaneous..............	43	35	8	22.9	120	107	13	12.1
	$ 1,245	$ 1,234	$ 11	.9	$ 3,821	$ 3,681	$ 140	3.8

</TABLE>

<TABLE>
Table 10
Sources and Uses of Funds
(Average Dollars in Millions)
<CAPTION>

	Nine Months Ended September 30			
	1995		1994	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Composition of sources				
Savings, NOW, money market deposit accounts and consumer CDs and IRAs..................................	$ 61,342	32.8 %	$ 62,459	38.2 %
Noninterest-bearing funds....................................	20,866	11.1	19,978	12.2
Customer-based portion of negotiated CDs.....................	1,513	.8	1,337	.8
Customer-based funds.....................................	83,721	44.7	83,774	51.2
Market-based funds...	72,779	38.8	56,054	34.3
Long-term debt...	11,094	5.9	7,995	4.9
Other liabilities..	8,594	4.6	5,380	3.3
Shareholders' equity...	11,299	6.0	10,341	6.3
Total sources..	$ 187,487	100.0 %	$ 163,544	100.0 %
Composition of uses				
Loans and leases, net of unearned income.....................	$ 107,763	57.6 %	$ 93,402	57.1 %
Securities held for investment...............................	16,389	8.7	14,065	8.6
Securities available for sale................................	10,132	5.4	13,675	8.4
Federal funds sold and securities purchased under agreements to resell..............................	16,014	8.5	12,454	7.6
Trading account securities...................................	13,495	7.2	10,497	6.4
Other..	2,426	1.3	2,021	1.2
Total earning assets.....................................	166,219	88.7	146,114	89.3
Factored accounts receivable.................................	1,144	.6	1,257	.8
Other assets...	20,124	10.7	16,173	9.9
Total uses...	$ 187,487	100.0 %	$ 163,544	100.0 %

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<TABLE>
Table 11
Nonperforming Assets
(Dollars in Millions)
<CAPTION>

	September 30 1995	June 30 1995	March 31 1995	December 31 1994	September 30 1994
<S>	<C>	<C>	<C>	<C>	<C>
Nonperforming loans					
Commercial.................................	$ 412	$ 463	$ 406	$ 362	$ 411
Real estate commercial..................	176	184	209	201	198
Real estate construction................	46	65	71	66	82
Total commercial.....................	634	712	686	629	691
Residential mortgage....................	81	76	66	66	71
Other consumer..........................	126	111	88	94	90
Total consumer.......................	207	187	154	160	161
Foreign.................................	-	3	6	3	4
Lease financing.........................	7	3	8	9	6
Total nonperforming loans............	848	905	854	801	862
Other real estate owned..................	190	194	221	337	414
Total nonperforming assets............	$ 1,038	$ 1,099	$ 1,075	$ 1,138	$ 1,276

Nonperforming assets as a percentage of

Total assets	.57 %	.60 %	.58 %	.67 %	.75 %
Loans, leases and factored accounts receivable, net of unearned income, and other real estate owned	.90	.99	1.00	1.10	1.29
Loans past due 90 days or more and not classified as nonperforming	$ 137	$ 143	$ 129	$ 146	$ 124

On January 1, 1995, the date of adoption of SFAS 114, the recorded investments in certain loans that are considered impaired totaled $712 million (including $80 million of in-substance foreclosed loans previously reported as other real estate owned) and included $390 million for commercial, $229 million for real estate commercial, $90 million for real estate construction and $3 million for foreign. On September 30, 1995, the recorded investments in certain loans that are considered impaired under SFAS 114 totaled $634 million and included commercial, real estate commercial and real estate construction nonperforming loans.
</TABLE>

<TABLE>
Table 12
Allowance for Credit Losses
(Dollars in Millions)
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Beginning balance	$ 2,164	$ 2,196	$ 2,186	$ 2,169
Loans, leases and factored accounts receivable charged off				
Commercial	(21)	(25)	(62)	(72)
Real estate commercial	(3)	(6)	(16)	(23)
Real estate construction	(3)	(2)	(9)	(11)
Total commercial	(27)	(33)	(87)	(106)
Residential mortgage	(2)	(1)	(6)	(5)
Credit card	(49)	(30)	(131)	(92)
Other consumer	(64)	(42)	(182)	(144)
Total consumer	(115)	(73)	(319)	(241)
Lease financing	-	(1)	-	(2)
Factored accounts receivable	(9)	(8)	(19)	(29)
Total loans, leases and factored accounts receivable charged off	(151)	(115)	(425)	(378)
Recoveries of loans, leases and factored accounts receivable previously charged off				
Commercial	18	15	56	43
Real estate commercial	5	4	13	12
Real estate construction	2	7	9	24
Total commercial	25	26	78	79

Residential mortgage	-	-	1	2
Credit card	7	5	19	16
Other consumer	16	18	53	53
Total consumer	23	23	73	71
Lease financing	-	-	1	2
Factored accounts receivable	4	2	8	8
Total recoveries of loans, leases and factored accounts receivable previously charged off	52	51	160	160
Net charge-offs	(99)	(64)	(265)	(218)
Provision for credit losses	100	70	240	240
Allowance applicable to loans of purchased companies and other	1	-	5	11
Ending balance	$ 2,166	$ 2,202	$ 2,166	$ 2,202
Loans, leases and factored accounts receivable, net of unearned income, outstanding on September 30	$ 114,601	$ 98,556	$ 114,601	$ 98,556
Allowance for credit losses as a percentage of loans, leases and factored accounts receivable, net of unearned income, outstanding on September 30	1.89 %	2.23 %	1.89 %	2.23 %
Average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period	$ 112,656	$ 97,103	$ 108,907	$ 94,659
Net charge-offs as a percentage of average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period	.35 %	.27 %	.33 %	.31 %
Allowance for credit losses as a percentage of nonperforming loans	255.57	255.52	255.57	255.52

Reserves associated with loans that are considered to be impaired under SFAS 114 totaled approximately $64 million on January 1, 1995, and $61 million on September 30, 1995.
</TABLE>

<TABLE>
Table 13
Derivative - Dealer Positions
(Dollars in Millions)
<CAPTION>

<S>	September 30 1995 Contract/ Notional <C>	December 31 1994 Contract/ Notional <C>
Interest Rate Contracts		
Swaps	$ 101,446	$ 45,179
Futures and forwards	198,580	124,620
Written options	212,510	114,928
Purchased options	208,875	118,839
Foreign Exchange Contracts		
Swaps	520	470
Spot, futures and forwards	70,858	26,987
Written options	27,306	13,398
Purchased options	25,593	13,507
Commodity and Other Contracts		
Swaps	822	570

Futures and forwards	2,178	1,984
Written options	16,005	12,608
Purchased options	17,225	11,591

</TABLE>

<TABLE>
Table 14
Selected Quarterly Operating Results
(Dollars in Millions Except Per-Share Information)
<CAPTION>

	1995 Quarters		
	First	Second	Third
Income from earning assets	$ 3,070	$ 3,391	$ 3,398
Interest expense	1,763	2,055	2,007
Net interest income (taxable-equivalent)	1,335	1,367	1,420
Net interest income	1,307	1,336	1,391
Provision for credit losses	70	70	100
Gains on sales of securities	1	4	3
Noninterest income	726	730	776
Other real estate owned expense	2	1	7
Noninterest expense	1,288	1,288	1,245
Income before income taxes	674	711	818
Income tax expense	231	244	288
Net income	443	467	530
Earnings per common share	1.60	1.71	1.95
Yield on average earning assets	7.93 %	7.98 %	8.08 %
Rate on average interest-bearing liabilities	5.13	5.39	5.38
Net interest spread	2.80	2.59	2.70
Net interest yield	3.41	3.19	3.35
Return on average common shareholders' equity (1)	16.03	16.69	18.29
Market price per share of common stock			
High for the period	$ 51 3/4	$ 57 3/4	$ 68 7/8
Low for the period	44 5/8	49 5/8	53 3/4
Closing price	50 3/4	53 5/8	67 1/4
Risk-based capital ratios			
Tier 1	7.25 %	7.03 %	7.16 %
Total	11.06	10.90	11.23

(1)Average common shareholders' equity does not include the effect of fair value adjustments to securities available for sale and marketable equity securities.
</TABLE>

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit 11 - Earnings Per Common Share Computation

Exhibit 12(a) - Ratio of Earnings to Fixed Charges

Exhibit 12(b) - Ratio of Earnings to Fixed Charges and Preferred Dividends

Exhibit 27 - Financial Data Schedule

b. Reports on Form 8-K

The following reports on Form 8-K were filed by the Corporation during the quarter ended September 30, 1995:

Current Report on Form 8-K dated July 5, 1995, and filed July 10, 1995, Items 5 and 7.

Current Report on Form 8-K dated July 17, 1995, and filed July 24, 1995, Items 5 and 7.

Current Report on Form 8-K dated August 29, 1995, and filed August 31, 1995, Items 5 and 7.

Current Report on Form 8-K dated September 4, 1995, and filed September 20, 1995, Items 5 and 7.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NationsBank Corporation
Registrant

Date: November 13, 1995 /s/ Marc D. Oken

Marc D. Oken
Executive Vice President
and Chief Accounting Officer
(Duly Authorized Officer and
Principal Accounting Officer)

NationsBank Corporation
Form 10-Q
Index to Exhibits

Exhibit	Description	Page
11	Earnings Per Common Share Computation..............	43
12(a)	Ratio of Earnings to Fixed Charges.................	44
12(b)	Ratio of Earnings to Fixed Charges and Preferred Dividends......................................	45
27	Financial Data Schedule............................	46

Exhibit 11

Fully Diluted Earnings Per Common Share and Fully Diluted Average Common Shares Outstanding

For fully diluted earnings per common share, net income available to common shareholders can be affected by the conversion of the registrant's convertible preferred stock. Where the effect of this conversion would have been dilutive, net income available to common shareholders is adjusted by the associated preferred dividends. This adjusted net income is divided by the weighted average number of common shares outstanding for each period plus amounts representing the dilutive effect of stock options outstanding and the dilution resulting from the conversion of the registrant's convertible preferred stock, if applicable. The effect of convertible preferred stock is excluded from the computation of fully diluted earnings per common share in periods in which the effect would be antidilutive.

Fully diluted earnings per common share was determined as follows (shares in thousands, dollars in millions except per-share information):

<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Average common shares outstanding............	270,306	275,868	272,790	274,292
Dilutive effect of				
Convertible preferred stock...........	2,310	2,409	2,310	2,409
Stock options.........................	2,378	1,622	2,405	1,583
Total fully dilutive shares...................	274,994	279,899	277,505	278,284
Net income available to common shareholders...	$ 528	$ 428	$ 1,434	$ 1,277
Preferred dividends paid on dilutive convertible preferred stock...........	2	3	6	7
Net income available to common shareholders adjusted for full dilution............	$ 530	$ 431	$ 1,440	$ 1,284
Fully diluted earnings per common share.......	$ 1.93	$ 1.54	$ 5.19	$ 4.62

</TABLE>

<TABLE>

Exhibit 12(b)
NationsBank Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges and Preferred Dividends
(Dollars in Millions)
<CAPTION>

	Nine Months Ended September 30	Year Ended December 31				
	1995	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding Interest on Deposits						
Income before taxes.........................	$ 2,203	$ 2,555	$ 1,991	$ 1,396	$ 109	$ 625
Equity in undistributed earnings of unconsolidated subsidiaries...........	(6)	(3)	(5)	(1)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)................	3,362	2,896	1,421	916	1,291	1,852
Amortization of debt discount and appropriate issuance costs...........	8	8	6	3	2	3
1/3 of net rent expense................	93	114	96	91	82	66
Total fixed charges.................	3,463	3,018	1,523	1,010	1,375	1,921
Preferred dividend requirements............	10	15	16	29	31	38
Earnings (excluding capitalized interest)...	$ 5,660	$ 5,570	$ 3,509	$ 2,398	$ 1,471	$ 2,533
Fixed charges..............................	$ 3,473	$ 3,033	$ 1,539	$ 1,039	$ 1,406	$ 1,959
Ratio of Earnings to Fixed Charges.........	1.63	1.84	2.28	2.31	1.05	1.29
Including Interest on Deposits						
Income before taxes.........................	$ 2,203	$ 2,555	$ 1,991	$ 1,396	$ 109	$ 625
Equity in undistributed earnings of unconsolidated subsidiaries...........	(6)	(3)	(5)	(1)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)................	5,817	5,310	3,570	3,688	5,611	6,683
Amortization of debt discount and appropriate issuance costs...........	8	8	6	3	2	3
1/3 of net rent expense................	93	114	96	91	82	66
Total fixed charges.................	5,918	5,432	3,672	3,782	5,695	6,752
Preferred dividend requirements............	10	15	16	29	31	38
Earnings (excluding capitalized interest)...	$ 8,115	$ 7,984	$ 5,658	$ 5,170	$ 5,791	$

7,365

Fixed charges..............................	$ 5,928	$ 5,447	$ 3,688	$ 3,811	$ 5,726	$ 6,790
Ratio of Earnings to Fixed Charges..........	1.37	1.47	1.53	1.36	1.01	1.08

</TABLE>

<TABLE>

Exhibit 12(b)
NationsBank Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges and Preferred Dividends
(Dollars in Millions)
<CAPTION>

	Nine Months Ended September 30	Year Ended December 31				
	1995	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding Interest on Deposits						
Income before taxes.........................	$ 2,203	$ 2,555	$ 1,991	$ 1,396	$ 109	$ 625
Equity in undistributed earnings of unconsolidated subsidiaries...........	(6)	(3)	(5)	(1)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)................	3,362	2,896	1,421	916	1,291	1,852
Amortization of debt discount and appropriate issuance costs...........	8	8	6	3	2	3
1/3 of net rent expense................	93	114	96	91	82	66
Total fixed charges.................	3,463	3,018	1,523	1,010	1,375	1,921
Preferred dividend requirements............	10	15	16	29	31	38
Earnings (excluding capitalized interest)...	$ 5,660	$ 5,570	$ 3,509	$ 2,398	$ 1,471	$ 2,533
Fixed charges..............................	$ 3,473	$ 3,033	$ 1,539	$ 1,039	$ 1,406	$ 1,959
Ratio of Earnings to Fixed Charges..........	1.63	1.84	2.28	2.31	1.05	1.29
Including Interest on Deposits						
Income before taxes.........................	$ 2,203	$ 2,555	$ 1,991	$ 1,396	$ 109	$ 625
Equity in undistributed earnings of unconsolidated subsidiaries...........	(6)	(3)	(5)	(1)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)................	5,817	5,310	3,570	3,688	5,611	6,683
Amortization of debt discount and appropriate issuance costs...........	8	8	6	3	2	3
1/3 of net rent expense................	93	114	96	91	82	66
Total fixed charges.................	5,918	5,432	3,672	3,782	5,695	6,752
Preferred dividend requirements............	10	15	16	29	31	38
Earnings (excluding capitalized interest)...	$ 8,115	$ 7,984	$ 5,658	$ 5,170	$ 5,791	$

7,365

==

Fixed charges..............................	$ 5,928	$ 5,447	$ 3,688	$ 3,811	$ 5,726	$ 6,790

==

Ratio of Earnings to Fixed Charges..........	1.37	1.47	1.53	1.36	1.01	1.08

</TABLE>

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The schedule contains summary information extracted from the September 30, 1995, Form 10-Q for NationsBank Corporation and is qualified in its entirety by reference to such financial statements.
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<F1> Allowance-Domestic, Allowance-Foreign, and Allowance-Unallocated are only disclosed on an annual basis in the Corporation's 10-K.
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