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, 1994

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, 1994, there were 275,621,566 shares of NationsBank Corporation Common Stock outstanding.

NationsBank Corporation

September 30, 1994 Form 10-Q

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Part II. Other Information

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Part I. Financial Information

Item 1. Financial Statements

NationsBank Corporation and Subsidiaries
Consolidated Statement of Income
(Dollars in Millions Except Per-Share Information)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Income from Earning Assets				
Interest and fees on loans	$ 1,938	$ 1,539	$ 5,521	$ 4,455
Lease financing income	42	31	104	81
Interest and dividends on securities				
Held for investment	196	307	514	1,000
Held for sale	146	16	510	23
Interest and fees on loans held for sale	3	15	20	37
Time deposits placed and other short-term investments	29	18	58	59
Federal funds sold	13	2	27	10
Securities purchased under agreements to resell	136	64	317	120
Trading account assets	198	112	540	147
Total income from earning assets	2,701	2,104	7,611	5,932
Interest Expense				
Deposits	632	514	1,697	1,612
Borrowed funds and trading liabilities	629	347	1,597	728
Long-term debt and capital leases	134	95	406	258
Total interest expense	1,395	956	3,700	2,598
Net interest income	1,306	1,148	3,911	3,334
Provision for credit losses	70	100	240	330
Net credit income	1,236	1,048	3,671	3,004
Gains (losses) on sales of securities	(4)	50	15	84
Noninterest income	649	524	1,958	1,486
Other real estate owned expense (income)	(6)	11	(4)	56
Restructuring expense	-	30	-	30
Other noninterest expense	1,234	1,054	3,681	3,071
Income before income taxes and effect of change in method of accounting for income taxes	653	527	1,967	1,417
Income tax expense	222	186	682	489
Income before effect of change in method of accounting for income taxes	431	341	1,285	928
Effect of change in method of accounting for income taxes	-	-	-	200
Net income	$ 431	$ 341	$ 1,285	$ 1,128
Net income available to common shareholders	$ 428	$ 338	$ 1,277	$ 1,121
Per-share information				
Earnings per common share before effect of change in method of accounting for income taxes	$ 1.55	$ 1.33	$ 4.66	$ 3.63
Effect of change in method of accounting for income taxes	-	-	-	0.79
Earnings per common share	$ 1.55	$ 1.33	$ 4.66	$ 4.42
Fully diluted earnings per common share before effect of change in method of accounting for income taxes	$ 1.54	$ 1.32	$ 4.62	$ 3.60
Effect of change in method of accounting for income taxes	-	-	-	.77
Fully diluted earnings per common share	$ 1.54	$ 1.32	$ 4.62	$ 4.37
Dividends per common share	$ .46	$ .42	$ 1.38	$ 1.22
Average common shares issued (thousands)	275,868	254,712	274,292	254,023

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See accompanying notes to consolidated financial statements.
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NationsBank Corporation and Subsidiaries
Consolidated Balance Sheet
(Dollars in Millions)

<S>	September 30 1994 <C>	December 31 1993 <C>	September 30 1993 <C>
Assets			
Cash and cash equivalents	$ 8,892	$ 7,649	$ 6,293
Time deposits placed and other short-term investments	2,767	1,479	2,057
Securities			
Held for investment, at cost (market value - $17,161; $13,604 and $25,631)	17,638	13,584	25,361
Held for sale, at market; September 30, 1993, at cost (market value - $1,105)	9,921	15,470	1,105
Total securities	27,559	29,054	26,466
Loans held for sale	744	1,697	1,245
Trading account assets	10,412	10,610	9,566
Federal funds sold	1,046	691	953
Securities purchased under agreements to resell	14,118	6,353	5,145
Loans, net of unearned income of $523; $553 and $381	94,609	89,024	77,663
Leases, net of unearned income of $901; $702 and $551	2,721	1,982	1,675
Factored accounts receivable	1,226	1,001	1,201
Loans, leases and factored accounts receivable, net of unearned income	98,556	92,007	80,539
Allowance for credit losses	(2,202)	(2,169)	(1,585)
Premises, equipment and lease rights, net	2,391	2,259	2,151
Customers' acceptance liability	642	708	711
Interest receivable	1,001	1,117	838
Goodwill	949	812	509
Core deposit and other intangibles	686	555	444
Other assets	3,351	4,864	4,121
	$170,912	$ 157,686	$139,453
Liabilities			
Deposits			
Noninterest-bearing	$ 20,077	$ 20,723	$ 16,988
Savings	9,181	8,784	6,476
NOW and money market deposit accounts	29,040	30,881	27,442
Time	28,153	26,691	25,323
Foreign time	10,284	4,034	

			3,365
Total deposits	96,735	91,113	79,594
Borrowed funds and trading liabilities			
Federal funds purchased	4,943	7,135	6,529
Securities sold under agreements to repurchase	24,983	21,236	21,067
Commercial paper	2,544	2,056	1,396
Other short-term borrowings and trading liabilities	19,117	13,821	12,472
Total borrowed funds and trading liabilities	51,587	44,248	41,464
Liability to factoring clients	663	534	654
Acceptances outstanding	642	708	711
Accrued expenses and other liabilities	2,794	2,752	2,464
Long-term debt and capital leases	7,782	8,352	5,822
Total liabilities	160,203	147,707	130,709
Shareholders' Equity			
Preferred stock: authorized - 45,000,000 shares			
ESOP Convertible, Series C: issued - 2,633,259; 2,703,440 and 2,731,176 shares	112	115	116
Series CC: issued - none; 752,600 shares and none	-	38	-
Series DD: issued - none; 1,107,600 shares and none	-	55	-
Common stock: authorized - 800,000,000; 500,000,000 and 500,000,000 shares; issued - 275,568,196; 270,904,656 and 255,561,647 shares	4,682	4,594	3,817
Retained earnings	6,186	5,247	4,991
Other	(271)	(70)	(180)
Total shareholders' equity	10,709	9,979	8,744
	$170,912	$ 157,686	$139,453

See accompanying notes to consolidated financial statements.
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NationsBank Corporation and Subsidiaries
Consolidated Statement of Cash Flows
(Dollars in Millions)

	Nine Months Ended September 30	
	1994	1993
<S>	<C>	<C>
Operating Activities		
Net income	$ 1,285	$ 1,128
Reconciliation of net income to net cash provided by operating activities		
Provision for credit losses	240	330
Gains on sales of securities	(15)	(84)
Depreciation and premises improvements amortization	196	178
Amortization of intangibles	103	76
Deferred income tax expense	95	177

Effect of change in method of accounting for income taxes	-	(200)
Net change in trading instruments	5,776	(56)
Net decrease in interest receivable	120	47
Net increase in interest payable	16	48
Net decrease (increase) in loans held for sale	953	(9)
Net increase in liability to factoring clients	129	172
Other operating activities	433	(101)
Net cash provided by operating activities	9,331	1,706
Investing Activities		
Proceeds from maturities of securities held for investment	4,936	6,019
Purchases of securities held for investment	(9,204)	(9,775)
Proceeds from sales and maturities of securities held for sale	21,598	12,876
Purchases of securities held for sale	(16,006)	(10,773)
Net increase in federal funds sold and securities purchased under agreements to resell	(7,465)	(86)
Net increase in time deposits placed and other short-term investments	(1,285)	(63)
Net originations of loans and leases	(8,147)	(8,465)
Net purchases of premises and equipment	(225)	(98)
Purchases of loans and leases	(2,115)	(2,345)
Proceeds from sales and securitizations of loans	3,555	4,839
Purchases of mortgage servicing rights	(117)	(16)
Purchases of factored accounts receivable	(6,007)	(5,461)
Collections of factored accounts receivable	5,753	5,159
Proceeds from sales of other real estate owned	372	168
Acquisitions of subsidiaries, net of cash	3,846	(2,569)
Net cash used by investing activities	(10,511)	(10,590)
Financing Activities		
Net increase (decrease) in deposits	1,206	(3,133)
Net increase in federal funds purchased and securities sold under agreements to repurchase	1,453	6,078
Net increase in other borrowed funds	722	1,901
Proceeds from issuance of long-term debt	299	2,871
Retirement of long-term debt	(852)	(100)
Preferred stock repurchased and redeemed	(94)	-
Proceeds from issuance of common stock	195	116
Cash dividends paid	(387)	(316)
Common stock repurchased	(123)	-
Other financing activities	(7)	(11)
Net cash provided by financing activities	2,412	7,406
Net increase (decrease) in cash and cash equivalents	1,243	(1,478)
Cash and cash equivalents on January 1	7,649	7,771
Cash and cash equivalents on September 30	$ 8,892	$ 6,293

Loans transferred to other real estate owned amounted to $210 and $179 for the nine months ended September 30, 1994 and 1993, respectively.

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

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

	Preferred Stock	Common Stock Shares	Common Stock Amount	Retained Earnings	Loan to ESOP Trust	Other	Total Share-holders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1992	$119	252,990	$3,702	$4,179	$(98)	$ (88)	$ 7,814
Net income				1,128			1,128
Cash dividends							
Common				(309)			(309)
Preferred				(7)			(7)
Common stock issued under dividend reinvestment and employee plans		2,502	112			4	116
Other	(3)	70	3		5	(3)	2
Balance on September 30, 1993	$116	255,562	$3,817	$4,991	$(93)	$ (87)	$ 8,744

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
Acquisition of Corpus Christi National Bank...		2,629	21	41			62
Common stock repurchased......................		(2,300)	(123)				(123)
Valuation reserve for securities held							
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

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 financial statements is unaudited. In the opinion of management, all 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 1993 Annual Report to Shareholders.

Note 2 - Acquisition Activity

On November 9, 1994, the Corporation completed the acquisition of South Carolina-based RHNB Corporation (RHNB), the parent company of Rock Hill National Bank. On October 31, 1994, RHNB and its subsidiary had assets of approximately $265 million.

On November 7, 1994, the Corporation and Gartmore Capital Management, a subsidiary of Gartmore plc, entered a joint venture agreement to provide international investment management and advisory services to United States customers. The joint venture is expected to begin operations in the second quarter of 1995.

On November 4, 1994, the Corporation completed the acquisition of Consolidated Bank, a Miami, Florida-based banking company with 12 banking centers. On October 31, 1994, Consolidated Bank had assets of approximately $570 million.

On November 3, 1994, the Corporation and certain wholly-owned subsidiaries entered an agreement whereby NationsBank will assume the Dean Witter, Discover & Co.'s partnership interest in NationsSecurities. The transaction is subject to certain regulatory filings and other customary conditions and is expected to be completed by year end. At such time, NationsSecurities will be wholly-owned and managed by the Corporation.

On October 25, 1994, the Corporation's mortgage banking subsidiary signed agreements with Cypress Financial Corporation, Rancho Santa Margarita Mortgage Corporation and RSM Funding Corporation to acquire those companies, which combined have 22 offices in California and Arizona. The combined servicing portfolios approximate $1.3 billion. The acquisitions are subject to approval by regulatory agencies and to other customary conditions and are expected to be completed by year end.

On September 30, 1994, the Corporation's mortgage banking subsidiary completed the acquisition of Express America Holdings Corporation's mortgage servicing operations based in Scottsdale, Arizona, including approximately $6.4 billion of mortgage servicing rights. The purchase price approximated $85 million.

On August 4, 1994, the Corporation completed the acquisition from California Federal Savings Bank of 43 banking centers in Florida and one banking center in Georgia, including their deposits, at a purchase price of approximately $160 million. Deposits acquired approximated $3.9 billion.

Note 3 - Securities

The book and market values of securities held for investment on September 30, 1994, were (dollars in millions):
<TABLE>
<CAPTION>

Gross Gross

	Book Value	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury securities and agency debentures...	$17,404	$ 2	$477	$16,929
Other taxable securities........................	212	-	3	209
Total taxable securities........................	17,616	2	480	17,138
Tax-exempt securities...........................	22	1	-	23
	$17,638	$ 3	$480	$17,161

</TABLE>

Securities held for sale on September 30, 1994, were (dollars in millions):

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	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
U.S. Treasury securities and agency debentures...	$ 9,609	$ 1	$229	$ 9,381
Other taxable securities........................	199	-	-	199
Total taxable securities........................	9,808	1	229	9,580
Tax-exempt securities...........................	326	15	-	341
	$10,134	$16	$229	$ 9,921

</TABLE>

Note 4 - Debt

In early November 1994, under the terms of the medium-term note program initiated in 1993, the Corporation issued $760 million of senior notes at par. The notes mature between November 1996 and November 1999. Of these senior notes, $755 million bear interest at a spread over the London interbank offered rate. On the same date, the Corporation issued $100 million of 8.57-percent subordinated notes at par, due November 2024. After the issuance of these notes, the Corporation has approximately $1.1 billion of capacity for issuance of corporate debt securities and preferred and common stock remaining under its $4.0 billion shelf registration filed in 1993.

On September 30, 1994, the Corporation renegotiated its bank lines which established a committed, $1.5 billion, three-year credit facility.

On August 8, 1994, the Corporation issued $300 million of 7 3/4-percent subordinated notes, due August 2004, and received proceeds of $299 million.

Note 5 - Commitments and Contingencies

The Corporation's commitments to extend credit on September 30, 1994, were $71.6 billion compared to $61.3 billion and $54.4 billion on December 31 and September 30, 1993, respectively. Standby letters of credit (SBLCs) represent commitments by the Corporation to meet the obligations of the account party if called upon. Outstanding SBLCs and guarantees as of September 30, 1994, were $7.1 billion compared to $6.1 billion and $5.4 billion on December 31 and September 30, 1993, respectively. Commercial letters of credit, issued primarily to finance customer trade finance activities, were $1.3 billion as of September 30, 1994, compared to $983 million and $830 million on December 31 and September 30, 1993, respectively. The above amounts have been reduced by amounts collateralized by cash and amounts participated to other financial institutions.

See Tables 6, 7 and 16 and the accompanying discussion in Item 2 regarding the Corporation's derivatives activities.

The Corporation and its subsidiaries are defendants in or parties to a number of pending and threatened legal actions and proceedings. Management believes, based upon the opinion of counsel, that the actions and the liability or loss, if any, resulting from the final outcome of these proceedings will not be material in the aggregate.

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

Analysis of the results of operations and financial condition of NationsBank Corporation (the Corporation) for the third quarter and the first nine months of 1994 is impacted by certain acquisitions completed in 1993 and 1994.

In the third quarter of 1993, the Corporation acquired substantially all of the assets and certain of the liabilities of Chicago Research & Trading Group Ltd. (CRT). The options market-making and trading portion became known as

NationsBanc-CRT and the primary government securities dealer portion became a part of the Corporation's Capital Markets group. Effective October 1, 1993, the Corporation completed its acquisition of MNC Financial Inc. (MNC). Also in the fourth quarter of 1993, the Corporation acquired a substantial amount of the assets and the ongoing business of U S WEST Financial Services Inc. These acquisitions are reflected in the Corporation's financial data from their dates of acquisition.

During the first quarter of 1994, the Corporation acquired Corpus Christi National Bank (CCNB) of Corpus Christi, Texas. This acquisition is reflected in the Corporation's financial data beginning January 1, 1994. Effective August 4, 1994, the Corporation acquired the Southeast Division offices of California Federal Savings Bank which was comprised of 43 banking centers in Florida and one banking center in Georgia.

Analysis of Results of Operations

Earnings Review

A comparison of selected operating results for the three- and nine-month periods ended September 30, 1994 and 1993, is presented in Table 1.

Net income for the third quarter of 1994 was $431 million, an increase of $90 million, or 26 percent, over the third quarter of 1993. Earnings per common share were $1.55 and $1.33 for the third quarters of 1994 and 1993, respectively.

Net income of $1.3 billion for the first nine months of 1994 represented an increase of $357 million, or 38 percent, over earnings of $928 million during the same period in 1993 excluding the impact of adopting a new income tax accounting standard. Earnings per common share were $4.66 and $3.63 for the first nine months of 1994 and 1993, respectively. Including the $200-million, or $.79-per share, tax benefit of the new accounting standard, net income in the first nine months of 1993 was $1.1 billion, or $4.42 per common share.

Several factors contributed to the increase in net income in the first nine months of 1994. Taxable-equivalent net interest income of $4.0 billion increased by 17 percent compared to the first nine months of 1993. Reflecting the continued positive trends in credit quality, provision expense declined $90 million and OREO expense declined $60 million. Noninterest income rose 32 percent to $2.0 billion due to acquisitions, higher trading profits and growth in fee income. Partially offsetting these improvements in net income was an increase of $610 million in noninterest expense primarily related to acquisitions and a $69-million decrease in gains on sales of securities.

The return on average common shareholders' equity was 16.61 percent and 14.87 percent for the first nine months of 1994 and 1993, respectively, excluding the impact of adopting the new income tax accounting standard in 1993. The return was 18.10 percent in the first nine months of 1993 including such tax benefit. The efficiency ratio, which measures the relationship of noninterest expense to total revenue, improved to 62.00 percent in the first nine months of 1994, compared to 62.89 percent in the same period in 1993.

Customer Group Review

As shown on Table 2, the Corporation is comprised of three major internal management units, or Customer Groups, managed with a focus on numerous performance objectives including return on equity, operating efficiency and net income.

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

The General Bank includes the Corporation's middle market, small commercial and retail banking network known as the Banking Group; Financial Products, which provides specialized services such as bank card, residential mortgages and indirect lending on a national basis; and Trust and Private Banking.

The General Bank contributed $248 million in earnings with a return on equity of 19.25 percent for the third quarter of 1994. The improved returns for the third quarter compared to year-to-date results included lower provision expense and growth in deposit account service charges and bank card income. Net interest income and noninterest expense for the third quarter were relatively flat when compared to year-to-date amounts. In the third quarter, the benefits of deposit cost containment efforts and broad-based loan growth were negatively impacted by the Corporation's interest rate risk repositioning efforts more fully discussed in the Net Interest Income section below.

In the third quarter, the Banking Group contributed 55 percent of the General Bank's earnings with a return on equity of 15.99 percent. The Financial Products group, with improved returns in Mortgage Banking and Card Services, contributed 33 percent of the General Bank's earnings with a return on equity of 32.74 percent.

The Institutional Group includes Corporate and Investment Banking activities (Corporate/Institutional), Real Estate Finance, Specialized Lending and the Capital Markets group, which includes customer-related derivatives, foreign exchange, securities trading and debt underwriting activities. Housed in this unit are NationsBanc-CRT and NationsBanc Capital Markets Inc.

The Institutional Group produced a return on equity of 17.07 percent in the third quarter of 1994, consistent with year-to-date results. Continued improvement in credit quality enhanced third quarter earnings as net credits were realized for both the provision for loan losses and OREO expense. Third quarter loan growth of 16 percent on an annualized basis enhanced third quarter net interest income, however, the interest rate risk repositioning efforts negatively impacted net interest income.

In the third quarter, the Corporate/Institutional group contributed 31 percent of the Institutional Group's earnings with a return on equity of 13.48 percent. The Real Estate group's results, driven by improved credit quality, contributed 48 percent of the Institutional Group's earnings with a return on equity of 24.28 percent.

Financial Services, consisting primarily of NationsCredit and Greyrock Capital Group, contributed $25 million in earnings with a return on equity of 12.41 percent. The return on equity reflected a higher equity-to-asset ratio necessary to posture this unit for raising funds in the capital markets.

The Other category in Table 2 includes gains and losses on sales of securities and earnings on unallocated equity.

Net Interest Income

Table 3 presents an analysis of the Corporation's taxable-equivalent net interest income and average balance sheet levels for the last five quarters. Table 4 analyzes changes in net interest income between the third quarter of 1994 and the second quarter of 1994 and the third quarter of 1993. Table 5 presents an analysis of net interest income and average balance sheet levels for the nine-month periods ended September 30, 1994 and 1993.

Taxable-equivalent net interest income increased $162 million to $1.3 billion in the third quarter of 1994 compared to the same period of 1993. The increase resulted from higher earning asset levels, which averaged $149.5 billion for the third quarter of 1994, up $28.3 billion from 1993 third quarter average levels. Average loans and leases of $95.9 billion were $18.1 billion higher in the third quarter of 1994 when compared to the third quarter of 1993. Internal loan growth accounted for $9.9 billion, or 54 percent, of the increase while the remainder resulted from acquisitions. The aggregate of average federal funds sold, securities purchased under agreements to resell and trading account assets increased $7.9 billion to $24.0 billion in the third quarter of 1994, compared to the same period in 1993, primarily due to higher trading asset levels of the Corporation's primary government securities dealer.

The net interest yield declined 29 basis points to 3.54 percent in the third quarter of 1994 compared to 1993. The decline in the net interest yield reflected a narrowing of the spread between investment securities and market-based funds, higher trading asset levels of the Corporation's primary government securities dealer, for which revenues are recorded in noninterest income, and actions taken to reposition the balance sheet in light of rising interest rates.

Taxable-equivalent net interest income increased $582 million to $4.0 billion in the first nine months of 1994, compared to $3.4 billion in the first nine months of 1993. The increase was due to higher earning asset levels, primarily loans and leases which increased $17.8 billion, or 24 percent, centered in commercial, residential mortgage and other consumer loans. Internal loan growth, approximately 17 percent on an annualized basis, accounted for $9.5 billion, or 53 percent, of the increase in loans and leases while the remainder resulted from acquisitions. The aggregate of average federal funds sold, securities purchased under agreements to resell and trading account assets increased $13.5 billion, primarily due to the acquisition of, and increased trading asset levels of the Corporation's primary government securities dealer.

The net interest yield declined 40 basis points to 3.64 percent in the first nine months of 1994, compared to 4.04 percent in the same period of 1993. Excluding the impact of the Corporation's primary government securities dealer, for which revenues are recorded in noninterest income, the net interest yield in the first nine months of 1994 declined eight basis points to 4.10 percent, compared to 4.18 percent in the first nine months of 1993. The decline in the yield primarily reflected a narrowing of the spread between investment securities and market-based funds.

The yield on average earning assets declined 12 basis points to 7.02 percent from 7.14 percent between the two nine-month periods. Excluding the impact of the trading assets of the Corporation's primary government securities dealer, the yield on average earning assets was 7.21 percent in the first nine months of 1994, compared to 7.22 percent in the same period of 1993.

Average interest-bearing liabilities increased $29.4 billion in the first nine months of 1994 compared to the first nine months of 1993. Borrowed funds and trading liabilities increased $18.1 billion, to $47.7 billion, resulting primarily from the acquisition and funding of the Corporation's primary government securities dealer and increased trading activities. Long-term debt increased $3.7 billion due to debt acquired in the MNC acquisition and debt securities issued in connection with financing Financial Services. Interest-bearing deposits increased $7.6 billion, principally due to acquisitions. Excluding deposits acquired from MNC and California Federal Savings Bank, average interest-bearing deposit levels were relatively flat. Consumer CDs and money market savings accounts declined, offset by increases in foreign time deposits. The declines in consumer interest-bearing deposits were consistent with industry trends and customers seeking higher-yielding investment alternatives. The increase in foreign time deposits resulted from wholesale funding initiatives.

The rate on average interest-bearing liabilities increased 34 basis points to 3.87 percent in the first nine months of 1994, from 3.53 percent in the first nine months of 1993, primarily due to a shift in the mix toward a heavier use of market-based funds versus customer-based funds. For the first nine months of 1994, average market-based funds represented approximately 34 percent of the Corporation's total funding sources, an increase from approximately 28 percent in the first nine months of 1993. The increased use of market-based funds is centered in trading liabilities associated with the Corporation's primary government securities dealer. Additionally, in an effort to extend liability maturities, the Corporation increased its use of bank notes and foreign time deposits in lieu of utilizing overnight funding.

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. A primary tool used by the Corporation in this process is the discretionary portfolio which is comprised of the securities portfolio and interest rate swaps. Other tools include management of the mix, rates and maturities of the funding sources of the Corporation.

In light of the economic momentum in the U.S. economy, and the associated tightening of credit by the Federal Reserve Bank through increases in interest rates, the Corporation shifted its interest rate risk position from one postured to benefit modestly from stable to declining interest rates to a more neutral position. The actions taken by the Corporation to shift its position included reduction of the net swap position, reduction of fixed-rate assets, and extension of maturities of fixed-rate deposits and borrowings.

The first action involved interest rate swaps. 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 and collateralized mortgage obligation (CMO) 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.

In order to reduce the net swap position, the Corporation entered into two-year maturity, pay fixed, interest rate swaps with a notional amount of $8.0 billion. As reflected in Table 6, such actions increased the gross notional amount of the Corporation's asset and liability management interest rate swap program on September 30, 1994, to $26.0 billion with the Corporation receiving fixed on $17.6 billion, effectively converting certain variable-rate loans to fixed rate and receiving variable on $8.4 billion, effectively converting certain variable-rate liabilities to fixed rate. This action resulted in a net receive fixed position of $9.1 billion, representing a reduction of $8.2 billion in the net receive fixed position since June 30, 1994.

Secondly, the Corporation adjusted its interest rate risk position by reducing the level of fixed-rate securities. During the second and third quarters, the Corporation did not reinvest approximately $3 billion in proceeds from maturities and sales of securities.

The third action taken to adjust the interest rate risk position was extension of the maturities of market-based funds, primarily bank notes and foreign time deposits.

In addition to these repositioning efforts, the acquisition of approximately $3.9 billion of customer-based deposits from California Federal Savings Bank helped adjust the interest rate risk sensitivity of the Corporation's liabilities, as approximately one-half of these deposits are not rate sensitive and are longer-term.

While the above actions suppressed net interest income in the third quarter of 1994, they were deemed necessary to adjust the interest rate risk posture of the Corporation. The Corporation is now postured in a more neutral interest rate risk position. On September 30, 1994, assuming no discretionary management action, the impact of a gradual 100-basis-point rise in rates was estimated to have an insignificant impact on net income when compared to stable rates. The shift in the risk position, coupled with the Corporation's flexibility to reinvest in securities should rates continue to rise, better postures the Corporation for a stable to rising interest rate environment.

Table 8 represents the Corporation's interest rate gap position on September 30, 1994. This is a one-day position which is continually changing and is not necessarily indicative of the Corporation's position at any other time. Additionally, this table indicates only the contractual or anticipated repricing of assets and liabilities and does not consider the many factors accompanying interest rate movements. 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. The total negative interest rate gap position has been reduced when compared to June 30, 1994, through the interest rate risk repositioning actions described above.

Net interest income is impacted by the Corporation's asset and liability management interest rate swap program. As reflected in Table 7, the weighted average interest rate received was 4.94 percent and paid was 5.44 percent as of September 30, 1994. Net interest receipts and payments have been included in interest income and expense on the underlying instruments. Net interest payments of $8 million were included in net interest income in the third quarter of 1994, compared to net interest receipts of $36 million in the third quarter of 1993. The net interest payment in the third quarter of 1994 included the interest expense impact of the previously mentioned $8.0 billion notional pay fixed swap contracts entered into in the third quarter of 1994 as part of the interest rate risk repositioning activities. Net interest receipts of $86 million and $78 million for the nine months ended September 30, 1994 and 1993, respectively, have been included in interest income and expense on the underlying instruments. Deferred gains and losses relating to any terminated contracts are insignificant.

The estimated unrealized market value of the Corporation's asset and liability management interest rate swaps on September 30, 1994, was a negative $631 million compared to a negative $611 million on June 30, 1994, and approximately zero on December 31, 1993. This decline in the first nine months of 1994 was consistent with the rise in interest rates and was somewhat reduced on September 30, 1994, by the positive market value associated with the $8.0 billion of pay fixed interest rate swaps entered into in the third quarter. The unrealized depreciation in the estimated value of the 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. For example, the value of core deposits and other fixed-rate longer-term liabilities increased, as interest rates rose, to offset the decline in swaps and other fixed-rate assets. Management continuously measures the impact of interest rate changes on the estimated value of its assets, liabilities and off-balance sheet instruments. The overall impact of interest rate changes during the third quarter of 1994 on these values is estimated to be insignificant.

As more fully disclosed in connection with dealer activities on page 18, credit risk associated with derivatives positions, including interest rate swaps, represents the cost to replace a derivative contract in a gain position. To limit credit risk exposure, the Corporation enters into contracts with investment grade counterparties, makes use of master netting agreements and requires collateral and third-party guarantees in some instances. As of September 30, 1994, the amount of credit exposure associated with the asset and liability management interest rate swaps was not material.

Net interest income in the first nine months of 1994 was impacted by the fourth quarter 1993 securitizations of bank card receivables. The Corporation periodically securitizes bank card receivables which changes the involvement of the Corporation from that of a lender to that of a loan servicer. During the first nine months of 1994, the Corporation managed an average bank card portfolio of $5.2 billion, including $1.4 billion which had been securitized. For the securitized portion of the bank card portfolio, net interest income after credit losses is reported as servicing fees in noninterest income.

Provision for Credit Losses

The provision for credit losses was $70 million in the third quarter of 1994, compared to $100 million in the same quarter of 1993. For the first nine months of 1994, the provision for credit losses was $240 million, compared to $330 million in the same period of 1993. The lower provision levels in 1994 reflect continued improvement in credit quality as evidenced by decreases in net charge-offs and lower nonperforming asset levels.

Nonperforming Assets

On September 30, 1994, nonperforming assets, presented in Table 9, were $1.3 billion, or 1.29 percent of net loans, leases, factored accounts receivable and other real estate owned, compared to $1.8 billion, or 1.92 percent, on December 31, 1993, and $1.4 billion, or 1.78 percent, on September 30, 1993. Excluding the impact of fourth quarter 1993 acquisitions, nonperforming assets approximated $1.0 billion on September 30, 1994, representing a 29-percent decline over year earlier levels and an 18-percent decline from December 31, 1993.

Nonperforming loans decreased 23 percent to $862 million at the end of the third quarter of 1994, compared to $1.1 billion on December 31, 1993. The decrease was centered in real estate commercial and construction nonperforming loans which declined $180 million, or 39 percent, and in commercial nonperforming loans which declined $63 million, or 13 percent. The reduction in nonperforming loans primarily reflected increased payments, the improved financial condition of borrowers, and the results of the Corporation's continuing loan workout activities.

Other real estate owned, which represents real estate acquired through foreclosures and in-substance foreclosures, totaled $414 million on September 30, 1994, a decline of $247 million, or 37 percent, from December 31, 1993.

The Corporation continues its efforts to expedite disposition, collection and renegotiation of nonperforming and other lower-quality assets. As a part of this process, the Corporation routinely evaluates all reasonable alternatives, including the sale of assets individually or in groups. The final decision to proceed with any alternative is evaluated in the context of the overall credit-risk profile of the Corporation.

Allowance for Credit Losses

On September 30, 1994, the allowance for credit losses was $2.2 billion, or 2.23 percent of loans, leases and factored accounts receivable, compared to $2.2 billion, or 2.36 percent on December 31, 1993, and $1.6 billion, or 1.97 percent, on September 30, 1993.

Due to the continued decline in nonperforming loan levels, the allowance for credit losses as a percentage of nonperforming loans increased to 256 percent on September 30, 1994, compared to 193 percent at year-end 1993 and 164 percent on September 30, 1993.

Table 10 provides an analysis of the changes in the allowance for credit losses for the three months and nine months ended September 30, 1994 and 1993. Net charge-offs for the first nine months of 1994 were $218 million, or .31 percent of average loans, leases and factored accounts receivable, versus $276 million, or .48 percent, in the comparable nine-month period in 1993. Excluding acquisitions, net charge-offs declined approximately $82 million when comparing the two nine-month periods, primarily centered in real estate commercial and construction loans and in the bank card portfolio. The reduction in real estate commercial and construction loan charge-offs is due to improvements in the real estate markets and the strengthened financial condition of borrowers. The decrease in bank card net charge-offs is attributable to lower levels of outstanding receivables due to the fourth quarter 1993 securitizations of bank card receivables.

Securities Gains

Gains from the sales of securities were $15 million in the first nine months of 1994 compared to $84 million in the same period of 1993. Results for the third quarter of 1994 reflected losses of $4 million compared to gains of $50 million in the year-earlier quarter.

Noninterest Income

Table 11 compares the major categories of noninterest income for the three and nine months ended September 30, 1994 and 1993.

Noninterest income totaled $649 million in the third quarter of 1994, an increase of $125 million, or 24 percent, from $524 million in the same quarter of 1993. After adjusting for acquisitions, noninterest income increased $74 million, or 14 percent, in the third quarter of 1994. In the first nine months of 1994, noninterest income totaled $2.0 billion, an increase of $472 million, or 32 percent, from the $1.5 billion earned in the same period in 1993. Again, after adjusting for acquisitions, noninterest income increased approximately 11 percent between the periods.

Trust fees increased $21 million in the third quarter of 1994, compared to the third quarter of 1993, and $65 million in the first nine months of 1994, compared to the first nine months of 1993. Excluding acquisitions, trust fees increased $7 million between the quarters and $21 million, or eight percent, between the nine-month periods. Increased volumes of securities lending activities, growth in mutual fund investment advisory fee income and other trust related services accounted for the majority of the increase.

Deposit account service charges totaled $202 million in the third quarter of 1994, a $31-million increase compared to the third quarter of 1993, and totaled $596 million for the first nine months of 1994, a $105-million increase compared to the first nine months of 1993. After adjusting for acquisitions, deposit account service charges increased $5 million between the quarters and $27 million for the first nine months of 1994 compared to the same period in 1993. An increase in fee collection efforts in the General Bank was the primary contributor to this growth.

The increase in trading account profits and fees was largely attributable to the CRT acquisition and related capital markets trading activities. Increased investment banking income reflected the Institutional Group's syndication activities, as well as venture capital gains. Higher bank card income was principally due to increased servicing fees resulting from the fourth quarter 1993 securitizations.

Other Real Estate Owned Expense

OREO expense decreased $17 million in the third quarter of 1994 and $60 million in the first nine months of 1994, compared to the same periods in 1993. The decreases were consistent with the improvement in asset quality. Improved real estate markets resulted in lower OREO write-downs and increased net gains on sales of these properties, compared to the same periods last year.

Noninterest Expense

The Corporation's noninterest expense as shown in Table 12 increased $180 million, or 17 percent, in the third quarter of 1994 compared to the same quarter in 1993, to a total of $1.2 billion. Noninterest expense in the third quarter of 1994 increased two percent excluding the impact of acquisitions. For the first nine months of 1994, noninterest expense increased $610 million, or 20 percent, compared to the first nine months of 1993, to a total of $3.7 billion. Excluding acquisitions, the year-over-year increase was less than three percent.

The following discussion of the changes in the individual components of noninterest expense excludes the impact of acquisitions:

* Personnel expense increased $48 million, or 10 percent, between the two quarters and $96 million, or seven percent, between the two year-to-date periods. The increase was primarily due to higher salaries and incentive compensation related to expansion of the Capital Markets group.

* Occupancy expense increased $1 million between the quarters and increased $4 million, or one percent, for the first nine months of 1994 compared to the same period in 1993.

* Equipment expense increased $8 million between the quarters and increased $15 million, or seven percent, year-to-date compared to prior year-to-date. The primary reason for this increase was higher rental expense for upgraded mainframe equipment.

* Marketing expense decreased $1 million between the quarters and increased $16 million between the two nine-month periods. This resulted primarily from bank card solicitations and increased advertising expenditures.

* Other general operating expense declined $2 million, or three percent, between the quarters and was flat for the nine months ended September 30, 1994, compared to the same period in 1993.

The efficiency ratio, a key financial management ratio, which measures the relationship of noninterest expense to total revenue, improved to 62.00 percent in the first nine months of 1994, compared to 62.89 percent in the same period in 1993. The Corporation places significant emphasis on the management of expense levels.

Income Taxes

The Corporation's income tax expense was $682 million and $489 million in the first nine months of 1994 and 1993, respectively, for an effective rate of 35 percent for both periods. Income tax expense for the third quarter of 1994 was $222 million, for an effective rate of 34 percent of pretax income. Tax expense in the same quarter of 1993 was $186 million, for an effective rate of 35 percent.

Analysis of Financial Condition

Period-end assets were $170.9 billion and $139.5 billion on September 30, 1994 and 1993, respectively. Average total assets were $163.5 billion for the first nine months of 1994 compared to $126.5 billion for the first nine months of 1993. The following discussion analyzes the major components of the period-end and average balance sheets.

Cash and cash equivalents increased $1.2 billion from December 31, 1993, to September 30, 1994, due to $9.3 billion in cash provided by operating activities and $2.4 billion in cash provided by financing activities, offset by $10.5 billion in cash used by investing activities.

Net cash provided by financing activities totaled $2.4 billion primarily as a result of increases of $1.5 billion in federal funds purchased and securities sold under agreements to repurchase, $1.2 billion in deposits and $722 million in other borrowed funds, partially offset by $852 million in retirement of long-term debt.

Net cash used by investing activities represented a $7.5-billion increase in federal funds sold and securities purchased under agreements to resell and $8.1 billion in net originations of loans and leases.

Table 13 presents an analysis of the major sources and uses of funds for the two nine-month periods based on average levels.

Customer-based funds increased 11 percent to an average of $83.8 billion in the first nine months of 1994 from $75.8 billion in the same period of 1993 principally as a result of the fourth quarter 1993 acquisition of MNC. Customer-based funds represented 51.2 percent of total sources of funds in 1994 down from 59.9 percent in 1993. This decrease in the percentage of customer-based funds to total sources resulted from an increase in the use of market-based funds related to trading liabilities associated with the Corporation's primary government securities dealer. Market-based funds increased 60 percent to $56.1 billion in the first nine months of 1994 from $35.0 billion in the same period of 1993.

The composition of uses of funds reflected a 24-percent increase in average loans and leases to $93.4 billion in the first nine months of 1994 compared to the same period one year ago. This increase reflects internal loan growth as well as acquisitions. Average other earning assets rose $13.5 billion to $23.0 billion in the first nine months of 1994 when compared to the same period in 1993, principally due to higher levels of trading assets of the Corporation's primary government securities dealer resulting from the CRT acquisition.

The Corporation's ratio of average loans to customer-based funds was 111 percent for the first nine months of 1994 compared to 100 percent for the first nine months of 1993.

Securities

The securities portfolio on September 30, 1994, consisted of securities held for investment totaling $17.6 billion and securities held for sale totaling $9.9 billion compared to $13.6 billion and $15.5 billion, respectively, on December 31, 1993. On September 30, 1993, securities held for investment were $25.4 billion and securities held for sale were $1.1 billion.

The estimated average maturity of the combined securities portfolios was 2.67 years, 1.63 years and 1.75 years on September 30, 1994, December 31, 1993, and September 30, 1993, respectively.

The securities portfolio serves a primary role in the overall context of balance sheet management by the Corporation. The portfolio generates substantial interest income and serves as a necessary reservoir of liquidity. The decision to purchase securities is based upon the current assessment of economic and financial conditions, including the interest rate environment and other on- and off-balance sheet positions.

As previously discussed, recent interest rate risk repositioning efforts have impacted the level of the securities portfolio.

On September 30, 1994, the Corporation's portfolio of securities held for investment reflected unrealized net depreciation of $477 million compared to unrealized net appreciation of $20 million on December 31, 1993, and $270 million on September 30, 1993. The unrealized depreciation in the estimated value of the held for investment portfolio should be viewed in the context of the Corporation's overall balance sheet and off-balance sheet position. For further discussion, see the Net Interest Income section.

The valuation reserve for securities held for sale and marketable equity securities included in shareholders' equity was $111 million on September 30, 1994, reflecting a $213-million pretax depreciation on securities held for sale, offset by $38 million of pretax appreciation on marketable equity securities. The valuation amount increased shareholders' equity by $104 million on December 31, 1993.

Loans

Average loans and leases increased $17.8 billion, or 24 percent, to $93.4 billion in the first nine months of 1994, compared to $75.6 billion in the same period of 1993. Approximately $9.5 billion, or 53 percent, of the increase in average loans and leases reflects internal loan growth while the remainder of the increase is the result of acquisitions.

Commercial loans increased $7.3 billion, or 22 percent, to an average of $40.9 billion in the first nine months of 1994. Loan growth in both the General Bank and the Institutional Group accounted for approximately one-half of this increase while the remainder of the increase was due to acquisitions.

Residential mortgage loans averaged $14.4 billion, a $4.1-billion, or 40-percent, increase in average levels from the first nine months of 1993. The majority of this growth was due to increased origination of residential mortgages through the Corporation's vast banking center network coupled with a higher retention level of adjustable-rate mortgages generated through the Corporation's mortgage company. Acquisitions accounted for only 12 percent of the increase.

Bank card average portfolio levels for the first nine months of 1994 increased 20 percent over 1993 same period levels, excluding the impact of the fourth quarter 1993 bank card securitizations. Other average consumer loans increased $3.4 billion to $17.1 billion in the first nine months of 1994, compared to $13.7 billion in the first nine months of 1993. Thirty-nine percent, or $1.3 billion, of this increase was non-acquisition related.

Real estate commercial and construction loans averaged $11.1 billion for the first nine months of 1994. Acquisitions added $2.6 billion to these portfolios. Excluding acquisitions, average levels of such loans declined $447 million between the first nine months of 1993 and the same period of 1994. On September 30, 1994, real estate commercial and construction loans totaled $10.3 billion, or 10 percent, of total loans, leases and factored accounts receivable, down from $10.8 billion, or 11 percent, on June 30, 1994, and down from $11.5 billion, or 12 percent, on December 31, 1993. Tables 14 and 15 present the geographic and property-type distribution of these loans on September 30, 1994. Of these loans, $280 million were nonperforming, compared to $338 million on June 30, 1994, and $460 million on December 31, 1993. During the first nine months of 1994, the Corporation recorded real estate commercial and construction net recoveries of $2 million, compared to net charge-offs of $40 million for the same period of 1993.

Capital

Shareholders' equity totaled $10.709 billion on September 30, 1994, compared to $9.979 billion on December 31, 1993, and $8.744 billion on September 30, 1993. In addition to retention of earnings, contributing to the increase in shareholders' equity between December 31, 1993, and September 30, 1994, was the issuance of 4.3 million shares, or $195 million, of common stock under the dividend reinvestment and various employee benefit plans and the acquisition of CCNB which included the issuance of 2.6 million shares of common stock, increasing shareholders' equity by $62 million in the first nine months of 1994. The increases in shareholders' equity were partially offset by the Corporation's repurchase of 2.3 million shares of common stock under the repurchase programs described below, resulting in a $123 million reduction of shareholders' equity. Also, during the first quarter of 1994, the Corporation repurchased and redeemed its Series CC and Series DD preferred stock for $94 million. As previously mentioned, the valuation reserve for securities held for sale and marketable equity securities reduced shareholders' equity $215 million between December 31, 1993, and September 30, 1994.

On July 27, 1994, the Board of Directors authorized the Corporation during the next 12 months to purchase from time to time in the open market (i) up to 10 million shares of its common stock representing the number of shares of common stock it intends to issue for its dividend reinvestment and stock purchase plan and its various employee benefit plans and (ii) up to 1.05 million shares of common stock to be issued in connection with its acquisition of RHNB Corporation.

In addition to the above authorization, on September 28, 1994, the Board authorized the Corporation during the next 12 months to purchase up to 20 million shares of its common stock from time to time in open market or privately negotiated transactions.

The Corporation's Tier 1 ratio was 7.48 percent on September 30, 1994, compared to 7.60 percent on September 30, 1993. The total risk-based capital ratio was 11.57 percent compared to 12.15 percent in 1993. Both of these measures compare favorably with the regulatory minimums of four percent for Tier 1 and eight percent for total risk-based capital. The Tier 1 leverage ratio standard states a minimum ratio of three percent, although most banking organizations are expected to maintain ratios of at least 100 to 200 basis points above the three-percent minimum. The Corporation's leverage ratio was 6.32 percent on September 30, 1994, compared to 5.88 percent on September 30, 1993.

Derivatives - Dealer Positions

The Corporation offers a number of products to its customers to help them manage the interest rate, currency and price-risk sensitivity of their assets and liabilities. The Corporation also enters into similar transactions for its own account as part of its trading activities. Table 16 summarizes the notional principal amounts of such derivative dealer positions on September 30, 1994, and December 31, 1993.

The contract amounts reflected in Table 16 indicate the notional principal amount of such transactions. These figures do not reflect the actual dollar amount of the Corporation's market or credit risk associated with these instruments, which is significantly lower than the notional principal amount. Market risk arises due to fluctuations in interest rates and market prices that may result in changes in the value of derivatives instruments. The Corporation manages its exposure to market risk by imposing limits on the specific and aggregate risk positions traders may take. Position limits are set by senior management and positions are monitored on a daily basis. Additionally, the Corporation manages market risk by adjusting its portfolio of customer and corporate derivative dealer positions when necessary, including entering into offsetting positions when appropriate.

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 gross positive replacement cost on September 30, 1994, and December 31, 1993, were $1.9 billion and $956 million, respectively. Included in such aggregate amounts were $413 million and $343 million on September 30, 1994, and December 31, 1993, respectively, related to exchange traded instruments for which the credit risk to the Corporation is minimal. The credit risk amount of derivative dealer positions was higher at September 30, 1994, than at December 31, 1993, primarily due to increases in the volume of outstanding contracts. To reduce credit risk, 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, 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 may also be reduced through the use of master netting agreements which allow the Corporation to close out and settle positions with the same counterparty on a net basis.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Income from earning assets	$ 2,701	$ 2,104	$ 7,611	$ 5,932
Interest expense	1,395	956	3,700	2,598
Net interest income (taxable-equivalent)	1,330	1,168	3,979	3,397

Net interest income	1,306	1,148	3,911	3,334
Provision for credit losses	70	100	240	330
Gains (losses) on sales of securities	(4)	50	15	84
Noninterest income	649	524	1,958	1,486
Other real estate owned expense (income)	(6)	11	(4)	56
Restructuring expense	-	30	-	30
Other noninterest expense	1,234	1,054	3,681	3,071
Income before income taxes and effect of change in method of accounting for income taxes	653	527	1,967	1,417
Income tax expense	222	186	682	489
Income before effect of change in method of accounting for income taxes	431	341	1,285	928
Effect of change in method of accounting for income taxes	-	-	-	200
Net income	431	341	1,285	1,128
Earnings per common share before effect of change in method of accounting for income taxes	1.55	1.33	4.66	3.63
Earnings per common share	1.55	1.33	4.66	4.42
Yield on average earning assets	7.24 %	6.96 %	7.02 %	7.14 %
Rate on average interest-bearing liabilities	4.22	3.54	3.87	3.53
Net interest spread	3.02	3.42	3.15	3.61
Net interest yield	3.54	3.83	3.64	4.04
Return on average common shareholders' equity <F1>	16.00	15.60	16.61	14.87 <F2>
Market price per share of common stock				
High for the period	$56	$53 5/8	$57 3/8	$58
Low for the period	47 1/8	48 1/4	44 3/8	45
Closing price	49	51 1/2	49	51 1/2
Risk-based capital ratios				
Tier 1	7.48 %	7.60 %		
Total	11.57	12.15		

<FN>
<F1> Average common shareholders' equity does not include the effect of fair value adjustments to securities held for sale and marketable equity securities.
<F2> Return on equity including the tax benefit resulting from the impact of adopting the new income tax accounting standard was 18.10%.
</FN>
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Table 2
Customer Group Summary
1994
(Dollars in Millions)

	General Bank		Institutional Group		Financial Services		Other	
	Third Quarter	Nine Months Ended	Third Quarter	Nine Months Ended	Third Quarter	Nine Months Ended	Third Quarter	Nine Months Ended
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent)	$ 921	$ 2,767	$ 296	$ 887	$ 108	$ 301	$ 5	$24
Noninterest income	435	1,286	206	630	8	42	-	-
Total revenue	1,356	4,053	502	1,517	116	343	5	24
Provision for credit losses	64	216	(13)	(36)	19	60	-	-
Gains (losses) on sales of securities	-	-	-	-	-	-	(4)	15
Other real estate owned expense (income)	5	8	(13)	(17)	2	5	-	-
Noninterest expense	902	2,713	279	812	53	156	-	-

Income before income taxes.........	385	1,116	249	758	42	122	1	39
Income tax expense................	137	407	92	280	17	49	-	14
Net income.........................	$ 248	$ 709	$ 157	$ 478	$ 25	$ 73	$ 1	$25
Net interest yield................	4.67 %	4.76 %	2.50 %<F1>	2.71 %<F1>	7.67 %	7.50 %		
Efficiency ratio..................	66.66 %	66.92 %	55.35 %	53.49 %	45.53 %	45.83 %		
Return on equity..................	19.25	18.65	17.07	17.01	12.41	12.58		
Average <F2>								
Total loans and leases, net of unearned income..............	$59,293	$57,499	$31,335	$30,769	$5,586	$5,364		
Total deposits..................	77,770	77,090	12,340	10,414	-	-		
Total assets....................	83,383	82,755	71,685	67,366	6,075	5,904		
Period end <F2>								
Total loans and leases, net of unearned income..............	60,510	60,510	31,756	31,756	5,825	5,825		
Total deposits..................	78,964	78,964	12,672	12,672	-	-		

<FN>
<F1> Institutional Group's net interest yield excludes the impact of the primary government securities dealer. Including the primary government securities dealer, the net interest yield was 1.82 percent for the third quarter and 1.97 percent for the nine months ended September 30, 1994.
<F2> The sums of balance sheet amounts will differ from consolidated amounts due to intercompany balances.
</FN>
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Table 3
Quarterly Taxable-Equivalent Data
(Dollars in Millions)

	Third Quarter 1994			Second Quarter 1994			First Quarter 1994		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	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>	<C>	<C>	<C>
Earning assets									
Loans and leases, net of unearned income <F1>									
Commercial <F2>..............................	$ 42,037	$ 805	7.60 %	$ 40,339	$ 765	7.61 %	$ 40,421	$ 722	7.24 %
Real estate commercial.......................	7,473	159	8.43	7,955	157	7.92	8,419	158	7.61
Real estate construction.....................	3,106	66	8.50	3,226	68	8.42	3,253	62	7.73
Total commercial...........................	52,616	1,030	7.77	51,520	990	7.71	52,093	942	7.33
Residential mortgage.........................	15,528	296	7.63	14,329	270	7.53	13,340	254	7.63
Home equity..................................	2,516	55	8.72	2,480	46	7.41	2,547	45	7.11
Bank card....................................	4,003	131	12.96	3,783	115	12.27	3,673	121	13.32
Other consumer...............................	17,357	412	9.42	17,060	397	9.33	16,806	390	9.41
Total consumer.............................	39,404	894	9.03	37,652	828	8.82	36,366	810	8.99
Foreign......................................	1,453	23	6.34	1,287	18	5.73	1,157	15	5.15
Lease financing..............................	2,474	49	7.83	2,146	38	7.10	1,992		

								36	7.29
Total loans and leases, net	95,947	1,996	8.27	92,605	1,874	8.12	91,608	1,803	7.96
Securities									
Held for investment	15,443	197	5.08	14,009	167	4.79	12,714	152	4.82
Held for sale <F3>	11,683	152	5.17	14,829	191	5.16	14,545	184	5.12
Total securities	27,126	349	5.12	28,838	358	4.98	27,259	336	4.98
Loans held for sale	183	3	6.69	392	6	6.49	681	11	6.46
Federal funds sold and securities purchased under agreements to resell	13,495	149	4.38	11,780	108	3.64	12,073	87	2.95
Time deposits placed and other short-term investments	2,216	29	5.16	1,211	15	4.96	1,375	14	4.12
Trading account assets	10,488	199	7.52	10,265	173	6.75	10,738	169	6.39
Total earning assets <F4>	149,455	2,725	7.24	145,091	2,534	7.00	143,734	2,420	6.81
Cash and cash equivalents	8,372			8,051			7,976		
Factored accounts receivable	1,156			1,599			1,016		
Other assets, less allowance for credit losses	8,300			7,248			8,568		
Total assets	$167,283			$161,989			$161,294		
Interest-bearing liabilities									
Savings	$ 9,255	54	2.31	$ 9,181	53	2.30	$ 8,879	51	2.33
NOW and money market deposit accounts	29,507	179	2.41	29,816	166	2.24	30,140	161	2.17
Consumer CDs and IRAs	24,439	257	4.17	22,855	231	4.02	23,295	234	4.09
Negotiated CDs, public funds and other time deposits	3,223	34	4.23	3,574	33	3.80	3,664	31	3.44
Foreign time deposits	8,436	108	5.06	5,691	63	4.49	4,385	42	3.86
Borrowed funds and trading liabilities <F5>	48,688	629	5.13	47,122	514	4.38	47,336	454	3.89
Long-term debt and capital leases	7,731	134	6.95	7,952	135	6.75	8,308	137	6.61
Total interest-bearing liabilities	131,279	1,395	4.22	126,191	1,195	3.80	126,007	1,110	3.57
Noninterest-bearing sources									
Noninterest-bearing deposits	19,796			20,241			19,897		
Other liabilities	5,543			5,285			5,310		
Shareholders' equity	10,665			10,272			10,080		
Total liabilities and shareholders' equity	$167,283			$161,989			$161,294		
Net interest spread			3.02			3.20			3.24
Impact of noninterest-bearing sources			0.52			0.50			0.45
Net interest income/yield on earning assets		$1,330	3.54		$1,339	3.70		$1,310	3.69

<FN>
<F1>Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
<F2>Commercial loan interest income includes net interest rate swap revenues related to the asset and liability management

interest rate swap program. Such amounts were $0, $38 and $56 in the third, second and first quarters of 1994, respectively and $42 and $37 in the fourth and third quarters of 1993, respectively.
<F3>The average balance sheet amounts and yields on securities held for sale are based on the average of historical amortized cost balances.
<F4>Interest income includes taxable-equivalent adjustments of $24, $22 and $22 in the third, second and first quarters of 1994, respectively, and $23 and $20 in the fourth and third quarters of 1993, respectively.
<F5>Borrowed funds and trading liabilities interest expense includes net interest rate swap expense related to the asset and liability management interest rate swap program. Such expense (revenue) was $9, $(1) and $3 in the third, second and first quarters of 1994, respectively and $2 and $1 in the fourth and third quarters of 1993, respectively.
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Table 3
Quarterly Taxable-Equivalent Data
(Dollars in Millions)

	Fourth Quarter 1993			Third Quarter 1993		
	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 <F1>						
Commercial <F2>..............................	$ 39,233	$ 702	7.10 %	$ 34,674	$ 613	7.02 %
Real estate commercial.......................	7,915	150	7.51	6,065	115	7.54
Real estate construction.....................	3,260	64	7.77	2,663	53	7.86
Total commercial............................	50,408	916	7.21	43,402	781	7.14
Residential mortgage.........................	12,663	249	7.85	11,054	226	8.17
Home equity..................................	2,586	47	7.24	2,004	36	7.20
Bank card....................................	4,593	150	12.97	4,435	153	13.65
Other consumer...............................	16,072	378	9.33	14,237	337	9.41
Total consumer..............................	35,914	824	9.12	31,730	752	9.43
Foreign......................................	931	13	5.82	1,015	13	5.07
Lease financing..............................	1,894	35	7.41	1,656	38	8.95
Total loans and leases, net................	89,147	1,788	7.97	77,803	1,584	8.09
Securities						
Held for investment..........................	27,273	354	5.16	23,167	313	5.36
Held for sale <F3>..........................	2,211	26	4.69	1,308	16	4.93
Total securities............................	29,484	380	5.13	24,475	329	5.34
Loans held for sale............................	961	16	6.54	905	15	6.94
Federal funds sold and securities purchased under agreements to resell....................	8,237	64	3.08	7,513	66	3.46
Time deposits placed and other short-term investments................................	2,238	20	3.71	1,888	18	3.74
Trading account assets.........................	9,590	150	6.19	8,563	112	5.22
Total earning assets <F4>..................	139,657	2,418	6.88	121,147	2,124	6.96
Cash and cash equivalents........................	8,318			7,008		
Factored accounts receivable......................	1,207			1,115		
Other assets, less allowance for credit losses.....	8,608			6,925		
Total assets..............................	$157,790			$136,195		
Interest-bearing liabilities						
Savings..	$ 8,542	52	2.45	$ 6,411	39	2.37
NOW and money market deposit accounts...........	30,383	168	2.20	27,873	156	2.22
Consumer CDs and IRAs...........................	23,813	246	4.10	22,512	253	4.44
Negotiated CDs, public funds and other time deposits....................................	3,717	32	3.36	3,863	36	3.85
Foreign time deposits...........................	4,031	39	3.80	2,994	30	4.05
Borrowed funds and trading liabilities <F5>......	44,188	421	3.74	38,662	347	3.57
Long-term debt and capital leases...............	8,233	134	6.52	4,850	95	7.81
Total interest-bearing liabilities..........	122,907	1,092	3.53	107,165	956	3.54
Noninterest-bearing sources						
Noninterest-bearing deposits....................	19,852			16,751		
Other liabilities...............................	5,362			3,637		

Shareholders' equity	9,669			8,642		
Total liabilities and shareholders' equity	$157,790			$136,195		
Net interest spread			3.35			3.42
Impact of noninterest-bearing sources			0.42			0.41
Net interest income/yield on earning assets		$1,326	3.77		$1,168	3.83

<FN>
<F1>Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
<F2>Commercial loan interest income includes net interest rate swap revenues related to the asset and liability management interest rate swap program. Such amounts were $0, $38 and $56 in the third, second and first quarters of 1994, respectively and $42 and $37 in the fourth and third quarters of 1993, respectively.
<F3>The average balance sheet amounts and yields on securities held for sale are based on the average of historical amortized cost balances.
<F4>Interest income includes taxable-equivalent adjustments of $24, $22 and $22 in the third, second and first quarters of 1994, respectively, and $23 and $20 in the fourth and third quarters of 1993, respectively.
<F5>Borrowed funds and trading liabilities interest expense includes net interest rate swap expense related to the asset and liability management interest rate swap program. Such expense (revenue) was $9, $(1) and $3 in the third, second and first quarters of 1994, respectively and $2 and $1 in the fourth and third quarters of 1993, respectively.
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Table 4
Changes in Taxable-Equivalent Net Interest Income
(Dollars in Millions)

	From Second Quarter 1994 to Third Quarter 1994				From Third Quarter 1993 to Third Quarter 1994			
	Increase (Decrease) in Income/Expense Due to Change in				Increase (Decrease) in Income/Expense Due to Change in			
	Average Levels	Yields/ Rates	Total	Percentage Increase (Decrease)	Average Levels	Yields/ Rates	Total	Percentage Increase (Decrease)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income from earning assets								
Loans and leases, net of unearned income								
Commercial	$ 40	$ -	$ 40	5.2 %	$138	$ 54	$ 192	31.3 %
Real estate commercial	(10)	12	2	1.3	29	15	44	38.3
Real estate construction	(3)	1	(2)	(2.9)	9	4	13	24.5
Total commercial	21	19	40	4.0	176	73	249	31.9
Residential mortgage	23	3	26	9.6	86	(16)	70	31.0
Home equity	1	8	9	19.6	10	9	19	52.8
Bank card	7	9	16	13.9	(14)	(8)	(22)	(14.4)
Other consumer	7	8	15	3.8	74	1	75	22.3
Total consumer	39	27	66	8.0	175	(33)	142	18.9
Foreign	2	3	5	27.8	6	4	10	76.9
Lease financing	6	5	11	28.9	17	(6)	11	

								28.9
Total loans and leases, net	69	53	122	6.5	377	35	412	26.0
Securities								
Held for investment	18	12	30	18.0	(99)	(17)	(116)	(37.1)
Held for sale	(41)	2	(39)	(20.4)	135	1	136	n/m
Total securities	(22)	13	(9)	(2.5)	35	(15)	20	6.1
Loans held for sale	(3)	-	(3)	(50.0)	(12)	-	(12)	(80.0)
Federal funds sold and securities purchased under agreements to resell	17	24	41	38.0	63	20	83	125.8
Time deposits placed and other short-term investments	13	1	14	93.3	3	8	11	61.1
Trading account assets	4	22	26	15.0	29	58	87	77.7
Total interest income	78	113	191	7.5	513	88	601	28.3
Interest expense								
Savings	-	1	1	1.9	17	(2)	15	38.5
NOW and money market deposit accounts	(2)	15	13	7.8	9	14	23	14.7
Consumer CDs and IRAs	16	10	26	11.3	21	(17)	4	1.6
Negotiated CDs, public funds and other time deposits	(3)	4	1	3.0	(6)	4	(2)	(5.6)
Foreign time deposits	34	11	45	71.4	68	10	78	260.0
Borrowed funds and trading liabilities	18	97	115	22.4	105	177	282	81.3
Long-term debt and capital leases	(4)	3	(1)	(0.7)	51	(12)	39	41.1
Total interest expense	50	150	200	16.7	237	202	439	45.9
Net interest income	40	(49)	$ (9)	(0.7)	257	(95)	$ 162	13.9

n/m - not meaningful.
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Table 5
Nine Month Taxable-Equivalent Data
(Dollars in Millions)

	Nine Months Ended September 30					
	1994			1993		
	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 <F1>						
Commercial <F2>	$ 40,938	$2,292	7.49 %	$ 33,640	$1,736	6.90 %
Real estate commercial	7,945	474	7.97	6,246	356	7.62
Real estate construction	3,194	196	8.21	2,770	153	7.39
Total commercial	52,077	2,962	7.61	42,656	2,245	7.04
Residential mortgage	14,407	820	7.59	10,311	653	8.45
Home equity	2,514	146	7.75	2,034	108	7.11
Bank card	3,821	367	12.85	4,304	446	13.83
Other consumer	17,077	1,199	9.39	13,689	988	9.65
Total consumer	37,819	2,532	8.94	30,338	2,195	9.66

Foreign	1,300	56	5.79	971	39	5.39
Lease financing	2,206	123	7.43	1,594	98	8.18
Total loans and leases, net	93,402	5,673	8.12	75,559	4,577	8.09
Securities						
Held for investment	14,065	516	4.90	23,998	1,021	5.69
Held for sale <F3>	13,675	527	5.15	615	23	4.96
Total securities	27,740	1,043	5.02	24,613	1,044	5.67
Loans held for sale	417	20	6.53	732	37	6.82
Federal funds sold and securities purchased under agreements to resell	12,454	344	3.70	5,313	130	3.27
Time deposits placed and other short-term investments	1,604	58	4.82	1,969	59	3.98
Trading account securities	10,497	541	6.88	4,098	148	4.84
Total earning assets <F4>	146,114	7,679	7.02	112,284	5,995	7.14
Cash and cash equivalents	8,134			6,923		
Factored accounts receivable	1,257			1,029		
Other assets, less allowance for credit losses	8,039			6,282		
Total assets	$163,544			$126,518		
Interest-bearing liabilities						
Savings	$ 9,106	158	2.31	$ 6,179	109	2.35
NOW and money market deposit accounts	29,819	506	2.27	28,054	473	2.25
Consumer CDs and IRAs	23,534	721	4.09	23,243	810	4.66
Negotiable CDs, public funds and other time deposits	3,485	99	3.81	4,377	136	4.14
Foreign time deposits	6,185	213	4.60	2,697	84	4.18
Borrowed funds and trading liabilities <F5>	47,721	1,597	4.48	29,622	728	3.29
Long-term debt and capital leases	7,995	406	6.77	4,269	258	8.05
Total interest-bearing liabilities	127,845	3,700	3.87	98,441	2,598	3.53
Noninterest-bearing sources						
Demand deposits	19,978			16,607		
Other liabilities	5,380			3,162		
Shareholders' equity	10,341			8,308		
Total liabilities and shareholders' equity	$163,544			$126,518		
Net interest spread			3.15			3.61
Impact of noninterest-bearing sources			0.49			0.43
Net interest income/yield on earning assets		$3,979	3.64		$3,397	4.04

<FN>
<F1>Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
<F2>Commercial loan interest income includes net interest rate swap revenues related to the asset and liability management interest rate swap program. Such amounts were $94 and $78 in 1994 and 1993, respectively.
<F3>The average balance sheet amounts and yields on securities held for sale are based on the average of historical amortized cost balances.
<F4>Interest income includes taxable-equivalent adjustments of $68 and $63 in 1994 and 1993, respectively.
<F5>Borrowed funds and trading liabilities interest expense includes net interest rate swap expense related to the asset and liability management interest rate swap program. Such amounts were $11 and $1 in 1994 and 1993, respectively.
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Table 5
Nine Month Taxable-Equivalent Data
(Dollars in Millions)

	Increase (Decrease)					
	Income or Expense				Average Balance Sheet Amounts	
	Due to change in					
	Average Levels	Yields/ Rates	Total	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income <F1>						
Commercial <F2>	$ 400	$ 156	$ 556	32.0 %	$ 7,298	21.7 %
Real estate commercial	101	17	118	33.1	1,699	27.2
Real estate construction	25	18	43	28.1	424	15.3

Total commercial	525	192	717	31.9	9,421	22.1
Residential mortgage	238	(71)	167	25.6	4,096	39.7
Home equity	27	11	38	35.2	480	23.6
Bank card	(48)	(31)	(79)	(17.7)	(483)	(11.2)
Other consumer	239	(28)	211	21.4	3,388	24.7
Total consumer	510	(173)	337	15.4	7,481	24.7
Foreign	14	3	17	43.6	329	33.9
Lease financing	35	(10)	25	25.5	612	38.4
Total loans and leases, net	1,084	12	1,096	23.9	17,843	23.6
Securities						
Held for investment	(379)	(126)	(505)	(49.5)	(9,933)	(41.4)
Held for sale <F3>	503	1	504	n/m	13,060	n/m
Total securities	125	(126)	(1)	(0.1)	3,127	12.7
Loans held for sale	(15)	(2)	(17)	(45.9)	(315)	(43.0)
Federal funds sold and securities purchased under agreements to resell	195	19	214	164.6	7,141	134.4
Time deposits placed and other short-term investments	(12)	11	(1)	(1.7)	(365)	(18.5)
Trading account securities	309	84	393	265.5	6,399	156.1
Total earning assets <F4>	1,779	(95)	1,684	28.1	33,830	30.1
Cash and cash equivalents					1,211	17.5
Factored accounts receivable					228	22.2
Other assets, less allowance for credit losses					1,757	28.0
Total assets					$37,026	29.3
Interest-bearing liabilities						
Savings	51	(2)	49	45.0	$ 2,927	47.4
NOW and money market deposit accounts	30	3	33	7.0	1,765	6.3
Consumer CDs and IRAs	10	(99)	(89)	(11.0)	291	1.3
Negotiable CDs, public funds and other time deposits	(26)	(11)	(37)	(27.2)	(892)	(20.4)
Foreign time deposits	119	10	129	153.6	3,488	129.3
Borrowed funds and trading liabilities <F5>	546	323	869	119.4	18,099	61.1
Long-term debt and capital leases	195	(47)	148	57.4	3,726	87.3
Total interest-bearing liabilities	833	269	1,102	42.4	29,404	29.9
Noninterest-bearing sources						
Demand deposits					3,371	20.3
Other liabilities					2,218	70.1
Shareholders' equity					2,033	24.5
Total liabilities and shareholders' equity					$37,026	29.3
Net interest spread						
Impact of noninterest-bearing sources						
Net interest income/yield on earning assets	947	(365)	$ 582	17.1		

<FN>
<F1>Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
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<F3>The average balance sheet amounts and yields on securities held for sale are based on the average of historical amortized cost balances.
<F4>Interest income includes taxable-equivalent adjustments of $68 and $63 in 1994 and 1993, respectively.
<F5>Borrowed funds and trading liabilities interest expense includes net interest rate swap expense related to the asset and liability management interest rate swap program. Such amounts were $11 and $1 in 1994 and 1993, respectively.
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n/m - not meaningful.
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Table 6
Asset and Liability Management Interest Rate Swaps
Notional Contracts
(Dollars in Millions)

Generic		Index Amortizing	CMO		Total		
Receive Fixed	Pay Fixed	Receive Fixed	Receive Fixed	Pay Fixed	Receive Fixed	Pay Fixed	Total

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on June 30, 1994........	$6,591	$ 312	$8,450	$ 2,753	$114	$17,794	$ 426	$18,220
Additions....................	-	8,000	-	-	-	-	8,000	8,000
Maturities...................	(61)	(6)	-	(183)	(10)	(244)	(16)	(260)
Balance on September 30, 1994...	$6,530	$8,306	$8,450	$ 2,570	$104	$17,550	$8,410	$25,960
Balance on December 31, 1993....	$6,500	$ -	$6,150	$ 1,076	$182	$13,726	$ 182	$13,908
Additions....................	320	8,323	2,300	2,000	-	4,620	8,323	12,943
Maturities...................	(290)	(17)	-	(506)	(78)	(796)	(95)	(891)
Balance on September 30, 1994...	$6,530	$8,306	$8,450	$ 2,570	$104	$17,550	$8,410	$25,960

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Table 7
Asset and Liability Management Interest Rate Swaps
September 30, 1994
(Dollars in Millions, Average Maturity in Years)

		Maturities							
	Market Value	Total	1994	1995	1996	1997	1998	After 1998	Average Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Asset Conversion Swaps									
Receive fixed generic.............	$(150)								1.22
Notional value..................		$ 6,530	$ 132	$3,123	$ 2,700	$ 575	$ -	$ -	
Weighted average receive rate....		4.44 %	3.71 %	4.26 %	4.62 %	4.69 %	- %	- %	
Weighted average pay rate........		5.02							
Receive fixed amortizing..........	(452)								2.02
Notional value..................		$ 8,450	$ 81	$2,309	$ 2,263	$2,778	$1,019	$ -	
Weighted average receive rate....		4.92 %	5.83 %	4.94 %	4.91 %	4.86 %	4.99 %	- %	
Weighted average pay rate........		5.03							
Receive fixed CMO.................	(110)								2.16
Notional value..................		$ 2,570	$ 188	$ 756	$ 497	$ 332	$ 411	$ 386	
Weighted average receive rate....		5.11 %	5.11 %	5.09 %	5.10 %	5.12 %	5.08 %	5.21 %	
Weighted average pay rate........		4.89							
Total asset conversion swaps.......	$(712)								1.74
Notional value..................		$17,550	$ 401	$6,188	$ 5,460	$3,685	$1,430	$ 386	
Weighted average receive rate....		4.77 %	4.80 %	4.62 %	4.79 %	4.86 %	5.01 %	5.21 %	
Weighted average pay rate........		5.01							
Liability Conversion Swaps									
Pay fixed generic..................	$ 76								1.96
Notional value..................		$ 8,306	$ 6	$ -	$ 8,001	$ 125	$ 100	$ 74	
Weighted average pay rate........		6.38 %	4.00 %	- %	6.43 %	4.57 %	5.12 %	5.37 %	
Weighted average receive rate....		5.29							
Pay fixed CMO......................	5								2.03
Notional value..................		$ 104	$ 8	$ 27	$ 20	$ 14	$ 35	$ -	
Weighted average pay rate........		4.44 %	4.44 %	4.44 %	4.44 %	4.44 %	4.44 %	- %	
Weighted average receive rate....		4.88							
Total liability conversion swaps...	$ 81								1.96
Notional value..................		$ 8,410	$ 14	$ 27	$ 8,021	$ 139	$ 135	$ 74	
Weighted average pay rate........		6.35 %	4.27 %	4.44 %	6.43 %	4.56 %	4.94 %	5.37 %	
Weighted average receive rate....		5.29							
Total.............................	$(631)								
Notional value..................		$25,960	$ 415	$6,215	$13,481	$3,824	$1,565	$ 460	
Weighted average receive rate....		4.94 %							
Weighted average pay rate........		5.44							

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

Maturities assume interest rates remain constant at current levels and may differ from actual maturities, depending on future interest rate movements and resultant prepayment patterns.
</TABLE>

<TABLE>
<CAPTION>
Table 8
Interest Rate Gap Analysis
September 30, 1994
(Dollars in Millions)

	Interest-Sensitive					Over 12 Months and Noninterest-	
	30-Day	3-Month	6-Month	12-Month	Total	Sensitive	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets							
Loans and leases, net of unearned income....................	$ 42,712	$ 9,078	$ 4,153	$ 6,389	$ 62,332	$34,998	$ 97,330
Securities held for investment........	75	143	165	3,865	4,248	13,390	17,638
Securities held for sale.............	2	350	2,318	1,448	4,118	5,803	9,921
Loans held for sale..................	744	-	-	-	744	-	744
Time deposits placed and other short-term investments.............	1,736	800	227	2	2,765	2	2,767
Other earning assets.................	25,576	-	-	-	25,576	-	25,576
Total............................	70,845	10,371	6,863	11,704	99,783	54,193	$153,976
Interest-bearing liabilities							
Savings..............................	-	-	-	-	-	9,181	$ 9,181
NOW and money market deposit accounts...........................	21,524	-	-	-	21,524	7,516	29,040
Consumer CDs and IRAs................	3,372	3,571	4,658	5,630	17,231	8,090	25,321
Negotiated CDs, public funds and other time deposits................	936	778	485	290	2,489	343	2,832
Foreign time deposits................	4,478	1,340	1,166	3,250	10,234	50	10,284
Borrowed funds and trading liabilities........................	46,581	1,528	495	2,983	51,587	-	51,587
Long-term debt and capital leases.....	667	703	96	162	1,628	6,154	7,782
Total............................	77,558	7,920	6,900	12,315	104,693	31,334	136,027
Noninterest-bearing, net...............	-	-	-	-	-	17,949	17,949
Total............................	77,558	7,920	6,900	12,315	104,693	49,283	$153,976
Interest rate gap......................	(6,713)	2,451	(37)	(611)	(4,910)	4,910	
Effect of asset and liability management interest rate swaps, futures and other off-balance sheet items..........................	(7,505)	(7,705)	6,003	2,933	(6,274)	6,274	
Adjusted interest rate gap.............	$(14,218)	$ (5,254)	$ 5,966	$ 2,322	$(11,184)	$11,184	
Cumulative adjusted interest rate gap...	$(14,218)	$(19,472)	$(13,506)	$(11,184)			

</TABLE>

<TABLE>
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Table 9
Nonperforming Assets
(Dollars in Millions)

	September 30 1994	June 30 1994	March 31 1994	December 31 1993	September 1993
<S>					
Nonperforming loans	<C>	<C>	<C>	<C>	<C>
Commercial..............................	$ 411	$ 425	$ 432	$ 474	$ 434
Real estate commercial.................	198	248	282	318	244
Real estate construction...............	82	90	161	142	117
Residential mortgage...................	71	69	71	77	78
Home equity............................	8	9	8	7	6
Other consumer.........................	82	82	99	86	75
Lease financing........................	6	8	9	10	9
Foreign................................	4	5	5	8	1
Total nonperforming loans............	862	936	1,067	1,122	964
Other real estate owned.................	414	485	569	661	476
Total nonperforming assets...........	$1,276	$1,421	$1,636	$1,783	$1,440
Nonperforming assets as a percentage of					
Total assets...........................	.75 %	.86 %	.99 %	1.13 %	1.03 %
Loans, leases and factored accounts					

receivable, net of unearned income, and other real estate owned...........	1.29	1.48	1.73	1.92	1.78
Loans past due 90 days or more and not classified as nonperforming...........	$ 124	$ 90	$ 154	$ 167	$ 189

</TABLE>

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Table 10
Allowance for Credit Losses
(Dollars in Millions)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Beginning balance..	$ 2,196	$ 1,583	$ 2,169	$ 1,454
Loans, leases and factored accounts receivable charged off				
Commercial...	(25)	(32)	(72)	(69)
Real estate commercial...	(6)	(14)	(23)	(46)
Real estate construction...	(2)	(8)	(11)	(14)
Total commercial...	(33)	(54)	(106)	(129)
Residential mortgage...	(1)	(1)	(5)	(5)
Home equity..	1	(1)	(1)	(2)
Bank card..	(30)	(47)	(92)	(140)
Other consumer...	(43)	(37)	(143)	(117)
Total consumer...	(73)	(86)	(241)	(264)
Lease financing..	(1)	-	(2)	(2)
Factored accounts receivable...	(8)	(5)	(29)	(18)
Total loans, leases and factored accounts receivable charged off...............................	(115)	(145)	(378)	(413)
Recoveries of loans, leases and factored accounts receivable previously charged off				
Commercial...	15	13	43	45
Real estate commercial...	4	6	12	15
Real estate construction...	7	4	24	5
Total commercial...	26	23	79	65
Residential mortgage...	-	-	2	2
Bank card..	5	5	16	13
Other consumer...	18	16	53	50
Total consumer...	23	21	71	65
Lease financing..	-	-	2	1
Factored accounts receivable...	2	2	8	6
Total recoveries of loans, leases and factored accounts receivable previously charged off............................	51	46	160	137
Net charge-offs..	(64)	(99)	(218)	(276)
Provision for credit losses..	70	100	240	330
Allowance applicable to loans of purchased companies................	-	1	11	77
Ending balance...	$ 2,202	$ 1,585	$ 2,202	$ 1,585
Loans, leases and factored accounts receivable, net of unearned income, outstanding on September 30..............................	$98,556	$80,539	$98,556	$80,539
Allowance for credit losses as a percentage of loans, leases and factored accounts receivable, net of unearned income..............	2.23 %	1.97 %	2.23 %	1.97 %
Average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period....................	$97,103	$78,918	$94,659	$76,588
Net charge-offs as a percentage of average loans, leases and factored accounts receivable, net of unearned income..............	.27 %	.50 %	.31 %	.48 %
Allowance for credit losses as a percentage of nonperforming loans...	255.52	164.34	255.52	164.34

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Table 11
Noninterest Income
(Dollars in Millions)

	Three Months Ended September 30		Change		Nine Months Ended September 30		Change	
	1994	1993	Amount	Percent	1994	1993	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Trust fees............................	$108	$ 87	$ 21	24.1 %	$ 333	$ 268	$ 65	24.3 %
Service charges on deposit accounts...	202	171	31	18.1	596	491	105	21.4
Nondeposit-related service fees								
Safe deposit rent...................	6	6	-	-	21	19	2	10.5
Mortgage servicing and related fees..................	21	18	3	16.7	58	57	1	1.8
Fees on factored accounts receivable........................	20	20	-	-	56	55	1	1.8
Investment banking income...........	26	18	8	44.4	80	62	18	29.0
Other service fees..................	25	23	2	8.7	78	68	10	14.7
Total nondeposit-related service fees....................	98	85	13	15.3	293	261	32	12.3
Bank card income								
Merchant discount fees.............	7	8	(1)	(12.5)	20	23	(3)	(13.0)
Annual bank card fees..............	6	8	(2)	(25.0)	17	17	-	-
Other bank card fees...............	59	36	23	63.9	169	107	62	57.9
Total bank card income............	72	52	20	38.5	206	147	59	40.1
Other income								
Brokerage income....................	11	10	1	10.0	34	29	5	17.2
Trading account profits and fees..........................	67	39	28	71.8	210	59	151	255.9
Foreign exchange income............	5	6	(1)	(16.7)	20	19	1	5.3
Bankers' acceptances and letters of credit............	16	14	2	14.3	48	46	2	4.3
Insurance commissions and earnings......................	11	10	1	10.0	35	29	6	20.7
Miscellaneous.......................	59	50	9	18.0	183	137	46	33.6
Total other income...............	169	129	40	31.0	530	319	211	66.1
	$649	$524	$125	23.9	$1,958	$1,486	$472	31.8

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Table 12
Noninterest Expense
(Dollars in Millions)

	Three Months Ended September 30		Change		Nine Months Ended September 30		Change	
	1994	1993	Amount	Percent	1994	1993	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Personnel..................	$ 584	$ 471	$113	24.0 %	$1,711	$1,365	$346	25.3 %
Occupancy, net.............	123	106	17	16.0	363	309	54	17.5
Equipment..................	95	80	15	18.8	269	230	39	17.0
Marketing..................	38	35	3	8.6	119	94	25	26.6
Professional fees..........	34	37	(3)	(8.1)	126	114	12	10.5
Amortization of intangibles.............	35	25	10	40.0	103	76	27	35.5
Bank card..................	11	12	(1)	(8.3)	31	36	(5)	(13.9)
Private label credit card...	7	10	(3)	(30.0)	22	28	(6)	(21.4)
FDIC insurance.............	52	50	2	4.0	157	149	8	5.4
Processing.................	57	48	9	18.8	173	134	39	29.1
Telecommunications..........	35	30	5	16.7	101	89	12	13.5
Postage and courier.........	31	30	1	3.3	95	87	8	9.2
Other general operating.....	97	88	9	10.2	304	265	39	14.7
General administrative and miscellaneous........	35	32	3	9.4	107	95	12	12.6
	$1,234	$1,054	$180	17.1	$3,681	$3,071	$610	19.9

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Table 13
Sources and Uses of Funds
(Average Dollars in Millions)

	Nine Months Ended September 30			
	1994		1993	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Composition of sources				
Savings, NOW, money market deposit accounts, and consumer CDs and IRAs..........................	$ 62,459	38.2 %	$ 57,476	45.5 %
Noninterest-bearing funds..............................	19,978	12.2	16,607	13.1
Customer-based portion of negotiated CDs...............	1,337	.8	1,678	1.3
Customer-based funds...............................	83,774	51.2	75,761	59.9
Market-based funds.....................................	56,054	34.3	35,018	27.7
Long-term debt and capital leases......................	7,995	4.9	4,269	3.4
Other liabilities......................................	5,380	3.3	3,162	2.5
Shareholders' equity...................................	10,341	6.3	8,308	6.5
Total sources......................................	$163,544	100.0 %	$126,518	100.0 %
Composition of uses				
Loans and leases, net of unearned income...............	$ 93,402	57.1 %	$ 75,559	59.7 %
Securities held for investment.........................	14,065	8.6	23,998	19.0
Securities held for sale...............................	13,675	8.4	615	.5
Loans held for sale....................................	417	.3	732	.6
Time deposits placed and other short-term investments...	1,604	1.0	1,969	1.6
Other earning assets...................................	22,951	14.0	9,411	7.4
Total earning assets...............................	146,114	89.4	112,284	88.8
Factored accounts receivable...........................	1,257	.8	1,029	.8
Other assets...	16,173	9.8	13,205	10.4
Total uses...	$163,544	100.0 %	$126,518	100.0 %

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Table 14
Real Estate Commercial and Construction Loans and
Other Real Estate Owned by Geographic Region
September 30, 1994
(Dollars in Millions)

	Loans				OREO	
	Outstanding	Percent	Nonperforming	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Florida....................	$ 1,833	17.8 %	$ 51	18.2 %	$ 85	25.7 %
Maryland...................	1,677	16.3	64	22.9	48	14.5
Virginia...................	1,182	11.5	44	15.7	125	37.8
North Carolina.............	1,164	11.3	10	3.6	10	3.0
Georgia....................	975	9.5	18	6.4	7	2.1
South Carolina.............	896	8.7	22	7.9	26	7.9
Texas......................	849	8.2	7	2.5	3	.9
Tennessee/Kentucky..........	401	3.9	6	2.1	3	.9
District of Columbia........	369	3.6	39	13.9	14	4.2
Other......................	955	9.2	19	6.8	10	3.0
	$10,301	100.0 %	$280	100.0 %	$331	100.0 %

Distribution based on geographic location of collateral.
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Table 15
Real Estate Commercial and Construction Loans and
Other Real Estate Owned by Property Type
September 30, 1994
(Dollars in Millions)

	Loans				OREO	
	Outstanding	Percent	Nonperforming	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Shopping centers/retail.....	$ 1,975	19.2 %	$ 27	9.6 %	$ 54	16.3 %
Office buildings............	1,898	18.4	41	14.6	52	15.7
Apartments..................	1,453	14.1	22	7.9	5	1.5
Hotels......................	988	9.6	18	6.4	9	2.7
Land and land development...	905	8.8	61	21.8	137	41.4

Residential.................	820	8.0	28	10.0	24	7.3
Industrial/warehouse........	803	7.8	32	11.4	25	7.6
Commercial-other............	378	3.7	13	4.6	11	3.3
Multi-use...................	232	2.3	4	1.4	1	.3
Resorts/golf courses........	162	1.6	2	.7	3	.9
Other.......................	687	6.5	32	11.6	10	3.0
	$10,301	100.0 %	$280	100.0 %	$331	100.0 %

</TABLE>

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<CAPTION>
Table 16
Derivatives - Dealer Positions
(Dollars in Millions)

	Notional Principal Amounts	
	September 30 1994	December 31 1993
<S>	<C>	<C>
Interest Rate Contracts		
Swaps.......................	$ 32,844	$15,758
Futures and forwards.........	110,923	32,503
Written options.............	120,955	58,499
Purchased options...........	116,390	55,616
Foreign Exchange Contracts		
Swaps.......................	477	258
Spot, futures and forwards...	23,367	12,516
Written options.............	11,915	8,058
Purchased options...........	11,613	8,051
Commodity Contracts		
Swaps.......................	196	1,470
Futures and forwards.........	2,939	1,661
Written options.............	13,648	6,696
Purchased options...........	13,036	7,339

</TABLE>

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Table 17
Selected Quarterly Operating Results
(Dollars in Millions Except Per-Share Information)

	1994 Quarters		
	Third	Second	First
<S>	<C>	<C>	<C>
Income from earning assets..........................	$ 2,701	$ 2,512	$ 2,398
Interest expense....................................	1,395	1,195	1,110
Net interest income (taxable-equivalent)............	1,330	1,339	1,310
Net interest income.................................	1,306	1,317	1,288
Provision for credit losses.........................	70	70	100
Gains on sales of securities (losses)...............	(4)	5	14
Noninterest income..................................	649	629	680
Other real estate owned expense (income)............	(6)	(3)	5
Noninterest expense.................................	1,234	1,228	1,219
Income before income taxes..........................	653	656	658
Income tax expense..................................	222	219	241
Net income..	431	437	417
Earnings per common share...........................	1.55	1.58	1.52
Yield on average earning assets.....................	7.24 %	7.00 %	6.81 %
Rate on average interest-bearing liabilities.........	4.22	3.80	3.57
Net interest spread.................................	3.02	3.20	3.24
Net interest yield..................................	3.54	3.70	3.69
Return on average common shareholders' equity <F1>...	16.00	17.04	16.82
Market price per share of common stock			
High for the period..............................	$56	$57 3/8	$50 7/8
Low for the period...............................	47 1/8	44 1/2	44 3/8
Closing price....................................	49	51 3/8	45 3/4
Risk-based capital ratios			
Tier 1...	7.48 %	7.63 %	7.50 %
Total..	11.57	11.57	11.66

<FN>
<F1> Average common shareholders' equity does not include the effect of fair value adjustments to securities held for sale and marketable equity securities.
</FN>
</TABLE>

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit 11 - Earnings per share computation

Exhibit 27 - Financial Data Schedule

b. Reports on Form 8-K

A Current Report on Form 8-K dated August 4, 1994, was filed with the Securities and Exchange Commission on August 4, 1994, with respect to the registrant's offer and sale of $300 million principal amount of 7 3/4-percent subordinated notes, due 2004.

A Current Report on Form 8-K dated September 21, 1994, was filed with the Securities and Exchange Commission on September 21, 1994, with respect to an updated description of the capital stock and an increase in the authorized capital stock of the registrant.

A Current Report on Form 8-K dated October 3, 1994, was filed with the Securities and Exchange Commission on October 4, 1994, with respect to the authorization by the registrant's board of directors for the registrant to purchase up to 20 million shares of its common stock from time to time in open market or privately negotiated transactions.

NationsBank Corporation
Form 10-Q
Exhibit Index

<TABLE>
<CAPTION>

Exhibit 27

NationsBank Corporation and Subsidiaries
Financial Data Schedule
(Dollars in Millions Except Per-Share Information)

<S>	September 30, 1994 <C>
At Period End	
Cash and cash equivalents	$ 8,892
Time deposits placed and other short-term investments	2,767
Federal funds sold and securities purchased under agreements to resell	15,164
Trading account assets	10,412
Securities, held for sale	9,921
Securities, held for investment, at cost	17,638
Securities, held for investment, market value	17,161
Loans, leases and factored accounts receivable, net of unearned income	98,556
Allowance for credit losses	(2,202)
Total assets	170,912
Deposits	96,735
Short-term borrowings	51,587
Other liabilities	4,099
Long-term debt and capital leases	7,782
Preferred stock, mandatory redemption	-
Preferred stock, no mandatory redemption	112
Common stock	4,682
Other shareholders' equity	5,915
Total liabilities and shareholders' equity	170,912
For the Nine Months Ended	
Income from Earning Assets	
Interest and fees on loans	$ 5,521
Interest and dividends on securities	1,024

Other interest income	1,066
Total interest income	7,611
Interest Expense	
Deposits	$ 1,697
Total interest expense	3,700
Net interest income	$ 3,911
Provision for credit losses	240
Gains on sales of securities	15
Noninterest expense (including OREO)	3,677
Income before income taxes	1,967
Income before income taxes, effect of extraordinary items and cumulative effect of change in accounting principles	1,967
Effect of extraordinary items	-
Cumulative effect of change in accounting principles	-
Net income	1,285
Earnings per common share	4.66
Fully diluted earnings per common share	4.62
Net interest yield	3.64 %
Allowance and Nonperforming Data	
Nonperforming loans	$ 862
Loans past due 90 days or more and not classified as nonperforming	124
Troubled debt restructuring	104
Potential problem loans	-
Allowance for credit losses (beginning of period)	2,169
Total charge-offs	378
Total recoveries	160
Allowance for credit losses (end of period)	2,202
Allowance for credit losses allocated to domestic loans	841
Allowance for credit losses allocated to foreign loans	3
Allowance for credit losses - unallocated	1,358

The schedule contains summary information extracted from the September 30, 1994, Form 10-Q for NationsBank Corporation and is qualified in its entirety by reference to such financial statements.
</TABLE>

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 14, 1994

/s/ Marc D. Oken

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

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 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	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Average common shares outstanding	275,868	254,712	274,292	254,023
Dilutive effect of				
Convertible preferred stock	2,409	2,412	2,409	2,411
Stock options	1,622	1,535	1,583	1,620
Total fully dilutive shares	279,899	258,659	278,284	258,054
Income available to common shareholders before effect of change in method of accounting for income taxes	$ 428	$ 338	$ 1,277	$ 921
Preferred dividends paid on dilutive convertible preferred stock	3	3	7	7
Income available to common shareholders adjusted for full dilution and before effect of change in method of accounting for income taxes	431	341	1,284	928
Effect of change in method of accounting for income taxes	-	-	-	200
Total net income available for common shareholders adjusted for full dilution	$ 431	$ 341	$ 1,284	$ 1,128
Fully diluted earnings per common share before effect of change in method of accounting for income taxes	$ 1.54	$ 1.32	$ 4.62	$ 3.60
Fully diluted earnings per common share	$ 1.54	$ 1.32	$ 4.62	$ 4.37

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The schedule contains summary information extracted from the September 30,
1994, Form 10-Q for NationsBank Corporation and is qualified in its entirety
by reference to such financial statements.
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