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 March 31, 1996

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 April 30, 1996, there were 299,472,502 shares of NationsBank Corporation Common Stock outstanding.

NationsBank Corporation

March 31, 1996 Form 10-Q

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Part I. Financial Information

Item 1. Financial Statements

<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Statement of Income

(Dollars in Millions Except Per-Share Information)
<CAPTION>

	Three Months Ended March 31	
	1996	1995
<S>	<C>	<C>
Income from Earning Assets		
Interest and fees on loans	$ 2,573	$ 2,176
Lease financing income	66	50
Interest and dividends on securities		
Held for investment	58	234
Available for sale	356	106
Interest and fees on loans held for sale	25	1
Interest on time deposits placed and other short-term investments	18	40
Federal funds sold	8	16
Securities purchased under agreements to resell	183	214
Trading account securities	286	233
Total income from earning assets	3,573	3,070
Interest Expense		
Deposits	858	783
Borrowed funds	651	598
Trading account liabilities	191	222
Long-term debt	316	160
Total interest expense	2,016	1,763
Net interest income	1,557	1,307
Provision for credit losses	155	70
Net credit income	1,402	1,237
Gains on sales of securities	14	1
Noninterest income	885	726
Other real estate owned expense	-	2
Merger-related charge	118	-
Other noninterest expense	1,394	1,288
Income before income taxes	789	674
Income tax expense	276	231
Net income	$ 513	$ 443
Net income available to common shareholders	$ 509	$ 441
Per-share information		
Earnings per common share	$ 1.70	$ 1.60
Fully diluted earnings per common share	$ 1.67	$ 1.58
Dividends per common share	$ .58	$ .50
Average common shares issued (in thousands)	300,279	276,415

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

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

	March 31 1996	December 31 1995
<S>	<C>	<C>
Assets		
Cash and cash equivalents	$ 7,465	$ 8,448
Time deposits placed and other short-term investments	1,026	1,296
Securities		
Held for investment, at cost (market value - $4,087 and $4,432)	4,104	4,432
Available for sale	17,771	19,415
Total securities	21,875	23,847

Loans held for sale	2,221	1,663
Federal funds sold	105	111
Securities purchased under agreements to resell	6,088	6,119
Trading account assets	19,569	18,867
Loans and leases, net of unearned income	123,169	116,042
Factored accounts receivable	1,175	991
Loans, leases and factored accounts receivable, net of unearned income	124,344	117,033
Allowance for credit losses	(2,253)	(2,163)
Premises, equipment and lease rights, net	2,634	2,508
Customers' acceptance liability	1,134	918
Interest receivable	1,478	1,597
Mortgage servicing rights	782	707
Goodwill	1,438	1,139
Core deposit and other intangibles	376	375
Other assets	6,093	4,833
	$ 194,375	$ 187,298
Liabilities		
Deposits		
Noninterest-bearing	$ 24,101	$ 23,414
Savings	9,479	8,257
NOW and money market deposit accounts	30,432	28,160
Time	33,104	27,971
Foreign time	12,506	12,889
Total deposits	109,622	100,691
Federal funds purchased	4,896	5,940
Securities sold under agreements to repurchase	23,402	23,034
Trading account liabilities	11,109	15,177
Commercial paper	2,883	2,773
Other short-term borrowings	4,317	4,143
Liability to factoring clients	681	580
Acceptances outstanding	1,134	918
Accrued expenses and other liabilities	4,115	3,466
Long-term debt	18,659	17,775
Total liabilities	180,818	174,497
Contingent liabilities and other financial commitments (Note 5)		
Shareholders' Equity		
Preferred stock: authorized - 45,000,000 shares; issued - 5,346,543 and 2,473,081 shares.	176	105
Common stock: authorized - 800,000,000 shares; issued - 299,317,787 and 274,268,773 shares.	5,020	4,655
Retained earnings	8,353	7,826
Other, including loan to ESOP trust	8	215
Total shareholders' equity	13,557	12,801
	$ 194,375	$ 187,298

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

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

	Three Months Ended March 31	
	1996	1995
<S>	<C>	<C>
Operating Activities		
Net income	$ 513	$ 443
Reconciliation of net income to net cash used by operating activities		
Provision for credit losses	155	70
Gains on sales of securities	(14)	(1)
Depreciation and premises improvements amortization	75	68
Amortization of intangibles	26	30
Deferred income tax expense	43	60
Net change in trading instruments	(4,803)	(3,459)
Net decrease in interest receivable	190	152
Net increase (decrease) in interest payable	(410)	81
Net (increase) decrease in loans held for sale	(557)	32
Net increase in liability to factoring clients	102	96
Other operating activities	150	(507)
Net cash used by operating activities	(4,530)	(2,935)
Investing Activities		
Proceeds from maturities of securities held for investment	332	275
Purchases of securities held for investment	(2)	(25)

Proceeds from sales and maturities of securities available for sale...............	9,757	5,415
Purchases of securities available for sale..	(4,667)	(6,216)
Net (increase) decrease in federal funds sold and securities purchased under agreements to resell...	314	(2,576)
Net (increase) decrease in time deposits placed and other short-term investments...	252	(591)
Net originations of loans and leases..	(2,329)	(2,873)
Purchases of loans and leases...	(1,499)	(793)
Proceeds from sales and securitizations of loans and leases.......................	2,414	262
Purchases and originations of mortgage servicing rights...........................	(107)	(517)
Purchases of factored accounts receivable...	(1,844)	(1,963)
Collections of factored accounts receivable.......................................	1,655	1,740
Net purchases of premises and equipment...	(79)	(80)
Proceeds from sales of other real estate owned....................................	42	56
Sales/(acquisitions) of business activities, net of cash..........................	(19)	(155)
Net cash provided (used) by investing activities...............................	4,220	(8,041)
Financing Activities		
Net increase (decrease) in deposits...	(10)	273
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase...	(1,640)	6,912
Net increase (decrease) in other short-term borrowings and commercial paper........	(19)	1,050
Proceeds from issuance of long-term debt..	1,753	1,503
Retirement of long-term debt..	(455)	(95)
Proceeds from issuance of common stock..	35	28
Cash dividends paid...	(178)	(140)
Common stock repurchased..	(157)	(79)
Other financing activities..	(2)	(83)
Net cash provided (used) by financing activities...............................	(673)	9,369
Net decrease in cash and cash equivalents..	(983)	(1,607)
Cash and cash equivalents on January 1...	8,448	9,582
Cash and cash equivalents on March 31..	$ 7,465	$ 7,975

Loans transferred to other real estate owned amounted to $46 and $18 for the three months ended March 31, 1996 and 1995, respectively.

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

<TABLE>
NationsBank Corporation and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Millions, Shares in Thousands)
<CAPTION>

<S>	Preferred Stock <C>	Common Stock Shares <C>	Common Stock Amount <C>	Retained Earnings <C>	Loan to ESOP Trust <C>	Other <C>	Total Shareholders' Equity <C>
Balance on December 31, 1994.................	$ 111	276,452	$ 4,740	$ 6,451	$ (76)	$ (215)	$ 11,011
Net income.................................				443			443
Cash dividends							
Common..................................				(138)			(138)
Preferred...............................				(2)			(2)
Common stock issued under dividend reinvestment and employee plans..........		517	23			5	28
Common stock repurchased...................		(1,551)	(79)				(79)
Valuation reserve for securities available for sale and marketable equity securities.						90	90
Other......................................	(1)	(1)				(5)	(7)
Balance on March 31, 1995....................	$ 110	275,418	$ 4,684	$ 6,753	$ (76)	$ (125)	$ 11,346
Balance on December 31, 1995.................	$ 105	274,269	$ 4,655	$ 7,826	$ (63)	$ 278	$ 12,801
Net income.................................				513			513
Cash dividends							
Common..................................				(174)			(174)
Preferred...............................				(4)			(4)
Common stock issued under dividend reinvestment and employee plans..........		831	28			7	35
Stock issued in acquisitions...............	73	26,305	491	192		2	758
Common stock repurchased...................		(2,110)	(157)				(157)
Net change in unrealized gains/(losses) on securities available for sale and marketable equity securities.............						(215)	(215)
Other......................................	(2)	23	3			(1)	-

Balance on March 31, 1996....................	$ 176	299,318	$ 5,020	$ 8,353	$ (63)	$ 71	$ 13,557

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

NationsBank Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 1 - Accounting Policies

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

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

Accounting policies followed in the presentation of interim financial results are presented on pages 51, 52 and 53 of the 1995 Annual Report to Shareholders, incorporated by reference into the Annual Report on Form 10-K, for the year ended December 31, 1995.

Note 2 - Acquisition Activity

On January 9, 1996, the Corporation completed the acquisition of Bank South Corporation (Bank South), headquartered in Atlanta, Georgia. Each outstanding share of Bank South common stock was converted into .44 shares of Corporation common stock, resulting in the net issuance of 26,304,617 shares of common stock by the Corporation. Bank South's total assets, total deposits and total shareholders' equity were $7.4 billion, $5.1 billion and $685 million, respectively, on the date of acquisition. This acquisition was accounted for as a pooling of interests and does not have a material impact on the results of operations or financial condition of the Corporation.

During January and February 1996, the Corporation acquired a banking organization in Florida and one in Texas. Combined total loans and total deposits acquired were $3.1 billion and $3.9 billion, respectively. These acquisitions were accounted for as purchases.

During the first quarter of 1996, the Corporation recorded a merger-related charge of $118 million pre-tax, as discussed in Note 7.

The Corporation had ownership of 42 percent of Charter Bancshares, Inc. (Charter), a multi-bank holding company headquartered in Houston, Texas. On January 25, 1996, the Corporation entered an agreement to acquire the remaining outstanding common shares of Charter for 1.4 million shares of the Corporation's common stock. Charter had total assets and total deposits of $896 million and $732 million, respectively, on March 31, 1996. This acquisition will be accounted for as a purchase. The acquisition is subject to approval by Charter shareholders and is expected to be completed in the second quarter of 1996.

On February 15, 1996, NationsCredit Commercial Corporation, a wholly owned subsidiary of the Corporation, entered into an agreement to acquire LDI Corporation (LDI) by purchasing all of the outstanding shares of capital stock of LDI at an aggregate purchase price of approximately $28 million, payable in cash. On March 31, 1996, LDI had assets of $285 million. This acquisition was accounted for as a purchase and was consummated on April 29, 1996.

On April 25, 1996, the Corporation entered into an agreement to acquire from Bluebonnet Savings Bank, FSB (Bluebonnet) 21 branches, with aggregate deposits at March 31, 1996 of $992 million, for approximately $47 million, payable in cash. This acquisition will be accounted for as a purchase. The acquisition is subject to approval by Bluebonnet shareholders and various regulatory agencies and is expected to be completed in the third quarter of 1996.

On April 26, 1996, the Corporation agreed to acquire TAC Bancshares, Inc. (TAC) and its subsidiary, Chase Federal Bank FSB (Chase Federal), headquartered in Miami, Florida, for approximately $280 million, in the aggregate, payable in cash. On March 31, 1996, TAC and Chase Federal had total assets and total deposits of $2.8 billion and $2.0 billion, respectively. These acquisitions will be accounted for as purchases. The acquisitions are subject to approval by Chase Federal shareholders and various regulatory agencies and are expected to be completed simultaneously in the third quarter of 1996.

The acquisitions discussed above are not expected to have a material impact on the results of operations or financial condition of the Corporation.

Note 3 - Trading Account Assets and Liabilities

The fair values of the components of trading account assets and liabilities on March 31, 1996 and December 31, 1995 and the average market values for the three months ended March 31, 1996 were (dollars in millions):

<TABLE>
<CAPTION>

	March 31 1996	December 31 1995	First Quarter 1996 Average
<S>	<C>	<C>	<C>
Securities owned			

U.S. Treasury securities	$ 10,596	$ 10,364	$ 12,774
Securities of other U.S. Government agencies and corporations	1,675	1,508	1,747
Certificates of deposit, bankers' acceptances and commercial paper	515	555	981
Corporate debentures	784	1,443	1,170
Foreign sovereign instruments	685	576	74
Other securities	1,034	402	1,467
Total securities owned	15,289	14,848	18,213
Derivatives-dealer positions	4,280	4,019	3,534
Total trading account assets	$ 19,569	$ 18,867	$ 21,747
Short sales			
U.S. Treasury securities	$ 6,488	$ 11,066	$ 11,161
Securities of other U.S. Government agencies and corporations	5	16	14
Corporate debentures	509	683	502
Other securities	331	17	808
Total short sales	7,333	11,782	12,485
Derivatives-dealer positions	3,776	3,395	3,070
Total trading account liabilities	$ 11,109	$ 15,177	$ 15,555

</TABLE>

Derivative-dealer positions presented in the table above represent the fair values of interest rate, foreign exchange, equity and commodity-related products, including financial futures, forward settlement and option contracts and swap agreements associated with the Corporation's derivative trading activities.

Note 4 - Debt

In the first quarter of 1996, the Corporation issued $752 million of senior notes due 2001 to 2006, $257 million of which bear interest at floating rates and $495 million of which bear interest at fixed rates ranging from 5.60 % to 6.95 %. Subordinated notes in the amount of $401 million were issued, due 2006 through 2011 with interest rates ranging from 6.375 % to 7.383 %.

Of debt issued in the three months ended March 31, 1996, $896 million of fixed-rate debt with rates ranging from 5.60 % to 7.383 % was swapped to floating rates at spreads over LIBOR.

Under the bank note program jointly maintained by NationsBank, N.A., NationsBank, N.A. (South) and NationsBank of Texas, N.A., bank notes may be offered from time to time up to $9.0 billion with fixed or floating rates and maturities from 30 days to 15 years from date of issue. On March 31, 1996, there were short-term bank notes outstanding of $3.1 billion. In addition, NationsBank of Texas, N.A. and NationsBank, N.A. together had outstanding bank notes of $2.5 billion on March 31, 1996 that were classified as long-term debt.

On March 15, 1996, the Corporation redeemed $300 million of 10 1/2% subordinated notes, due 1999.

Between March 31, 1996 and May 7, 1996, the Corporation issued an additional $155 million of senior notes due 2002 to 2006, $15 million of which bears interest at a floating rate and $140 million of which bear interest at fixed rates ranging from 6.65 % to 7.125 %. During this same period, the Corporation issued a $25 million subordinated note bearing interest at 7.58 %, maturing in 2011. As of May 7, 1996, the Corporation had approximately $2.1 billion of capacity available under its existing shelf registration statement and $1.2 billion available under a Euro medium-term note program.

On March 31, 1996 and December 31, 1995, the Corporation had unused commercial paper back-up lines of credit totaling $1.5 billion which will expire in 1997. These lines were supported by fees paid directly by the Corporation to unaffiliated banks.

Note 5 - Commitments and Contingencies

The Corporation enters into commitments to extend credit, standby letters of credit and commercial letters of credit to meet the financing needs of its customers. The commitments shown below have been reduced by amounts collateralized by cash and participated to other financial institutions. The following summarizes commitments outstanding (dollars in millions):

<TABLE>
<CAPTION>

	March 1996	December 1995
<S>	<C>	<C>
Commitments to extend credit		
Credit card commitments	$ 22,296	$ 21,033
Other loan commitments	66,797	66,638
Standby letters of credit and financial guarantees	8,592	8,356
Commercial letters of credit	922	986

</TABLE>

On March 31, 1996 and December 31, 1995, indemnified securities lending transactions totaled $2.5 billion and $2.6 billion, respectively. Collateral, with a market value of $2.6 billion and $2.7 billion for the respective periods, was obtained by the Corporation in support of these transactions.

On March 31, 1996, the Corporation had commitments to purchase and sell when-issued securities of $5.9 billion and $6.1 billion, respectively. This compares to commitments to purchase and sell when-issued securities of $4.4 billion and $4.3 billion, respectively, on December 31, 1995.

See Tables 12 and 13 and the accompanying discussion in Item 2 regarding the Corporation's derivatives used for risk management purposes.

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

Note 6 - Loans, Leases and Factored Accounts Receivable

The distribution of loans, leases and factored accounts receivable on March 31, 1996 and December 31, 1995 was as follows (dollars in millions):

<TABLE>
<CAPTION>

	March 31 1996		December 31 1995	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Domestic				
Commercial.....................	$ 50,375	40.6 %	$ 47,989	41.0 %
Real estate commercial.........	6,131	4.9	6,183	5.3
Real estate construction.......	3,154	2.5	2,976	2.5
Total commercial............	59,660	48.0	57,148	48.8
Residential mortgage...........	27,667	22.3	24,026	20.6
Credit card....................	5,741	4.6	6,532	5.6
Other consumer.................	23,615	19.0	22,287	19.0
Total consumer..............	57,023	45.9	52,845	45.2
Lease financing................	3,398	2.7	3,264	2.8
Factored accounts receivable...	1,175	.9	991	.8
	121,256	97.5	114,248	97.6
Foreign........................	3,088	2.5	2,785	2.4
Total loans, leases and factored accounts receivable, net of unearned income..........	$ 124,344	100.0 %	$ 117,033	100.0 %

</TABLE>

On March 31, 1996, the recorded investment in certain loans that were considered to be impaired was $554 million, all of which were classified as nonperforming. Impaired loans on March 31, 1996 were comprised of commercial loans of $359 million, real estate commercial loans of $180 million and real estate construction loans of $15 million. Of these impaired loans, $376 million had a valuation allowance of $58 million and $178 million did not have a valuation allowance primarily due to the application of interest payments against book balances or write-downs previously made with respect to these loans.

On March 31, 1996 and December 31, 1995, nonperforming loans, including certain loans which are considered to be impaired, totaled $841 million and $706 million, respectively. Other real estate owned amounted to $144 million and $147 million on March 31, 1996 and December 31, 1995, respectively.

Note 7 - Merger-Related Charge

During the first quarter of 1996, primarily in connection with the acquisition of Bank South, the Corporation recorded a pre-tax merger-related charge of $118 million. The charge consisted of $34 million of severance costs, $28 million for facilities consolidations and branch closures, $11 million related to cancellations of contractual obligations, and other merger-related expenses. Of the $118 million accrued charge, approximately $77 million remained at March 31, 1996 and is expected to be used in 1996.

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

Earnings Review

The continued operating momentum under way at the Corporation was demonstrated through a 33-percent increase in operating net income to $590 million, or $1.95 per share, in the first quarter of 1996 over the same quarter of 1995. Including a one-time merger-related charge of $118 million ($77 million, net of tax), the Corporation earned $513 million in the first quarter of 1996.

Key performance highlights for the first quarter of 1996 were:

Operating return on average common shareholders' equity rose to 18.07 percent in the first quarter of 1996 compared to 16.03 percent in the first quarter of 1995. Including the merger-related charge, the return on average common shareholders' equity was 15.71 percent.

Taxable-equivalent net interest income increased 19 percent to $1.6 billion in the first quarter of 1996 over the same prior year quarter due to 12-percent internal growth in average loans and leases, higher spreads in the securities portfolio and the impact of acquisitions.

Noninterest income increased 22 percent to $885 million in the first quarter of 1996 over the first quarter of 1995, driven primarily by higher investment banking fees, service fees and mortgage servicing fees.

Revenue growth continued to outpace expense growth in the first quarter of 1996, improving the efficiency ratio to 56.4 percent compared to 62.5 percent in the first quarter of 1995.

Excluding the impact of acquisitions, noninterest expense increased 3 percent during the first quarter of 1996 compared to the first quarter of 1995. Including the impact of acquisitions, noninterest expense increased 8 percent.

Provision for credit losses increased to $155 million for the first quarter of 1996 compared to $70 million for the first quarter of 1995, reflecting both growth in consumer lending as well as the continuation of a return to more normalized levels following periods of unusually low net credit losses. Nonperforming assets increased to $985 million on March 31, 1996 compared to $853 million at the end of 1995, due principally to acquisitions.

Business Unit Operations

The Corporation provides a diversified range of banking and certain nonbanking financial services and products through its various subsidiaries. The Corporation manages its business activities through three major Business Units: the General Bank, Global Finance and Financial Services. The Business Units are managed with a focus on numerous performance objectives including return on equity, operating efficiency and net income. Table 2 summarizes key performance measures for each of the Business Units.

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

The General Bank includes the Banking Group, which contains the retail banking network and is the service provider for the consumer sector as well as small and medium-size companies. Within the General Bank, specialized services, such as the origination and servicing of home mortgage loans, the issuance and servicing of credit cards, indirect lending, dealer finance and certain insurance services, are provided throughout the Corporation's franchise, and on a nationwide basis for certain products, through the Financial Products Group. The General Bank also contains the Asset Management Group which contains NationsBank Investments and Investment Management, which includes the full-service and discount brokerage companies and provides mutual fund and investment management services, and the Private Client Group, which offers investment management, banking and fiduciary services.

The General Bank earned $386 million in the first quarter of 1996, an increase of 55 percent over the same period in 1995. The Banking Group's 15-percent loan growth net of acquisitions and growth in deposit fee income reflected the full impact of recent acquisitions and accounted for most of the General Bank's increased earnings over the same period last year. The General Bank's return on equity rose 500 basis points to 22 percent in the first quarter of 1996 compared to the first quarter of 1995. Taxable-equivalent net interest income in the General Bank increased $245 million reflecting the impact of acquisitions, broad-based loan growth and deposit cost containment efforts. Acquisitions accounted for just under one-half of the net interest income growth. Excluding acquisitions, loan growth of $9.5 billion was driven by residential mortgage loans, up $6.3 billion, and credit card loans, up $2.0 billion net of securitizations.

Noninterest income rose 21 percent from the first quarter of 1995 to $580 million in the first quarter of 1996 led by increases in deposit service fee income, acquisition-related mortgage servicing fees and brokerage income. Noninterest expense increased 6 percent, significantly below the total revenue growth of 25 percent. Acquisition-related increases in personnel and higher general operating expense accounted for most of the year-over-year growth. These increases were partly offset by reduced deposit insurance expense and the continued optimization of General Bank's retail banking center delivery network combined with efficiencies gained in commercial banking. Strong revenue growth, a moderate increase in operating expense and the initial integration of recent acquisitions led to the improvement in the efficiency ratio, down to 58.4% compared to 68.6% in the same period in 1995.

Global Finance provides comprehensive corporate banking and investment banking services to domestic and international customers. This unit includes the Corporate Finance, Specialized Lending and Capital Markets groups. Treasury management, loan syndication, asset-backed lending, leasing, factoring and arrangement of asset-backed and project financing for clients are representative of the services provided by Global Finance. The Capital Markets group underwrites, trades and distributes a wide range of securities (including bank-eligible securities and, to a limited extent, bank-ineligible securities as authorized by the Board of Governors of the Federal Reserve System under Section 20 of the Glass-Steagall Act) and trades and distributes financial futures, forward settlement contracts, option contracts, swap agreements and other derivative products in certain interest rate, foreign exchange, commodity and equity markets and spot and forward foreign exchange contracts through two principal units, NationsBanc - CRT (CRT) and NationsBanc Capital Markets, Inc. (NCMI).

Global Finance earned $167 million in the first quarter of 1996 compared to $163 million in the first quarter of 1995. The return on equity increased to 18 percent versus 17 percent in the same period a year ago. Taxable-equivalent net interest income for the first quarter of 1996 was $278 million compared to $304 million in the first quarter of 1995 due to narrower commercial loan spreads resulting from the Corporation's increased use of medium and long-term debt to fund loan growth and increased competitive pressure on commercial loan pricing, and the Corporation's efforts to reduce commercial real estate outstandings in Corporate Finance and Specialized Lending.

Noninterest income in the first quarter of 1996 increased 20 percent over the same period last year driven by strong investment banking fees, which more than doubled to $97 million in the first quarter of 1996, and a gain on the sale of Panmure Gordon, the Corporation's British brokerage firm. Partly offsetting these increases were lower trading income and foreign exchange losses. Noninterest expense for the period rose just 3 percent leading to an improved 51.7 percent efficiency ratio, compared to 52.1 percent in the first quarter of 1995.

Financial Services is composed of the holding company, NationsCredit Corporation, which includes NationsCredit Consumer Corporation, primarily a consumer finance operation, and NationsCredit Commercial Corporation, primarily a commercial finance operation. NationsCredit Consumer Corporation provides personal, mortgage and automobile loans to consumers and retail finance programs to dealers. NationsCredit Commercial Corporation consists of six divisions that specialize in one or more of the following commercial financing areas: equipment loans and leasing; loans for debt restructuring, mergers and acquisitions and working capital; real estate, golf/recreational and health care financing; and inventory financing to manufacturers, distributors and dealers.

Financial Services' earnings of $36 million in the first quarter of 1996 increased 38 percent over the same period in 1995. This improvement was the result of a $1.1-billion, or 17-percent, growth in average loans and leases. Market demand in the commercial real estate and distribution finance business coupled with consumer lending resulting primarily from new office expansion contributed to loan growth. The increase in provision for credit losses was driven mainly by loan growth, but also by higher loss rates. The net interest yield of 7.45 percent was up 29 basis points from 1995, due principally to lower funding costs. Noninterest income grew nearly 70 percent to $27 million in the first quarter, reflecting increased warrant gains, higher loan prepayment fees and insurance commissions. Noninterest expense increased $20 million, or 34 percent, driven by office consolidation costs and higher personnel expense associated with the expansion of consumer finance operations. The return on equity rose to 13 percent in the first quarter of 1996 compared to 12 percent in the same period in 1995.

Results of Operations

Net Interest Income

An analysis of the Corporation's taxable-equivalent net interest income and average balance sheet levels for the last five quarters is presented in Table 3.

Taxable-equivalent net interest income increased $249 million to $1.6 billion in the first quarter of 1996 compared to the first quarter of 1995. The increase was attributable to internal loan growth of 12 percent, higher spreads in the securities portfolio and acquisitions of several banking operations. The increase was partially offset by the use of higher cost market-based funds and term debt. As the growth in earning assets has outpaced customer deposit growth, the Corporation has shifted to alternative funding sources such as term debt.

Of the $502-million increase in interest income, $532 million was due to higher average earning assets (primarily average loans and leases), which was partially offset by a $30-million decrease resulting from lower yields on all average earning assets except for securities. Interest expense increased by $253 million with $294 million resulting from higher levels of average interest-bearing liabilities (primarily securities sold under agreements to repurchase and long-term debt), which more than offset the $41-million impact of lower rates on average interest-bearing liabilities.

Loan growth is expected to continue, but is dependent on economic conditions as well as various discretionary factors, such as decisions to securitize certain loan portfolios, the retention of residential mortgage loans generated by the Corporation's mortgage subsidiary and the management of borrower, industry, product or geographic concentrations.

The net interest yield of 3.43 percent in the first quarter of 1996 reflected the funding of earning asset growth principally with market-based funds and term debt and the addition of $5.5 billion in low-spread trading-related assets when compared to the first quarter of 1995. Had the relative mix of low-spread trading-related assets to total average earning assets remained constant in the first quarter of 1996 compared to the same period in 1995, the first quarter net interest yield in 1996 would have been

3.50 percent.

Provision for Credit Losses

The provision for credit losses was $155 million in the first quarter of 1996 compared to $70 million in the first quarter of 1995, reflecting the continuing shift in the mix of the loan portfolio towards consumer lending as well as the industry-wide trend towards higher losses compared to unusually low levels in prior periods. Net charge-offs in the first quarter of 1996 increased to $155 million from $83 million in the comparable 1995 period due to higher credit card and other consumer net charge-offs. Both higher levels of consumer loans and loss rates contributed to the higher charge-offs. Management expects the higher level of charge-offs experienced in the first quarter of 1996 to continue as the Corporation continues its efforts to shift the mix of the loan portfolio to a higher consumer concentration, and credit losses continue to return to more normalized levels.

The allowance for credit losses was $2.3 billion, or 1.81 percent of net loans, leases and factored accounts receivable, on March 31, 1996 compared to $2.2 billion, or 1.85 percent, on December 31, 1995. The allowance for credit losses was 268 percent of nonperforming loans on March 31, 1996 compared to 306 percent on December 31, 1995. Future economic conditions will impact credit quality and may result in increased net charge-offs and higher provisions for credit losses.

Gains on Sales of Securities

Gains on the sales of securities were $14 million in the first quarter of 1996 compared to $1 million in the first quarter of 1995, primarily reflecting the Corporation's sales of lower-yielding U.S. Treasuries and certain securities acquired in acquisitions.

Noninterest Income

As presented in Table 4, noninterest income increased $159 million to $885 million in the first quarter of 1996, reflecting diverse fee generating activities as described below:

* Service charges on deposit accounts increased $52 million, or 25 percent, over the first quarter of 1995, attributable to growth in the number of households served, in part due to acquisitions, and higher fees.
* Mortgage servicing and related fees grew $26 million, or 124 percent, to $47 million in the first quarter of 1996, primarily due to acquisitions of several mortgage banking operations and servicing portfolios. The average portfolio of loans serviced more than doubled from $40.6 billion in the first quarter of 1995 to $83.1 billion in the first quarter of 1996. Mortgage loan originations through the Corporation's mortgage banking subsidiary increased $1.6 billion to $3.1 billion in the first quarter of 1996 compared to $1.5 billion one year earlier, primarily reflecting changes in the interest rate environment.
* Origination volume in the first quarter of 1996 consisted of approximately $1.2 billion of retail loan volume and $1.9 billion of correspondent loan volume.

  In conducting its mortgage banking activities, the Corporation is exposed to fluctuations in interest rates. Loans originated for sale to third parties expose the Corporation to interest rate risk for the period between loan commitment date and subsequent delivery. Additionally, the value of the Corporation's mortgage servicing rights is affected by changes in prepayment rates. To manage risks associated with mortgage banking activities, the Corporation enters into various instruments including option contracts, forward delivery contracts and certain rate swaps. The contract notional amount of these instruments approximated $6.9 billion on March 31, 1996. Net unrealized gains associated with these contracts were $20.8 million on March 31, 1996.
* Investment banking income totaled $99 million in the first quarter of 1996, an increase of 102 percent over the first quarter of 1995, primarily reflecting higher gains on venture capital sales and increased debt underwriting volume. The Global Finance syndication group was agent or co-agent on 84 deals totaling $37.8 billion this quarter, compared to 64 deals totaling $56.5 billion in the first quarter of 1995. Additionally, fee income associated with the Capital Markets group's asset-backed financing arrangements on behalf of customers increased as this group arranged 14 asset-backed financings totaling $1.8 billion in the first quarter of 1996.
* Other service fee income increased 55 percent to $45 million in the first quarter of 1996 compared to the first quarter of 1995. The $16 million increase was primarily due to increased fees associated with leasing activities and acquisitions.
* Asset management and fiduciary service fees declined $5 million, principally reflecting the sale of Corporate Trust, the Corporation's trust business that dealt with bond servicing and administration.
* Miscellaneous income totaled $103 million in the first quarter of 1996, an increase of $26 million, or 34 percent, over the first quarter of 1995. Miscellaneous income included certain prepayment fees and net gains on sales of miscellaneous investments and business activities, premises, venture capital investments and other similar items.
* Trading account profits and fees, including foreign exchange income, totaled $68 million in the first quarter of 1996, a decrease of $15 million from $83 million for the same period in 1995 primarily due to a lower level of foreign exchange income.

An analysis of trading account profits and fees by major business activity follows (in millions):

Three Months Ended

	March 31	
	1996	1995
Securities trading	$ 10	$ 35
Interest rate contracts	56	24
Foreign exchange contracts	(7)	9
Other	9	15
	$ 68	$ 83

In addition to trading account profits and fees, the Capital Markets group also generates investment banking income and brokerage income as described above.

Noninterest Expense

As presented in Table 5, the Corporation's noninterest expense increased 8 percent to $1.4 billion in the first quarter of 1996 compared to $1.3 billion for the same period one year earlier. Excluding the impact of acquisitions, noninterest expense increased only 3 percent in the first quarter of 1996 compared to the first quarter of 1995.

Increased expenditures in selected areas to increase revenue growth, such as enhancing customer sales and optimizing product delivery channels, contributed to the year-over-year increase. These increases were partially offset by lower deposit insurance, lower expenses as a result of selling the merchant discount credit card unit at the end of the first quarter of 1995 and Corporate Trust in the fourth quarter of 1995 and expense savings associated with streamlining and consolidating the infrastructure of several General Bank administrative and support areas as well as modifying certain business activities.

A summary of the significant components of noninterest expense for the first quarter of 1996 compared to the first quarter of 1995 is as follows:
* Personnel expense increased $37 million over 1995, primarily due to the impact of acquisitions. Excluding the $33 million impact of acquisitions, personnel expense remained relatively flat between the first quarter of 1996 and the first quarter of 1995.
* Equipment expense increased 14 percent to $106 million in the first quarter of 1996 over the first quarter of 1995, reflecting enhancements to computer resources and product delivery systems.
* Marketing expense increased $9 million to $67 million in the first quarter of 1996, primarily attributable to the Corporation's sponsorship of the 1996 Olympic Summer Games.
* Professional fees increased $12 million to $49 million in the first quarter of 1996 compared to the first quarter of 1995. This increase was primarily due to an increase in consulting fees for projects to enhance revenue growth.
* The Corporation's deposit insurance expense decreased $44 million, or 86 percent, to $7 million in the first quarter of 1996 from $51 million in the first quarter of 1995, primarily reflecting reductions in insurance rates charged by the FDIC beginning June 1, 1995.

* The Corporation's combined other general operating expenses increased $59 million to $148 million in the first quarter of 1996 compared to the first quarter of 1995. Included in the first quarter 1996 expense was a $40-million pre-tax charge reflecting the estimated loss associated with fraudulent commercial loan transactions. Management currently anticipates no additional charges will be incurred in connection with these transactions.

Income Taxes

The Corporation's income tax expense was $276 million in the first quarter of 1996 compared to $231 million for the same period of 1995. The effective tax rate was 35.0 percent of pretax income in the first quarter of 1996, compared to 34.8 percent for the full year 1995 and 34.3 percent in the first quarter of 1995.

Balance Sheet Review And Liquidity Risk Management

The Corporation utilizes an integrated approach in managing its balance sheet which includes management of interest rate sensitivity, credit risk, liquidity risk and capital position.

Table 6 provides an analysis of the sources and uses of funds for the quarters ended March 31, 1996 and 1995 based on average levels. Market-based funds increased $7.3 billion during the first quarter of 1996 over the same period during 1995, but comprised a smaller portion of total sources of funds, at 35 percent for the first quarter of 1996 compared to 38 percent during the first quarter of 1995. Average long-term debt increased $10.0 billion in the first quarter of 1996 over levels for the comparable 1995 period and represented 9 percent of total sources of funds compared to 5 percent during the same period of 1995.

Customer-based funds increased $9.6 billion in the first quarter of 1996 compared to the first quarter of 1995 primarily due to deposits acquired in recent acquisitions. As a percentage of total sources, customer-based funds decreased to 45 percent in the first quarter of 1996 from 47 percent in the first quarter of 1995.

Loans and leases, the Corporation's primary use of funds, increased $19.5 billion during the first quarter of 1996 compared to the same period of 1995 and comprised 59 percent of total uses of funds for both periods. The ratio of average loans and leases to customer-based funds increased to 132 percent in the first quarter of 1996 compared to 124 percent in the first quarter of 1995 due to strong loan growth, including acquisitions, and the use of market-based funds and term debt to support earning asset growth.

Cash and cash equivalents were $7.5 billion on March 31, 1996, a decrease of $983 million from December 31, 1995. During the first quarter of 1996, net cash used in operating activities was $4.5 billion, net cash provided by investing activities was $4.2 billion and net cash used in financing activities was $673 million. For further information on cash flows, see the Consolidated Statement of Cash Flows in the consolidated financial statements.

Liquidity is a measure of the Corporation's ability to fulfill its cash requirements and is managed by the Corporation through its asset and liability management process. The Corporation assesses the level of liquidity necessary to meet its cash requirements by monitoring its assets and liabilities and modifying these positions as liquidity requirements change. This process, coupled with the Corporation's ability to raise capital and debt financing, is designed to cover the liquidity needs of the Corporation. The following discussion provides an overview of significant on- and off-balance sheet components.

Securities

The securities portfolio on March 31, 1996 consisted of securities held for investment totaling $4.1 billion and securities available for sale totaling $17.8 billion compared to $4.4 billion and $19.4 billion, respectively, on December 31, 1995.

On March 31, 1996, the market value of the Corporation's portfolio of securities held for investment reflected net unrealized depreciation of $17 million. On December 31, 1995, the market value of securities held for investment equaled the book value of the portfolio.

The valuation reserve for securities available for sale and marketable equity securities increased shareholders' equity by $111 million on March 31, 1996, reflecting pretax appreciation of $31 million and $144 million on securities available for sale and marketable equity securities, respectively. The valuation reserve increased shareholders' equity by $323 million on December 31, 1995. The decrease in the valuation reserve was primarily attributable to maturities and sales of securities during the first quarter of 1996 as well as the general increase in interest rates when comparing December 31, 1995 to March 31, 1996.

The estimated average maturities of the securities held for investment and securities available for sale portfolios were 1.45 years and 4.69 years, respectively, on March 31, 1996 compared with 1.65 years and 2.96 years, respectively, on December 31, 1995, a reflection of mortgage-backed securities obtained primarily through acquisitions and the investment activity and maturities and sales which occurred during the first quarter of 1996.

Nonperforming Assets

As presented in Table 7, on March 31, 1996, nonperforming assets were $985 million, or .79 percent of net loans, leases, factored accounts receivable and other real estate owned, compared to $853 million, or .73 percent, on December 31, 1995. Nonperforming loans increased to $841 million on March 31, 1996 from $706 million on December 31, 1995. Approximately one-half of the increase in nonperforming loans was related to acquisitions while the remainder was attributable to the continuation of a return to more normal levels of credit quality. The allowance coverage of nonperforming loans was 268 percent on March 31, 1996 compared to 306 percent on December 31, 1995.

Allowance for Credit Losses

The Corporation's allowance for credit losses was $2.3 billion on March 31, 1996 compared to $2.2 billion on December 31, 1995. Table 8 provides an analysis of the changes in the allowance for credit losses. The provision for credit losses was $85 million higher in the first quarter of 1996 than in the first quarter of 1995, primarily as a result of growth and higher charge-offs in the consumer loan portfolio, which typically has higher loss levels than other types of lending, compared to unusually low levels in prior periods. Total net charge-offs increased $72 million in the current quarter to $155 million, or .50 percent of average loans, leases and factored accounts receivable, versus $83 million, or .32 percent, in the prior year's quarter. The increases were primarily concentrated in credit card and other consumer net charge-offs which increased $20 million and $24 million, respectively. The 45-percent growth in average credit card loan levels from the first quarter of 1995 to the first quarter of 1996 led to increased charge-offs which generally occur as the portfolios season. Additionally, an increase in the rate of personal bankruptcies in 1995 and into 1996 contributed to higher charge-offs. Management anticipates that the credit losses experienced in the first quarter of 1996 reflect more typical loss levels for this type of lending than the lower charges experienced in prior periods and that losses at these or higher levels will continue for the near future. Furthermore, future economic conditions also will impact credit quality and may result in increased net charge-offs and higher provisions for credit losses.

Concentrations of Credit Risk

Real Estate - Total nonresidential real estate commercial and construction loans, the portion of such loans which are nonperforming, OREO and other credit exposures are presented in Table 9. The exposures presented represent credit extensions for real estate-related purposes to borrowers or counterparties who are primarily in the real estate development or investment business and for which the ultimate repayment of the credit is dependent on the sale, lease, rental or refinancing of the real estate.

Total nonresidential real estate commercial and construction loans were $9.3 billion and $9.2 billion on March 31, 1996 and December 31, 1995, respectively, and declined as a percentage of net loans, leases and factored accounts receivable to 7 percent on March 31, 1996 from 8 percent on December 31, 1995. During the first quarter of 1996, the Corporation recorded real estate net charge-offs of $10 million, or .39 percent of average real estate loans, compared to $3 million, or .13 percent, in the first quarter of 1995. Nonperforming real estate commercial and construction loans totaled $195 million and $212 million on March 31, 1996 and December 31, 1995, respectively.

The exposures included in Table 9 do not include credit extensions which were made on the general creditworthiness of the borrower, for which real estate was obtained as security or as an abundance of caution, and for which the ultimate repayment of the credit is not dependent on the sale, lease, rental or refinancing of the real estate. Accordingly, the exposures presented do not include commercial loans secured by owner-occupied real estate, except where the borrower is a real estate developer. In addition to the amounts presented in the table, on March 31, 1996, the Corporation had approximately $7.6 billion of commercial loans which were not real estate dependent but for which the Corporation had obtained real estate as secondary repayment security.

Other Industries - Table 10 presents selected industry credit exposures. Commercial loans, factored accounts receivable and lease financing are included in the table. Other credit exposures as represented include loans held for sale, letters of credit, bankers' acceptances and derivatives exposures in a gain position. Commercial loan outstandings as a percentage of net loans, leases and factored accounts receivable remained at 41 percent and totaled $50.4 billion and $48.0 billion on March 31, 1996 and December 31, 1995, respectively. Net charge-offs of commercial loans totaled $20 million, or .16 percent of average commercial loans in the first quarter of 1996 compared to $3 million, or .04 percent in the first quarter of 1995. See Note 6 to the consolidated financial statements for information regarding the distribution of loans on March 31, 1996 and December 31, 1995.

Consumer - Total consumer loan outstandings on March 31, 1996 and December 31, 1995 were $57.0 billion and $52.8 billion, respectively. In addition to the credit card loans reported in the financial statements, on March 31, 1996, the Corporation managed $2.2 billion of credit card receivables which had been sold. Total average credit card receivables managed by the Card Services group totaled $7.6 billion in the first quarter of 1996 compared to $5.7 billion in the first quarter of 1995. In December 1995, the Corporation securitized approximately $1.1 billion of indirect auto loans. On a managed portfolio basis, that is, taking into account the credit card and indirect auto loan securitizations, net charge-offs as a percentage of average managed consumer loans in the first quarter of 1996 were 3.79 percent for credit card and 1.05 percent for other consumer loans. This compares to net charge-off ratios on a managed basis of 4.12 percent and 1.06 percent, respectively, for the fourth quarter of 1995 and 3.73 percent and .79 percent, respectively, for the first quarter of 1995.

Market Risk

In the normal course of conducting business activities, the Corporation is exposed to market risk which includes both price and liquidity risk. Price risk arises from fluctuations in interest rates, foreign exchange rates and commodity and equity prices that may result in changes in the values of financial instruments. Liquidity risk arises from the possibility that the Corporation may not be able to satisfy current and future financial commitments or that the Corporation may not be able to liquidate financial instruments at market prices. Risk management procedures and policies have been established and are utilized to manage the Corporation's exposure to market risk. The strategy of the Corporation with respect to market risk is to maximize net income while maintaining an acceptable level of risk to changes in market rates. While achievement of this goal requires a balance between profitability, liquidity and market price risk, there are opportunities to enhance revenues through controlled risks. In implementing strategies to manage interest rate risk, the primary tools used by the Corporation are the securities portfolio and interest rate swaps, and management of the mix, yields or rates and maturities of assets and of the wholesale and retail funding sources of the Corporation.

Table 11 represents the Corporation's interest rate gap position on March 31, 1996. Based on contractual maturities or repricing dates (or anticipated dates where no contractual maturity or repricing date exists), interest-sensitive assets and liabilities are placed in maturity categories. The Corporation's near-term cumulative interest rate gap position is a reflection of the strength of the customer-deposit gathering franchise which provides the Corporation with a relatively stable core deposit base. These funds have been deployed in longer-term interest earning assets, primarily loans and securities. A gap analysis is limited in its usefulness as it represents a one-day position, which is continually changing and not necessarily indicative of the Corporation's position at any other time. Additionally, the gap analysis does not consider the many factors accompanying interest rate movements.

On March 31, 1996, the interest rate risk position of the Corporation was relatively neutral as the impact of a gradual parallel 100-basis-point rise or fall in interest rates over the next 12 months was estimated to be less than 2 percent of net income when compared to stable rates. Additionally, on March 31, 1996, a 100-basis-point parallel increase in interest rates from March 31, 1996 levels was estimated to result in a change of less than 1 percent in the market value of the Corporation's total shareholders' equity.

To estimate potential losses that could result from adverse market movements, the Corporation uses a daily earnings at risk methodology. Earnings at risk estimates are measured on a daily basis at the individual trading unit level, by type of trading activity and for all trading activities in the aggregate. Daily reports of estimates compared to respective limits are reviewed by senior management, and trading strategies are adjusted accordingly. In addition to these simulations, portfolios which have significant option positions are stress tested continually to simulate the potential loss that might occur due to unexpected market movements in each market.

Earnings at risk represents a one-day measurement of pre-tax earnings at risk from movements in market prices using the assumption that positions cannot be rehedged during the period of any prescribed price and volatility change. A 99-percent confidence level is utilized, which indicates that actual trading profits and losses may deviate from expected levels and exceed estimates approximately one day out of every 100 days of trading activity. Earnings at risk is measured on both a gross and uncorrelated basis. The gross measure assumes that adverse market movements occur simultaneously across all segments of the trading portfolio, an unlikely assumption. On March 31, 1996, the gross estimates for aggregate interest rate, foreign exchange and equity and commodity trading activities were $45.1 million, $7.3 million and $2.9 million, respectively. Alternatively, using a statistical measure which is more likely to capture the effects of market movements, the estimate on March 31, 1996 for aggregate trading activities was $19.8 million.

Average daily Capital Markets-related revenues in the first quarter of 1996 approximated $1.4 million. During the first quarter of 1996, the Corporation's Capital Markets-related activities resulted in positive daily revenues for approximately 71 percent of total trading days.

The Capital Markets-related revenue stream is quite stable. In the first quarter of 1996, the standard deviation of Capital Markets-related revenues was $3.1 million. Using this data, one can conclude that the aggregate Capital Markets activities should not result in exposure of more than $5.8 million for any one day, assuming 99-percent confidence. Daily earnings at risk will average considerably more than this due to the assumption of no evasive actions as well as the assumption that adverse market movements occur simultaneously across all segments of the trading portfolio.

Off Balance Sheet

The Corporation utilizes interest rate contracts in its asset and liability management (ALM) process. Interest rate contracts allow the Corporation to adjust its interest rate risk position without exposure to risk of loss of principal and funding requirements, as these contracts do not involve the exchange of notional amounts, only payment or receipt of interest. The interest payments can be based on a fixed rate or a variable index.

The Corporation uses non-leveraged generic, index amortizing, collateralized mortgage obligation (CMO) and basis swaps. Generic swaps involve the exchange of fixed and variable interest rates based on the contractual underlying notional amounts. Index amortizing and CMO swaps also involve the exchange of fixed and variable interest rates; however, their notional amounts decline and their maturities vary based on certain interest rate indices in the case of index amortizing swaps and mortgage prepayment rates in the case of CMO swaps. Basis swaps involve the exchange of payments based on the contractual underlying notional amounts where both the pay rate and the receive rate are floating rates based on different indices.

In its ALM process, the Corporation also purchases interest rate caps and floors. Interest rate caps and floors are agreements where, for a fee, the purchaser obtains the right to receive interest payments when a variable interest rate moves above or below a specified cap or floor rate.

As presented in the footnotes to Table 3, net interest receipts and payments on these contracts have been included in interest income and expense on the underlying instruments. On March 31, 1996, there were no realized deferred gains or losses associated with terminated ALM contracts.

Table 12 summarizes the notional amount and the activity of ALM interest rate swaps for the three months ended March 31, 1996. As reflected in the table, the gross notional amount of the Corporation's ALM swap program on March 31, 1996 was $29.3 billion, with the Corporation receiving fixed on $18.2 billion, primarily converting variable-rate commercial loans to fixed rate and converting the cost of certain fixed-rate long-term debt to variable rate, and receiving variable on $10.2 billion, fixing the cost of certain variable-rate liabilities, primarily market-based funds. Approximately $2.4 billion of additions to the ALM swap program, primarily receive fixed swaps, are related to acquisitions. On March 31, 1996, the net receive fixed position was $8.0 billion, representing an increase from the net receive fixed position of $3.9 billion on December 31, 1995.

The gross notional amount of caps, floors and other option products on March 31, 1996 was $3.5 billion. Such instruments primarily relate to term debt and securities available for sale. Approximately $1.0 billion of caps and floors were acquired through acquisitions. On March 31, 1996, the net unrealized depreciation of caps, floors and other option products was $2 million.

Table 13 summarizes the maturities, average pay and receive rates and the market value on March 31, 1996 of the Corporation's ALM contracts. Floating rates represent the last repricing and will change in the future based on movements in one-, three- and six-month LIBOR rates. Maturities for CMO and amortizing swaps are based on interest rates implied by the forward curve on March 31, 1996 and may differ from actual maturities depending on future interest rate movements and resultant prepayment patterns.

The net unrealized depreciation of the ALM swap portfolio on March 31, 1996 was $202 million compared to $75 million on December 31, 1995, reflecting the increase in interest rates. The unrealized depreciation in the estimated value of the ALM interest rate 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.

Derivative - Dealer Positions

Credit risk associated with derivatives positions is measured as the net replacement cost the Corporation could incur should counterparties with contracts in a gain position 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. In managing derivatives credit risk, the Corporation considers both the current exposure, which is the replacement cost of contracts on the measurement date, as well as an estimate of the potential change in value of contracts over their remaining lives.

Table 14 presents both the notional/contract amounts on March 31, 1996 and December 31, 1995 and the current credit risk amounts (the net replacement cost of contracts in a gain position on March 31, 1996 and December 31, 1995) of the Corporation's derivatives-dealer positions. The notional or contract amounts indicate the total volume of transactions and significantly exceed the amount of the Corporation's credit or market risk associated with these instruments. The credit risk amounts presented in Table 14 do not consider the value of any collateral, but generally take into consideration the effects of legally enforceable master netting agreements. On March 31, 1996, the credit risk associated with the Corporation's asset and liability management positions was not material.

In managing credit risk associated with its derivatives activities, the Corporation deals with creditworthy counterparties, primarily U.S. and foreign commercial banks and broker-dealers.

A portion of the Corporation's derivatives-dealer activity is exchange-traded. Because exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements, the credit risk to the Corporation is minimal. Of the $4.3-billion current credit risk amount reported in Table 14, $994 million relates to exchange-traded instruments. This compares to a total credit risk amount of $3.8 billion on December 31, 1995, which included $791 million related to exchange-traded instruments.

During the first quarter of 1996, there were no credit losses associated with derivative transactions. In addition, on March 31, 1996, there were no nonperforming derivatives positions.

Capital

Shareholders' equity totaled $13.6 billion on March 31, 1996 compared to $12.8 billion on December 31, 1995. Net earnings retention of $335 million coupled with the acquisition of Bank South, which resulted in the issuance of 26.3 million shares of common stock and an increase of $685 million in shareholders' equity, were the primary reasons for the increase. The increase was partially offset by net depreciation of $215 million in the market value of securities available for sale during the first quarter of 1996.

Presented below are the Corporation's regulatory capital ratios on March 31, 1996 and December 31, 1995:

	March 31 1996	December 31 1995
Risk-Based Capital Ratios		
Tier 1 Capital	7.35%	7.24%
Total Capital	11.71	11.58
Leverage Capital Ratio	6.19	6.27

The Corporation's regulatory capital ratios on March 31, 1996 compare favorably with the regulatory minimums of 4 percent for Tier 1, 8 percent for total risk-based capital and the leverage guidelines of 100 to 200 basis points above the minimum ratio of 3 percent.

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

<S>	Three Months Ended March 31 1996 <C>	1995 <C>
Income statement		
Income from earning assets	$ 3,573	$ 3,070
Interest expense	2,016	1,763
Net interest income (taxable-equivalent)	1,584	1,335
Net interest income	1,557	1,307
Provision for credit losses	155	70
Gains on sales of securities	14	1
Noninterest income	885	726
Other real estate owned expense	-	2
Merger-related charge	118	-
Other noninterest expense	1,394	1,288
Income before income taxes	789	674
Income tax expense	276	231
Net income	513	443
Net income applicable to common shareholders	509	441
Net income (excluding merger-related charge)	590	443
Average common shares issued (in thousands)	300,279	276,415
Per common share		
Earnings	$ 1.70	$ 1.60
Earnings (excluding merger-related charge)	1.95	1.60
Cash dividends paid	.58	.50
Common shareholders' equity (quarter-end)	44.92	41.07
Balance sheet (quarter-end)		

Total assets	194,375	183,854
Total loans, leases and factored accounts receivable, net of unearned income	124,344	106,928
Total deposits	109,622	100,743
Long-term debt	18,659	9,816
Common shareholders' equity	13,444	11,312
Total shareholders' equity	13,557	11,346
Performance ratios		
Return on average assets	.99 %	1.01 %
Return on average assets (excluding merger-related charge)	1.14	1.01
Return on average common shareholders' equity (1)	15.71	16.03
Return on average common shareholders' equity (excluding merger-related charge) (1)	18.07	16.03
Risk-based capital ratios		
Tier 1	7.35	7.25
Total	11.71	11.06
Leverage capital ratio	6.19	6.15
Total equity to total assets	6.97	6.17
Market price per share of common stock		
Close at the end of the quarter	$ 80 1/8	$ 50 3/4
High for the quarter	81 3/8	51 3/4
Low for the quarter	64 3/8	44 5/8

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

</TABLE>

<TABLE>
Table 2
Business Unit Summary
For the Three Months Ended March 31
(Dollars in Millions)

<CAPTION>

	General Bank		Global Finance		Financial Services	
	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent)	$ 1,152	$ 907	$ 278	$ 304	$ 144	$ 117
Noninterest income	580	479	277	231	27	16
Total revenue	1,732	1,386	555	535	171	133
Provision for credit losses	114	41	8	-	33	29
Gains on sale of securities	6	-	-	-	-	-
Other real estate owned expense (income)	1	1	(3)	(2)	3	3
Noninterest expense	1,011	951	286	279	78	58
Income before income taxes	612	393	264	258	57	43
Income tax expense	226	144	97	95	21	17
Net income (1)	$ 386	$ 249	$ 167	$ 163	$ 36	$ 26
Net interest yield (4)	4.87 %	4.43 %	2.98 %(2)	3.39 %(2)	7.45 %	7.16 %
Return on equity	22 %	17 %	18 %	17 %	13 %	12 %
Efficiency ratio	58.4 %	68.6 %	51.7 %	52.1 %	45.5 %	44.1 %
Average (3)(4)						
Total loans and leases, net of unearned income	$ 81,056	$ 64,008	$ 35,207	$ 33,593	$ 7,734	$ 6,617
Total deposits	87,059	77,563	7,648	6,805	-	-
Total assets	102,571	88,352	78,151	66,230	8,286	7,111
Period end (3)(4)						
Total loans and leases, net of unearned income	80,220	65,181	36,520	34,251	7,720	6,988
Total deposits	88,625	77,943	7,758	6,471	-	-

(1) Business Unit results are presented on a fully allocated basis but do not include $76 million net expense for 1996 and $5 million net income for 1995, which represents earnings associated with unassigned capital, gains on sales of securities, merger-related charges and other corporate activities.
(2) Global Finance's net interest yield excludes the impact of trading-related activities. Including trading related activities, the net interest yield was 1.67 percent and 1.80 percent for the first three months of 1996 and 1995, respectively.
(3) The sums of balance sheet amounts differ from consolidated amounts due to activities between the Business Units.
(4) 1995 average and period end balances and net interest yield have been restated to reflect the current organizational structure.

</TABLE>

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

	First Quarter 1996		Fourth Quarter 1995	
	Average Balance	Income	Average Balance	Income

	Sheet Amounts	or Expense	Yields/ Rates	Sheet Amounts	or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)	$ 49,319	$ 987	8.05 %	$ 47,077	$ 971	8.18 %
Real estate commercial	6,774	149	8.82	6,649	157	9.39
Real estate construction	3,154	69	8.85	3,016	72	9.44
Total commercial	59,247	1,205	8.18	56,742	1,200	8.39
Residential mortgage	27,352	534	7.83	23,573	459	7.78
Credit card	6,590	206	12.59	5,709	182	12.69
Other consumer	23,850	593	9.99	22,852	581	10.09
Total consumer	57,792	1,333	9.26	52,134	1,222	9.33
Foreign	2,392	45	7.54	2,100	40	7.65
Lease financing	3,851	72	7.46	3,628	68	7.48
Total loans and leases, net	123,282	2,655	8.65	114,604	2,530	8.77
Securities						
Held for investment	4,292	60	5.62	12,945	186	5.72
Available for sale (3)	22,997	365	6.37	10,689	174	6.45
Total securities	27,289	425	6.25	23,634	360	6.05
Loans held for sale	1,331	25	7.55	644	12	7.34
Time deposits placed and other short-term investments	1,056	18	6.90	1,634	28	6.77
Federal funds sold	525	8	5.89	534	8	6.02
Securities purchased under agreements to resell	13,870	183	5.29	12,088	163	5.36
Trading account securities (4)	18,213	286	6.33	16,196	285	6.99
Total earning assets (5)	185,566	3,600	7.80	169,334	3,386	7.95
Cash and cash equivalents	7,998			7,500		
Factored accounts receivable	1,010			1,221		
Other assets, less allowance for credit losses	14,043			13,638		
Total assets	$ 208,617			$ 191,693		
Interest-bearing liabilities						
Savings	$ 9,361	55	2.35	$ 8,287	49	2.34
NOW and money market deposit accounts	29,692	192	2.61	27,233	185	2.71
Consumer CDs and IRAs	29,469	397	5.42	24,682	339	5.44
Negotiated CDs, public funds and other time deposits	3,273	44	5.42	2,946	42	5.74
Foreign time deposits	11,902	170	5.73	13,546	211	6.18
Federal funds purchased	6,817	92	5.41	5,599	81	5.78
Securities sold under agreements to repurchase (6)	33,705	455	5.43	30,136	440	5.79
Commercial paper	2,821	39	5.62	2,871	43	5.89
Other short-term borrowings (6)	4,455	65	5.89	4,550	78	6.72
Trading account liabilities (4)	12,485	191	6.16	11,125	185	6.60
Long-term debt (7)	18,885	316	6.68	17,276	295	6.83
Total interest-bearing liabilities	162,865	2,016	4.97	148,251	1,948	5.22
Noninterest-bearing sources						
Noninterest-bearing deposits	23,209			21,908		
Other liabilities	9,399			9,631		
Shareholders' equity	13,144			11,903		
Total liabilities and shareholders' equity	$ 208,617			$ 191,693		
Net interest spread	2.83					2.73
Impact of noninterest-bearing sources	.60					.65
Net interest income/yield on earning assets	$ 1,584		3.43 %		$ 1,438	3.38 %

(1) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
(2) Commercial loan interest income includes net interest rate swap revenues related to swaps converting variable-rate commercial loans to fixed rate.
Interest rate swaps decreased interest income $19 in the first quarter of 1996 and $34, $49, $65 and $61 in the fourth, third, second and first quarters of 1995, respectively.
(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
(4) The fair values of derivatives-dealer positions are reported in other assets and liabilities, respectively.
(5) Interest income includes taxable-equivalent adjustments of $27 in the first quarter of 1996 and $25, $29, $31 and $28 in the fourth, third, second and first quarters of 1995, respectively.
(6) Securities sold under agreements to repurchase and other short-term borrowings interest expense includes net interest rate swap expense related to swaps fixing the cost of certain of these liabilities. Such increases (decreases) in interest expense were $21 in the first quarter of 1996 and $12, $4, ($1) and $13 in the fourth, third, second and first quarters of 1995, respectively.
(7) Long-term debt interest expense includes net interest rate swap expense related to swaps primarily converting the cost of certain fixed-rate debt to variable rate. Such increases (decreases) in interest expense were ($3) in the first quarter of 1996 and $1 in both the second and first quarters of 1995, respectively.

</TABLE>

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

	Third Quarter 1995			Second Quarter 1995		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)	$ 46,574	$ 953	8.12 %	$ 46,525	$ 954	8.22 %
Real estate commercial	7,116	168	9.38	7,395	171	9.29
Real estate construction	3,091	75	9.63	3,216	78	9.76
Total commercial	56,781	1,196	8.36	57,136	1,203	8.45
Residential mortgage	21,581	420	7.78	19,242	378	7.84
Credit card	5,014	164	12.94	4,775	156	13.13
Other consumer	22,638	583	10.19	21,609	544	10.11
Total consumer	49,233	1,167	9.41	45,626	1,078	9.47
Foreign	2,034	40	7.73	2,048	41	7.96
Lease financing	3,407	65	7.65	3,114	58	7.43
Total loans and leases, net	111,455	2,468	8.79	107,924	2,380	8.84
Securities						
Held for investment	14,101	205	5.77	17,457	235	5.40
Available for sale (3)	11,891	188	6.28	10,730	170	6.33
Total securities	25,992	393	6.01	28,187	405	5.76
Loans held for sale	424	8	7.36	153	3	8.06
Time deposits placed and other short-term investments	2,031	32	6.32	2,310	42	7.29
Federal funds sold	747	11	6.14	714	12	6.24
Securities purchased under agreements to resell	14,740	240	6.45	16,820	273	6.53
Trading account securities (4)	13,063	275	8.37	15,834	307	7.77
Total earning assets (5)	168,452	3,427	8.08	171,942	3,422	7.98
Cash and cash equivalents	7,449			8,024		
Factored accounts receivable	1,201			1,181		
Other assets, less allowance for credit losses	13,399			13,155		
Total assets	$ 190,501			$ 194,302		
Interest-bearing liabilities						
Savings	$ 8,455	51	2.37	$ 8,656	51	2.40
NOW and money market deposit accounts	27,160	183	2.67	27,608	185	2.68
Consumer CDs and IRAs	24,786	335	5.36	25,075	325	5.20
Negotiated CDs, public funds and other time deposits	2,830	41	5.72	3,046	42	5.51
Foreign time deposits	13,921	220	6.27	15,107	239	6.36
Federal funds purchased	6,109	90	5.84	5,654	87	6.17
Securities sold under agreements to repurchase (6)	30,179	465	6.11	34,445	547	6.37
Commercial paper	2,803	43	6.10	2,806	44	6.30
Other short-term borrowings (6)	5,833	93	6.30	6,546	101	6.16
Trading account liabilities (4)	11,891	240	8.03	13,660	249	7.31
Long-term debt (7)	14,127	246	6.98	10,209	185	7.22
Total interest-bearing liabilities	148,094	2,007	5.38	152,812	2,055	5.39
Noninterest-bearing sources						
Noninterest-bearing deposits	21,519			21,077		
Other liabilities	9,401			9,200		
Shareholders' equity	11,487			11,213		
Total liabilities and shareholders' equity	$ 190,501			$ 194,302		
Net interest spread			2.70			2.59
Impact of noninterest-bearing sources			.65			.60
Net interest income/yield on earning assets		$ 1,420	3.35 %		$ 1,367	3.19 %

(1) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
(2) Commercial loan interest income includes net interest rate swap revenues related to swaps converting variable-rate commercial loans to fixed rate.
Interest rate swaps decreased interest income $19 in the first quarter of 1996 and $34, $49, $65 and $61 in the fourth, third, second and first quarters of 1995, respectively.
(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
(4) The fair values of derivatives-dealer positions are reported in other assets and liabilities, respectively.
(5) Interest income includes taxable-equivalent adjustments of $27 in the first quarter of 1996 and $25, $29, $31 and $28 in the

fourth, third, second and first quarters of 1995, respectively.

(6) Securities sold under agreements to repurchase and other short-term borrowings interest expense includes net interest rate swap expense related to swaps fixing the cost of certain of these liabilities. Such increases (decreases) in interest expense were $21 in the first quarter of 1996 and $12, $4, ($1) and $13 in the fourth, third, second and first quarters of 1995, respectively.

(7) Long-term debt interest expense includes net interest rate swap expense related to swaps primarily converting the cost of certain fixed-rate debt to variable rate. Such increases (decreases) in interest expense were ($3) in the first quarter of 1996 and $1 in both the second and first quarters of 1995, respectively.

</TABLE>

<TABLE>

Table 3 (continued)
Quarterly Taxable-Equivalent Data
(Dollars in Millions)

<CAPTION>

	First Quarter 1995		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>
Earning assets			
Loans and leases, net of unearned income (1)			
Commercial (2)	$ 45,238	$ 919	8.24 %
Real estate commercial	7,630	173	9.16
Real estate construction	3,100	77	10.07
Total commercial	55,968	1,169	8.47
Residential mortgage	17,780	343	7.76
Credit card	4,543	139	12.36
Other consumer	20,624	501	9.85
Total consumer	42,947	983	9.25
Foreign	1,961	36	7.50
Lease financing	2,951	58	7.86
Total loans and leases, net	103,827	2,246	8.76
Securities			
Held for investment	17,648	238	5.45
Available for sale (3)	7,728	110	5.80
Total securities	25,376	348	5.56
Loans held for sale	61	1	9.10
Time deposits placed and other short-term investments	2,297	40	7.01
Federal funds sold	1,105	16	6.02
Securities purchased under agreements to resell	13,909	214	6.23
Trading account securities (4)	11,574	233	8.16
Total earning assets (5)	158,149	3,098	7.93
Cash and cash equivalents	8,321		
Factored accounts receivable	1,048		
Other assets, less allowance for credit losses	9,997		
Total assets	$ 177,515		
Interest-bearing liabilities			
Savings	$ 8,911	53	2.39
NOW and money market deposit accounts	28,577	187	2.66
Consumer CDs and IRAs	24,818	291	4.76
Negotiated CDs, public funds and other time deposits	3,151	41	5.30
Foreign time deposits	13,844	211	6.18
Federal funds purchased	4,438	64	5.83
Securities sold under agreements to repurchase (6)	26,547	411	6.28
Commercial paper	2,734	41	6.13
Other short-term borrowings (6)	5,847	82	5.74
Trading account liabilities (4)	11,427	222	7.87
Long-term debt (7)	8,888	160	7.22
Total interest-bearing liabilities	139,182	1,763	5.13
Noninterest-bearing sources			
Noninterest-bearing deposits	19,984		
Other liabilities	7,157		
Shareholders' equity	11,192		
Total liabilities and shareholders' equity	$ 177,515		
Net interest spread			2.80
Impact of noninterest-bearing sources			.61
Net interest income/yield on earning assets		$ 1,335	3.41 %

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

on a cash basis.
(2) Commercial loan interest income includes net interest rate swap revenues related to swaps converting variable-rate commercial loans to fixed rate.
Interest rate swaps decreased interest income $19 in the first quarter of 1996 and $34, $49, $65 and $61 in the fourth, third, second and first quarters of 1995, respectively.
(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
(4) The fair values of derivatives-dealer positions are reported in other assets and liabilities, respectively.
(5) Interest income includes taxable-equivalent adjustments of $27 in the first quarter of 1996 and $25, $29, $31 and $28 in the fourth, third, second and first quarters of 1995, respectively.
(6) Securities sold under agreements to repurchase and other short-term borrowings interest expense includes net interest rate swap expense related to swaps fixing the cost of certain of these liabilities. Such increases (decreases) in interest expense were $21 in the first quarter of 1996 and $12, $4, ($1) and $13 in the fourth, third, second and first quarters of 1995, respectively.
(7) Long-term debt interest expense includes net interest rate swap expense related to swaps primarily converting the cost of certain fixed-rate debt to variable rate. Such increases (decreases) in interest expense were ($3) in the first quarter of 1996 and $1 in both the second and first quarters of 1995, respectively.

</TABLE>

<TABLE>
Table 4
Noninterest Income
(Dollars in Millions)
<CAPTION>

<S>	Three Months Ended March 31 1996	1995	Change Amount	Percent
Service charges on deposit accounts	$ 259	$ 207	$ 52	25.1 %
Nondeposit-related service fees				
Safe deposit rent	9	9	-	-
Mortgage servicing and related fees	47	21	26	123.8
Fees on factored accounts receivable	16	17	(1)	(5.9)
Investment banking income	99	49	50	102.0
Other service fees	45	29	16	55.2
Total nondeposit-related service fees	216	125	91	72.8
Asset management and fiduciary service fees	105	110	(5)	(4.5)
Credit card income				
Merchant discount fees	4	7	(3)	(42.9)
Annual credit card fees	7	6	1	16.7
Other credit card fees	58	54	4	7.4
Total credit card income	69	67	2	3.0
Other income				
Brokerage income	28	24	4	16.7
Trading account profits and fees	68	83	(15)	(18.1)
Bankers' acceptances and letters of credit fees	18	18	-	-
Insurance commissions and earnings	19	15	4	26.7
Miscellaneous	103	77	26	33.8
Total other income	236	217	19	8.8
	$ 885	$ 726	$ 159	21.9

</TABLE>

<TABLE>
Table 5
Noninterest Expense
(Dollars in Millions)
<CAPTION>

<S>	Three Months Ended March 31 1996	1995	Change Amount	Percent
Personnel	$ 662	$ 625	$ 37	5.9 %
Occupancy, net	127	121	6	5.0
Equipment	106	93	13	14.0
Marketing	67	58	9	15.5
Professional fees	49	37	12	32.4
Amortization of intangibles	26	30	(4)	(13.3)
Credit card	17	14	3	21.4
Deposit insurance	7	51	(44)	(86.3)
Data processing	61	63	(2)	(3.2)
Telecommunications	41	36	5	13.9
Postage and courier	38	34	4	11.8
Other general operating	148	89	59	66.3
General administrative and miscellaneous	45	37	8	21.6

$ 1,394	$ 1,288	$ 106	8.2

</TABLE>

<TABLE>
Table 6
Sources and Uses of Funds
(Average Dollars in Millions)

<CAPTION>

	Three Months Ended March 31			
	1996		1995	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Composition of sources				
Savings, NOW, money market deposit accounts and consumer CDs and IRAs..................	$ 68,522	32.8 %	$ 62,306	35.1 %
Noninterest-bearing deposits...................	23,209	11.1	19,984	11.3
Customer-based portion of negotiated CDs.......	1,695	.8	1,502	.8
Customer-based funds........................	93,426	44.7	83,792	47.2
Market-based funds............................	73,763	35.4	66,486	37.5
Long-term debt................................	18,885	9.1	8,888	5.0
Other liabilities.............................	9,399	4.5	7,157	4.0
Shareholders' equity..........................	13,144	6.3	11,192	6.3
Total sources..............................	$ 208,617	100.0 %	$ 177,515	100.0 %
Composition of uses				
Loans and leases, net of unearned income.......	$ 123,282	59.1 %	$ 103,827	58.5 %
Securities held for investment................	4,292	2.1	17,648	9.9
Securities available for sale.................	22,997	11.0	7,728	4.4
Federal funds sold and securities purchased under agreements to resell.................	14,395	6.9	15,014	8.5
Trading account securities....................	18,213	8.7	11,574	6.5
Other...	2,387	1.2	2,358	1.3
Total earning assets........................	185,566	89.0	158,149	89.1
Factored accounts receivable..................	1,010	.5	1,048	.6
Other assets..................................	22,041	10.5	18,318	10.3
Total uses.................................	$ 208,617	100.0 %	$ 177,515	100.0 %

</TABLE>

<TABLE>
Table 7
Nonperforming Assets
(Dollars in Millions)
<CAPTION>

	March 31 1996	December 31 1995	September 30 1995	June 30 1995	March 31 1995
<S>	<C>	<C>	<C>	<C>	<C>
Nonperforming loans					
Commercial..............................	$ 359	$ 271	$ 412	$ 463	$ 406
Real estate commercial..................	180	196	176	184	209
Real estate construction................	15	16	46	65	71
Total commercial.................	554	483	634	712	686
Residential mortgage....................	138	87	81	76	66
Other consumer	136	130	126	111	88
Total consumer...................	274	217	207	187	154
Foreign.................................	-	-	-	3	6
Lease financing	13	6	7	3	8
Total nonperforming loans...........	841	706	848	905	854
Other real estate owned..................	144	147	190	194	221
Total nonperforming assets..........	$ 985	$ 853	$ 1,038	$ 1,099	$ 1,075
Nonperforming assets as a percentage of					
Total assets...........................	.51 %	.46 %	.57 %	.60 %	.58 %
Loans, leases and factored accounts receivable, net of unearned income, and other real estate owned...........	.79	.73	.90	.99	1.00
Loans past due 90 days or more and not					

classified as nonperforming............	$ 173	$ 174	$ 137	$ 143	$ 129

</TABLE>

<TABLE>
Table 8
Allowance For Credit Losses
(Dollars in Millions)
<CAPTION>

<S>	Three Months Ended March 31 1996 <C>	1995 <C>
Balance on January 1...	$ 2,163	$ 2,186
Loans, leases and factored accounts receivable charged off		
Commercial..	(34)	(20)
Real estate commercial..	(13)	(7)
Real estate construction......................................	-	(3)
Total commercial...	(47)	(30)
Residential mortgage..	(4)	(2)
Credit card...	(65)	(39)
Other consumer..	(87)	(59)
Total consumer...	(156)	(100)
Foreign...	-	-
Lease financing...	(1)	-
Factored accounts receivable..................................	(6)	(4)
Total loans, leases and factored accounts receivable charged off.....................................	(210)	(134)
Recoveries of loans, leases and factored accounts receivable previously charged off		
Commercial..	14	17
Real estate commercial..	3	3
Real estate construction......................................	-	4
Total commercial...	17	24
Residential mortgage..	1	-
Credit card...	12	6
Other consumer..	22	18
Total consumer...	35	24
Foreign...	-	-
Lease financing...	-	1
Factored accounts receivable..................................	3	2
Total recoveries of loans, leases and factored accounts receivable previously charged off..........	55	51
Net charge-offs..	(155)	(83)
Provision for credit losses......................................	155	70
Allowance applicable to loans of purchased companies and other.....	90	1
Balance on March 31	$ 2,253	$ 2,174
Loans, leases and factored accounts receivable, net of unearned income, outstanding on March 31.................	$ 124,344	$ 106,928
Allowance for credit losses as a percentage of loans, leases and factored accounts receivable, net of unearned income, outstanding on March 31.................	1.81 %	2.03 %
Average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period...........	$ 124,292	$ 104,875
Net charge-offs as a percentage of average loans, leases and factored accounts recevable, net of unearned income, outstanding during the period..................................	.50 %	.32 %
Allowance for credit losses as a percentage of nonperforming loans.	267.71	254.49

</TABLE>

<TABLE>
Table 9
Real Estate Commercial and Construction Loans, Other Real Estate Owned and Other Real Estate Credit Exposures
March 31, 1996
(Dollars in Millions)

<CAPTION>

	Loans (1) Outstanding	Nonperforming	OREO	Other Credit Exposures (2)
<S>	<C>	<C>	<C>	<C>
By Geographic Region:				
Maryland, District of Columbia and Virginia..........	$ 2,067	$ 80	$ 56	$ 434
Florida..	1,926	40	14	155
North Carolina and South Carolina....................	1,615	38	13	65
Other states..	3,677	37	16	813
	$ 9,285	$ 195	$ 99	$ 1,467
By Property Type:				
Shopping centers/retail.............................	$ 1,501	$ 21	$ 5	$ 153
Apartments..	1,472	11	-	650
Office buildings....................................	1,362	28	14	26
Residential...	1,275	10	5	31
Hotels..	836	9	1	58
Land and land development...........................	698	31	51	79
Industrial/warehouse................................	597	19	4	37
Commercial-other....................................	349	35	9	325
Resorts/golf courses................................	209	1	-	-
Multiple use..	81	5	1	6
Other...	905	25	9	102
	$ 9,285	$ 195	$ 99	$ 1,467

(1) On March 31, 1996, the Corporation had unfunded binding real estate commercial and construction loan commitments.
(2) Other credit exposures include letters of credit and loans held for sale.

</TABLE>

<TABLE>
Table 10
Selected Industry Credit Exposures
March 31, 1996
(Dollars in Millions)

<CAPTION>

	Loans, Leases and Factored Accounts Receivable, net of unearned income: Outstanding	Nonperforming	Unfunded	Other Credit Exposures (1)
<S>	<C>	<C>	<C>	<C>
Communications......................	$ 4,003	$ 3	$ 4,163	$ 329
Health care.........................	3,613	19	2,832	791
Leisure and sports..................	3,245	25	2,117	368
Oil and gas.........................	2,894	33	3,015	695
Retail..............................	2,871	84	2,964	566
Textiles and apparel................	2,677	34	1,158	419
Automotive..........................	2,651	9	1,483	93
Food................................	2,640	21	2,555	380
Machinery and equipment............	2,577	7	2,342	223
Finance companies...................	1,908	1	5,396	104
Construction........................	1,657	26	1,067	178
Electronics.........................	1,451	22	1,848	153
Forest products and paper...........	1,442	8	1,734	254
Utilities...........................	969	-	2,506	215
Banks...............................	673	-	1,479	2,185
Brokers and dealers.................	419	-	1,039	982

(1) Other credit exposures include loans held for sale, letters of credit, bankers' acceptances and derivatives exposures in a gain position.

</TABLE>

<TABLE>
Table 11
Interest Rate Gap Analysis
March 31, 1996
(Dollars in Millions)

<CAPTION>

	Interest-Sensitive: 30-Day	3-Month	6-Month	12-Month	Total	Over 12 Months and Noninterest-Sensitive	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets							
Loans and leases, net of							

unearned income	$ 50,204	$ 12,356	$ 5,001	$ 8,848	$ 76,409	$ 46,760	$ 123,169
Securities held for investment	93	189	750	1,190	2,222	1,882	4,104
Securities available for sale	91	279	288	1,685	2,343	15,428	17,771
Loans held for sale	2,221	-	-	-	2,221	-	2,221
Time deposits placed and other short-term investments	688	127	134	61	1,010	16	1,026
Trading account securities	15,289	-	-	-	15,289	-	15,289
Federal funds sold and securities purchased under agreements to resell	6,193	-	-	-	6,193	-	6,193
Total	74,779	12,951	6,173	11,784	105,687	64,086	169,773
Interest-bearing liabilities							
Savings	9,479	-	-	-	9,479	-	9,479
NOW and money market deposit accounts	30,432	-	-	-	30,432	-	30,432
Consumer CDs and IRAs	4,590	4,679	6,450	6,459	22,178	7,553	29,731
Negotiated CDs, public funds and other time deposits	946	959	650	425	2,980	393	3,373
Foreign time deposits	6,699	2,126	2,359	1,297	12,481	25	12,506
Borrowed funds	30,653	3,479	666	700	35,498	-	35,498
Short sales	7,333	-	-	-	7,333	-	7,333
Long-term debt	4,325	5,264	571	470	10,630	8,029	18,659
Total	94,457	16,507	10,696	9,351	131,011	16,000	147,011
Noninterest-bearing, net	-	-	-	-	-	22,762	22,762
Total	94,457	16,507	10,696	9,351	131,011	38,762	$ 169,773
Interest rate gap	(19,678)	(3,556)	(4,523)	2,433	(25,324)	25,324	
Effect of asset and liability management interest rate swaps, futures and other off-balance sheet items	(7,313)	(8,291)	334	2,488	(12,782)	12,782	
Adjusted interest rate gap	$(26,991)	$(11,847)	$ (4,189)	$ 4,921	$(38,106)	$38,106	
Cumulative adjusted interest rate gap	$(26,991)	$(38,838)	$(43,027)	$(38,106)			

</TABLE>

<TABLE>
Table 12
Asset and Liability Management Interest Rate Swaps Notional Contracts
(Dollars in Millions)

<CAPTION>

	Generic		Index Amortizing	CMO		Total			Total Interest
	Receive Fixed	Pay Fixed	Receive Fixed	Receive Fixed	Pay Fixed	Receive Fixed	Pay Fixed	Basis	Rate Swaps
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1995	$ 5,963	$ 9,908	$ 5,911	$ 1,964	$ 75	$ 13,838	$ 9,983	$ 486	$ 24,307
Additions	6,882	474	295	961	-	8,138	474	500	9,112
Maturities/Other	(2,356)	(285)	(1,236)	(214)	(4)	(3,806)	(289)	-	(4,095)
Balance on March 31, 1996	$ 10,489	$ 10,097	$ 4,970	$ 2,711	$ 71	$ 18,170	$ 10,168	$ 986	$ 29,324

</TABLE>

<TABLE>
Table 13
Asset and Liability Management Interest Rate Swaps
March 31, 1996
(Dollars in Millions, Average Maturity in Years)
<CAPTION>

			Expected Maturity						
	Market Value	Total	1996	1997	1998	1999	2000	After 2000	Average Expected Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<S>
Asset Conversion Swaps									
Receive fixed generic	$ (34)								

		2.58							
Notional amount			$ 8,175	$ 1,350	$ 575	$ 2,000	$ 2,250	$ 2,000	-
Weighted average receive rate			5.72 %	4.72 %	4.45 %	5.89 %	6.09 %	6.19 %	-
Weighted average pay rate			5.48						
Receive fixed amortizing	(51)	1.03							
Notional amount			$ 4,970	$ 2,165	$ 1,982	$ 708	$ 14	$ 101	-
Weighted average receive rate			5.00 %	4.91 %	4.93 %	5.14 %	6.98 %	6.98 %	-
Weighted average pay rate			5.49						
Receive fixed CMO	(24)	2.13							
Notional amount			$ 2,711	$ 622	$ 446	$ 493	$ 1,150	-	-
Weighted average receive rate			5.70 %	5.71 %	5.15 %	5.11 %	6.16 %	-	-
Weighted average pay rate			5.38						
Pay fixed generic	(17)	3.09							
Notional amount			$ 461	$ 58	$ 15	$ 7	$ 374	$ 1	$ 6
Weighted average pay rate			7.48 %	7.53 %	7.64 %	7.82 %	7.41 %	9.78 %	9.78 %
Weighted average receive rate			5.44						
Total asset conversion swaps	$ (126)								
Notional amount			$ 16,317	$ 4,195	$ 3,018	$ 3,208	$ 3,788	$ 2,102	$ 6
Liability Conversion Swaps									
Receive fixed generic	$ (24)	5.67							
Notional amount			$ 2,314	$ 27	$ 583	$ 6	$ 34	$ 312	$ 1,352
Weighted average receive rate			6.62 %	6.29 %	6.61 %	6.54 %	9.80 %	6.79 %	6.51 %
Weighted average pay rate			5.57						
Pay fixed generic	(53)	.49							
Notional amount			$ 9,636	$ 8,537	$ 925	$ 100	-	$ 74	-
Weighted average pay rate			6.60 %	6.50 %	7.52 %	6.10 %	-	7.42 %	-
Weighted average receive rate			5.28						
Pay fixed CMO	1	1.45							
Notional amount			$ 71	$ 16	$ 16	$ 39	-	-	-
Weighted average pay rate			4.44 %	4.44 %	4.44 %	4.44 %	-	-	-
Weighted average receive rate			5.31						
Total liability conversion swaps	$ (76)								
Notional amount			$ 12,021	$ 8,580	$ 1,524	$ 145	$ 34	$ 386	$ 1,352
Total receive fixed swaps	$ (133)	2.48							
Notional amount			$ 18,170	$ 4,164	$ 3,586	$ 3,207	$ 3,448	$ 2,413	$ 1,352
Weighted average receive rate			5.64 %	4.98 %	5.16 %	5.60 %	6.15 %	6.30 %	6.51 %
Weighted average pay rate			5.48						
Total pay fixed swaps	(69)	.62							
Notional amount			$ 10,168	$ 8,611	$ 956	$ 146	$ 374	$ 75	$ 6
Weighted average pay rate			6.62 %	6.50 %	7.47 %	5.74 %	7.41 %	7.46 %	9.78 %
Weighted average receive rate			5.29						
Basis Swaps	-	1.61							
Notional amount			$ 986	$ 100	$ 371	$ 500	-	-	$ 15
Weighted average receive rate			5.46 %						
Weighted average pay rate			5.39						
Total Swaps	$ (202)								
Notional amount			$ 29,324	$12,875	$ 4,913	$ 3,853	$ 3,822	$ 2,488	$ 1,373

On March 31, 1996, in addition to the above interest rate swaps, the Corporation had approximately $2.3 billion notional of receive fixed generic interest rate swaps associated primarily with credit card securitizations. On March 31, 1996, these positions had an unrealized market value of negative $19 million, a weighted average receive rate of 5.80 percent, a pay rate of 5.48 percent and an average maturity of 3.90 years.

</TABLE>

<TABLE>
Table 14
Derivatives - Dealer Positions
(Dollars in Millions)
<CAPTION>

	March 31 1996		December 31 1995	
	Contract/ Notional	Credit Risk Amount (1)	Contract/ Notional	Credit Risk Amount (1)
<S>	<C>	<C>	<C>	<C>
Interest Rate Contracts				
Swaps..........................	$ 146,502	$ 1,026	$ 123,946	$ 989
Futures and forwards...........	185,104	33	193,774	37
Written options................	273,986	-	233,976	-
Purchased options..............	262,834	1,364	236,317	1,310
Foreign Exchange Contracts				
Swaps..........................	1,132	25	1,196	21
Spot, futures and forwards.....	93,852	562	70,199	532
Written options................	53,993	-	42,227	-
Purchased options..............	58,797	422	44,273	350
Commodity and Other Contracts				
Swaps..........................	636	115	757	141
Futures and forwards...........	3,264	2	3,231	3
Written options................	11,345	-	15,476	-
Purchased options..............	15,990	808	16,344	600
Total before cross product netting		4,357		3,983
Cross product netting........		104		183
Net replacement cost.........		$ 4,253		3,800

(1) Represents the net 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. Amounts include accrued interest.

</TABLE>

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit 11 - Earnings Per Common Share Computation

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

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

Exhibit 27 - Financial Data Schedule

b. Reports on Form 8-K

The following reports on Form 8-K were filed by the Corporation during the quarter ended March 31, 1996:

Current Report on Form 8-K dated January 10, 1996, and filed January 12, 1996, Items 5 and 7.

Current Report on Form 8-K dated December 21, 1995, and filed February 1, 1996, Items 5 and 7.

Current Report on Form 8-K dated March 5, 1996, and filed March 8, 1996, Items 5 and 7.

Signature

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

NationsBank Corporation
Registrant

Date: May 10, 1996

/s/ Marc D. Oken

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

NationsBank Corporation
Form 10-Q
Index to Exhibits

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 registrants 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 March 31	
	1996	1995
<S>	<C>	<C>
Average common shares outstanding..................	300,279	276,415
Dilutive effect of		
Convertible preferred stock.......................	2,263	2,358
Stock Options.....................................	2,931	1,224
Total fully dilutive shares........................	305,473	279,997
Income available to common shareholders............	$ 509	$ 441
Preferred dividends paid on dilutive convertible preferred stock..................................	2	2
Total net income available for common shareholders.. adjusted for full dilution....................	$ 511	$ 443
Fully diluted earnings per share...................	$ 1.67	$ 1.58

</TABLE>

<TABLE>
NationsBank Corporation and Subsidiaries Exhibit 12(b)
Ratio of Earnings to Fixed Charges and Preferred Dividends

(Dollars in Millions)
<CAPTION>

	Three Months Ended March 31, 1996	Year Ended December 31 1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding Interest on Deposits						
Income before taxes	$ 789	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(2)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	1,153	4,480	2,896	1,421	916	1,291
Amortization of debt discount and appropriate issuance costs	5	12	8	6	3	2
1/3 of net rent expense	31	125	114	96	91	82
Total fixed charges	1,189	4,617	3,018	1,523	1,010	1,375
Preferred dividend requirements	6	13	15	16	29	31
Earnings (excluding capitalized interest)	$ 1,976	$ 7,601	$ 5,570	$ 3,509	$ 2,398	$ 1,471
Fixed charges	$ 1,195	$ 4,630	$ 3,033	$ 1,539	$ 1,039	$ 1,406
Ratio of Earnings to Fixed Charges	1.65	1.64	1.84	2.28	2.31	1.05
Including Interest on Deposits						
Income before taxes	$ 789	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(2)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	2,011	7,761	5,310	3,570	3,688	5,611
Amortization of debt discount and appropriate issuance costs	5	12	8	6	3	2
1/3 of net rent expense	31	125	114	96	91	82
Total fixed charges	2,047	7,898	5,432	3,672	3,782	5,695
Preferred dividend requirements	6	13	15	16	29	

Earnings (excluding capitalized interest).....	$ 2,834	$ 10,882	$ 7,984	$ 5,658	$ 5,170	$ 5,791
Fixed charges.................................	$ 2,053	$ 7,911	$ 5,447	$ 3,688	$ 3,811	$ 5,726
Ratio of Earnings to Fixed Charges...........	1.38	1.38	1.47	1.53	1.36	1.01

</TABLE>

<TABLE>
NationsBank Corporation and Subsidiaries Exhibit 12(b)

Ratio of Earnings to Fixed Charges and Preferred Dividends

(Dollars in Millions)

<CAPTION>

	Three Months Ended March 31, 1996	Year Ended December 31 1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding Interest on Deposits						
Income before taxes	$ 789	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(2)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	1,153	4,480	2,896	1,421	916	1,291
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Total fixed charges	1,189	4,617	3,018	1,523	1,010	1,375
Preferred dividend requirements	6	13	15	16	29	31
Earnings (excluding capitalized interest)	$ 1,976	$ 7,601	$ 5,570	$ 3,509	$ 2,398	$ 1,471
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Ratio of Earnings to Fixed Charges	1.65	1.64	1.84	2.28	2.31	1.05
Including Interest on Deposits						
Income before taxes	$ 789	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(2)	(7)	(3)	(5)	(1)	(1)
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Interest expense (including capitalized interest)	2,011	7,761	5,310	3,570	3,688	5,611
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1/3 of net rent expense	31	125	114	96	91	82
Total fixed charges	2,047	7,898	5,432	3,672	3,782	5,695
Preferred dividend requirements	6	13	15	16	29	

31

Earnings (excluding capitalized interest).....	$ 2,834	$ 10,882	$ 7,984	$ 5,658	$ 5,170	$ 5,791
Fixed charges................................	$ 2,053	$ 7,911	$ 5,447	$ 3,688	$ 3,811	$ 5,726
Ratio of Earnings to Fixed Charges...........	1.38	1.38	1.47	1.53	1.36	1.01

</TABLE>

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The schedule contains summary information extracted from the March 31, 1996, Form 10-Q for NationsBank Corporation and is qualified in its entirety by reference to such financial statements.
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