

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1994 -- Commission File Number 1-6523

NATIONSBANK CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<TABLE>

<S> North Carolina <C>
56-0906609
(STATE OF INCORPORATION) (IRS
EMPLOYER IDENTIFICATION NO.)
NationsBank Corporate Center
Charlotte, North
Carolina 28255
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)
(ZIP CODE)
704 / 386-5000
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>

<CAPTION>
TITLE OF EACH CLASS NAME OF
EACH EXCHANGE ON WHICH REGISTERED
<S> <C>
Common Stock
New York Stock Exchange
Pacific Stock Exchange
Tokyo Stock Exchange
8 3/8% Sinking Fund Debentures, due 1999
New York Stock Exchange
7 3/4% Debentures, due 2002
American Stock Exchange
8 1/2% Notes, due 1996
New York Stock Exchange
</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or in any amendment to this Form 10-K.

Aggregate market value of shares of voting stock held by all persons, other than shares beneficially owned by persons who may be deemed to be affiliates (as defined in SEC Rule 405), is approximately \$13,934,641,000 computed by reference to the closing price of Common Stock of \$50.00 per share on March 15, 1995, on the Composite Tape, as reported in published financial sources, and a stated price of \$42.50 for the ESOP Convertible Preferred Stock, Series C. Of the registrant's only class of Common Stock, there were 276,477,155 shares outstanding as of February 28, 1995.

DOCUMENTS INCORPORATED BY REFERENCE

<TABLE>

<CAPTION>
DOCUMENT OF THE FORM 10-K REFERENCE LOCATIONS
REGISTRANT
<S>
<C>
1994 Annual Report to Shareholders and IV PARTS I, II
1995 Proxy Statement
PART III
</TABLE>

PART I

ITEM 1. BUSINESS
GENERAL

The registrant is a bank holding company registered under the Bank Holding Company Act of 1956, as amended (the "Act"), with its principal assets being the stock of its subsidiaries. Through its banking subsidiaries (the "Banks") and its various non-banking subsidiaries, the registrant provides banking and

banking-related services, primarily throughout the Southeast and Mid-Atlantic states and Texas. The principal executive offices of the registrant are located at NationsBank Corporate Center in Charlotte, North Carolina 28255.

ACQUISITIONS

On February 28, 1994, the registrant merged with Corpus Christi National Bank ("CCNB") of Corpus Christi, Texas, which had assets at the closing date of \$687 million. The registrant acquired all the outstanding capital stock of CCNB by exchanging 2.5 shares of its common stock for each share of CCNB common stock outstanding. As a result, the registrant issued 2.6 million shares of common stock, for a total consideration of approximately \$62 million.

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

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

On October 31, 1994, the registrant's mortgage banking subsidiary acquired Cypress Financial Corporation, Rancho Santa Margarita Mortgage Corporation and RSM Funding Corporation, which combined had 22 offices in California and Arizona. The combined servicing portfolios were approximately \$1.3 billion. The purchase price approximated \$28 million.

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

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

On November 9, 1994, the registrant completed the acquisition of South Carolina based RHNB Corporation ("RHNB"), the parent company of Rock Hill National Bank. As of October 31, 1994, RHNB and its subsidiary had assets of approximately \$256 million. The registrant issued 881,000 shares of common stock in exchange for all of the outstanding shares of RHNB, for a total consideration of approximately \$43 million.

On November 15, 1994, the registrant purchased Dean Witter, Discover & Co.'s partnership interest in NationsSecurities. As of such date, NationsSecurities became wholly-owned and managed by the registrant.

On February 22, 1995, the registrant's mortgage banking subsidiary entered into an agreement with Source One Mortgage Services Corporation to purchase a \$10 billion residential mortgage servicing portfolio at a purchase price of approximately \$190 million. This transaction is subject to certain regulatory conditions and other customary closing conditions and is expected to be completed on March 31, 1995.

On February 23, 1995, the registrant's mortgage banking subsidiary entered into an agreement with KeyCorp and Key Bank of New York to purchase the residential mortgage servicing business of KeyCorp Mortgage Inc. The acquired assets will include primarily a \$25 billion residential mortgage servicing portfolio, for which the registrant's subsidiary will pay approximately \$350 million, a mortgage servicing operation employing about 500 people and other servicing-related assets, for which this subsidiary will pay approximately \$150 million. This transaction is subject to certain regulatory conditions and other customary closing conditions and is expected to be completed on March 31, 1995.

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As part of its operations, the registrant regularly evaluates the potential acquisition of, and holds discussions with, various financial institutions and other businesses of a type eligible for bank holding company investment. In addition, the registrant regularly analyzes the values of, and submits bids for, the acquisition of customer-based funds and other liabilities and assets of such financial institutions and other businesses. As a general rule, the registrant publicly announces such material acquisitions when a definitive agreement has been reached.

OPERATIONS

The registrant provides a diversified range of banking and certain non-banking financial services and products through its various subsidiaries. The registrant manages its business activities through three major groups: the General Bank, the Global Finance Group (formerly named the Institutional Group) and the Financial Services Group. Table 2 (page 26) and the narrative comments under the caption "Customer Group Review" (pages 27 and 30) in the registrant's 1994 Annual Report to Shareholders are hereby incorporated by reference.

The General Bank provides comprehensive services in the commercial and retail banking fields, including trust and private banking operations, the origination and servicing of home mortgage loans, the issuance and servicing of credit cards (through a Delaware subsidiary) and certain insurance services. The General Bank also offers full service brokerage services and discount brokerage services for its customers through subsidiaries of the registrant. As of December 31, 1994, the General Bank had approximately 1,929 banking offices located in the States of Florida, Georgia, Kentucky, Maryland, North Carolina, South Carolina, Tennessee, Texas and Virginia and the District of Columbia. The registrant had average deposits in 1994 of approximately \$94 billion, of which

\$78 billion related to the General Bank. Average deposits of the General Bank by state jurisdictions were approximately: Maryland, Virginia and D.C. (\$19 billion); Texas (\$18 billion); Florida (\$15 billion); North and South Carolina (\$11 billion); Georgia (\$7 billion); and Tennessee and Kentucky (\$4 billion). The financial products and trust and private banking segments of the General Bank had \$4 billion of average deposits in 1994. The General Bank also provides fully automated, 24-hour cash dispensing and depositing services throughout the states in which it is located, through approximately 2,100 automated teller machines.

The Global Finance Group provides to domestic and international customers comprehensive corporate banking and investment banking services, including loan syndication, treasury management and leasing; underwriting, trading or distributing 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 (the "Federal Reserve Board") under Section 20 of the Glass-Steagall Act); and options, futures, forwards and swaps on certain interest rate and commodity products, and spot and forward foreign exchange contracts. The Global Finance Group provides its services through various domestic offices as well as offices located in London, Frankfurt, Singapore, Mexico City, Grand Cayman, Nassau, Tokyo, Osaka, Paris and Hong Kong. In addition to these offices, the Global Finance Group has loan production offices located in New York City, Chicago, Los Angeles, Denver and Birmingham.

The Financial Services Group consists of NationsCredit Corporation, primarily a consumer finance subsidiary, and Greyrock Capital Group Inc. (formerly named Nations Financial Capital Corporation), primarily a commercial finance subsidiary. NationsCredit Corporation, which has approximately 300 offices located in 32 states, provides consumer and retail loan programs and also offers inventory financing to manufacturers, importers and distributors. Greyrock Capital Group Inc., which has approximately 79 offices located in 24 states, engages in commercial equipment leasing and makes commercial loans for debt restructuring, merger and acquisition, real estate financing, equipment acquisition and working capital purposes; it also acquires consumer loans secured by automobiles and real estate.

GOVERNMENT SUPERVISION AND REGULATION

GENERAL

As a registered bank holding company, the registrant is subject to the supervision of, and to regular inspection by, the Federal Reserve Board. The Banks are organized as national banking associations, which are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency (the "Comptroller"). The Banks are also subject to regulation by the Federal Deposit Insurance Corporation (the

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"FDIC") and other federal regulatory agencies. In addition to banking laws, regulations and regulatory agencies, the registrant and its subsidiaries and affiliates are subject to various other laws and regulations and supervision and examination by other regulatory agencies, all of which directly or indirectly affect the operations and management of the registrant and its ability to make distributions. The following discussion summarizes certain aspects of those laws and regulations that affect the registrant.

Under the Act, the activities of the registrant, and those of companies which it controls or in which it holds more than 5% of the voting stock, are limited to banking or managing or controlling banks or furnishing services to or performing services for its subsidiaries, or any other activity which the Federal Reserve Board determines to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In making such determinations, the Federal Reserve Board is required to consider whether the performance of such activities by a bank holding company or its subsidiaries can reasonably be expected to produce benefits to the public such as greater convenience, increased competition or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. Generally, bank holding companies, such as the registrant, are required to obtain prior approval of the Federal Reserve Board to engage in any new activity not previously approved by the Federal Reserve Board or to acquire more than 5% of any class of voting stock of any company.

The Act also requires bank holding companies to obtain the prior approval of the Federal Reserve Board before acquiring more than 5% of any class of voting stock of any bank which is not already majority-owned by the bank holding company. Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Banking and Branching Act"), a bank holding company will be able to acquire banks in states other than its home state beginning September 29, 1995. Until such provisions are effective, interstate acquisitions by bank holding companies will be subject to current Federal law, which provides that no application to acquire shares of a bank located outside of North Carolina (the state in which the operations of the Banks were principally conducted on the date the registrant became subject to the Act) may be approved by the Federal Reserve Board unless such acquisition is specifically authorized by the laws of the state in which the bank whose shares are to be acquired is located.

The Interstate Banking and Branching Act also authorizes banks to merge across state lines, thereby creating interstate branches, beginning June 1, 1997. Under such legislation, each state has the opportunity either to "opt out" of this provision, thereby prohibiting interstate branching in such states, or

to "opt in" at an earlier time, thereby allowing interstate branching within that state prior to June 1, 1997. Furthermore, pursuant to the Interstate Banking and Branching Act, a bank is now able to open new branches in a state in which it does not already have banking operations, if such state enacts a law permitting such DE NOVO branching.

As previously described, the registrant regularly evaluates merger and acquisition opportunities, and it anticipates that it will continue to evaluate such opportunities in light of the new legislation.

Proposals to change the laws and regulations governing the banking industry are frequently introduced in Congress, in the state legislatures and before the various bank regulatory agencies. In 1995, several bills have been introduced in Congress that would have the effect of broadening the securities underwriting powers of bank holding companies and, possibly, permitting bank holding companies to engage in nonfinancial activities. The likelihood and timing of any such proposals or bills and the impact they might have on the registrant and its subsidiaries, however, cannot be determined at this time.

CAPITAL AND OPERATIONAL REQUIREMENTS

The Federal Reserve Board, the Comptroller and the FDIC have issued substantially similar risk-based and leverage capital guidelines applicable to United States banking organizations. In addition, those regulatory agencies may from time to time require that a banking organization maintain capital above the minimum levels, whether because of its financial condition or actual or anticipated growth. The narrative comments under the caption "Capital Resources and Capital Management" (page 48) set forth in the 1994 Annual Report to Shareholders of the registrant are hereby incorporated by reference.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), among other things, identifies five capital categories for insured depository institutions (well capitalized, adequately capitalized,

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undercapitalized, significantly undercapitalized and critically undercapitalized) and requires the respective Federal regulatory agencies to implement systems for "prompt corrective action" for insured depository institutions that do not meet minimum capital requirements within such categories. FDICIA imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the category in which an institution is classified. Failure to meet the capital guidelines could also subject a banking institution to capital raising requirements. An "undercapitalized" bank must develop a capital restoration plan and its parent holding company must guarantee that bank's compliance with the plan. The liability of the parent holding company under any such guarantee is limited to the lesser of 5% of the bank's assets at the time it became "undercapitalized" or the amount needed to comply with the plan. Furthermore, in the event of the bankruptcy of the parent holding company, such guarantee would take priority over the parent's general unsecured creditors. In addition, FDICIA requires the various regulatory agencies to prescribe certain non-capital standards for safety and soundness relating generally to operations and management, asset quality and executive compensation and permits regulatory action against a financial institution that does not meet such standards.

The various regulatory agencies have adopted substantially similar regulations that define the five capital categories identified by FDICIA, using the total risk-based capital, Tier 1 risk-based capital and leverage capital ratios as the relevant capital measures. Such regulations establish various degrees of corrective action to be taken when an institution is considered undercapitalized. Under the regulations, a "well capitalized" institution must have a Tier 1 capital ratio of at least 6 percent, a total capital ratio of at least 10 percent and a leverage ratio of at least 5 percent and not be subject to a capital directive order. An "adequately capitalized" institution must have a Tier 1 capital ratio of at least 4 percent, a total capital ratio of at least 8 percent and a leverage ratio of at least 4 percent, or 3 percent in some cases. Under these guidelines, each of the Banks is considered adequately or well capitalized.

Banking agencies have recently adopted final regulations which mandate that regulators take into consideration concentrations of credit risk and risks from non-traditional activities, as well as an institution's ability to manage those risks, when determining the adequacy of an institution's capital. That evaluation will be made as a part of the institution's regular safety and soundness examination. Banking agencies also have proposed amendments to existing risk-based capital regulations to provide for the consideration of interest rate risk (when the interest rate sensitivity of an institution's assets does not match the sensitivity of its liabilities or its off-balance-sheet position) in the determination of a bank's minimum capital requirements. Those proposals, while still under consideration, would require banks with interest rate risk in excess of defined thresholds to maintain additional capital beyond that generally required.

DISTRIBUTIONS

The registrant's funds for cash distributions to its shareholders are derived from a variety of sources, including cash and temporary investments. The primary source of such funds, however, is dividends received from its banking subsidiaries. The amount of dividends that each Bank may declare in a calendar year without approval of the Comptroller is the Bank's net profits for that year, as defined by statute, combined with its net retained profits, as defined, for the preceding two years. In addition, from time to time the registrant applies for, and may receive, permission from the Comptroller for one or more of the Banks to declare special dividends. In 1995, the Banks can initiate dividend

payments, without prior regulatory approval, of up to \$1.0 billion plus an additional amount equal to their net profits for 1995 up to the date of any such dividend declaration.

In addition to the foregoing, the ability of the registrant and the Banks to pay dividends may be affected by the various minimum capital requirements and the capital and non-capital standards established under FDICIA as described above. Furthermore, the Comptroller may prohibit the payment of a dividend by a national bank if it determines that such payment would constitute an unsafe or unsound practice. The right of the registrant, its shareholders and its creditors to participate in any distribution of the assets or earnings of its subsidiaries is further subject to the prior claims of creditors of the respective subsidiaries.

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SOURCE OF STRENGTH

According to Federal Reserve Board policy, bank holding companies are expected to act as a source of financial strength to each subsidiary bank and to commit resources to support each such subsidiary. This support may be required at times when a bank holding company may not be able to provide such support. In the event of a loss suffered or anticipated by the FDIC -- either as a result of default of a banking or thrift subsidiary of the registrant or related to FDIC assistance provided to a subsidiary in danger of default -- the other banking subsidiaries of the registrant may be assessed for the FDIC's loss, subject to certain exceptions.

ADDITIONAL INFORMATION

The following information set forth in the 1994 Annual Report to Shareholders of the registrant is hereby incorporated by reference:

Table 3 (pages 28 and 29) for average balance sheet amounts, related taxable-equivalent interest earned or paid, and related average yields earned and rates paid.

Tables 3 (pages 28 and 29) and 4 (page 31) and the narrative comments under the caption "Net Interest Income" (pages 30 to 32) for changes in taxable-equivalent interest income and expense for each major category of interest-earning assets and interest-bearing liabilities.

The narrative comments under the caption "Securities" (pages 37 and 38) and Note 3 (pages 64 and 65) of the Notes to Consolidated Financial Statements for information on the book values, maturities and weighted average yields of the securities (by category) of the registrant.

Tables 8 (page 36), 9 (page 37) and 20 (page 47) for distribution of loans and leases, selected loan maturity data and interest-rate risk.

Table 14 (page 42), the narrative comments under the caption "Nonperforming Assets" (pages 43 and 44), and Note 1 (pages 62 and 63) of the Notes to Consolidated Financial Statements for information on the nonperforming assets of the registrant. The narrative comments under the captions "Concentrations of Credit Risk" (pages 44 and 45) and "Loans and Leases" (page 38) and Tables 15, 16 and 17 (pages 43 and 44) for a discussion of the characteristics of the loan and lease portfolio.

Tables 12 (page 40) and 13 (page 41), the narrative comments under the captions "Provision for Credit Losses" (page 32) and "Allowance for Credit Losses" (pages 42 and 43) and Note 1 (page 62) of the Notes to Consolidated Financial Statements for information on the credit loss experience of the registrant.

Tables 3 and 10 (pages 28 and 29 and page 38, respectively) and the narrative comments under the caption "Deposits" (page 38) for deposit information.

"Six-Year Consolidated Statistical Summary" (page 79) for return on assets, return on equity and dividend payout ratio for 1989 through 1994, inclusive.

Table 11 (page 39) and Note 7 (pages 68 and 69) of the Notes to Consolidated Financial Statements for information on the short-term borrowings of the registrant.

All tables, graphs, charts, summaries and narrative on pages 1, 25 through 55, and 78 through 79 for additional data on the consolidated operations of the registrant and its majority-owned subsidiaries.

COMPETITION

The activities in which the registrant, its non-banking subsidiaries and the Banks engage are highly competitive. Generally, the lines of activity and markets served involve competition with other banks and non-bank financial institutions, such as investment banking firms, brokerage firms, mutual funds and insurance companies, as well as other entities which offer financial services, located both within and without the United States. The methods of competition center around various factors, such as customer services, interest rates on loans and deposits, lending limits and location of offices.

The commercial banking business in the various local markets served by the registrant's non-banking subsidiaries and the Banks is highly competitive. The non-banking subsidiaries and the Banks compete with

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other commercial banks, savings and loan associations, finance companies and other businesses which provide similar services. The non-banking subsidiaries and the Banks actively compete in commercial lending activities with local, regional and international banks and non-bank financial organizations, some of which are larger than certain of the non-banking subsidiaries and the Banks. In its consumer lending operations, the non-banking subsidiaries and the Banks' competitors include other banks, savings and loan associations, credit unions,

regulated small loan companies and other non-bank organizations offering financial services. In the investment banking and brokerage business, the registrant's non-banking subsidiaries compete with other banking and investment banking firms, brokerage firms and mutual funds. The registrant's mortgage banking subsidiary competes with commercial banks, savings and loan associations, government agencies, mortgage brokers and other non-bank organizations offering mortgage banking services. In the trust business, the Banks compete with other banks, investment counselors and insurance companies in national markets for institutional funds and corporate pension and profit sharing accounts. The Banks also compete with other banks, insurance agents, financial counselors and other fiduciaries for personal trust business. The non-banking subsidiaries and the Banks also actively compete for funds. A primary source of funds for the Banks is deposits, and competition for deposits includes other deposit taking organizations, such as commercial banks, savings and loan associations and credit unions, as well as money market mutual funds. The non-banking subsidiaries and the Banks also actively compete for funds in the open market.

The registrant's ability to expand into additional states remains subject to various federal and state laws. See "Government Supervision and Regulation -- General" for a more detailed discussion of interstate branching legislation and certain state legislation.

EMPLOYEES

At December 31, 1994, the registrant and its subsidiaries had 61,484 full time equivalent employees. Of the foregoing employees, 35,401 were employed by the General Bank, 5,199 were employed by the Global Finance Group, 2,643 were employed by the Financial Services Group, 13,860 were employed by NationsBank Services, Inc. (a subsidiary providing operational support services to the registrant and its subsidiaries) and the remainder were employed by the registrant holding company and the registrant's other banking and operating subsidiaries.

ITEM 2. PROPERTIES

The principal offices of the registrant are located in the 60-story NationsBank Corporate which is Center in Charlotte, North Carolina which is owned by a subsidiary of the registrant. The registrant occupies approximately 512,000 square feet at market rates under a lease which expires in 2002, and approximately 593,000 square feet of office space is available for lease to third parties at market rates. At December 31, 1994, approximately 96 percent was occupied by the registrant or subject to existing third party leases or letters of intention to lease.

On January 3, 1995, NationsBank of North Carolina, N.A. merged with NationsBank of South Carolina, N.A. to form NationsBank, N.A. (Carolinas) ("NationsBank Carolinas"). The principal offices of NationsBank Carolinas are located in leased space in the 40-story NationsBank Plaza, Charlotte, North Carolina. NationsBank Carolinas is the major tenant of the building with approximately 648,000 square feet of the net rentable space, of which approximately 459,000 square feet of space is under a lease which expires in 2009 and the remaining space is under leases of shorter duration.

The principal South Carolina offices of NationsBank Carolinas are located in approximately 93,000 square feet of leased space in the NationsBank Tower in Columbia, under a lease which expires in 1995 and is in the process of being renewed. NationsBank Carolinas, through subsidiaries, owns partnership interests in the building and the underlying land. In addition, NationsBank Carolinas maintains offices in approximately 81,000 square feet of leased space in NationsBank Plaza in Columbia under a lease that expires in 1999. NationsBank Carolinas has four five-year renewal options on this space.

The principal offices of NationsBank of Texas, N.A. ("NationsBank Texas") are located in approximately 667,000 square feet of leased space in the 72-story NationsBank Plaza in Dallas. NationsBank Texas is the major tenant of the building under a lease which expires in 2001 with renewal options through 2011.

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The principal offices of NationsBank of Florida, N.A. ("NationsBank Florida") are located in approximately 273,000 square feet of leased space in the NationsBank Plaza in downtown Tampa. The lease is on a staggered schedule such that the upper floors expire in 1996 while the lower floors and branch bank expire in 2000. NationsBank Florida has four five-year renewal options on this space.

The principal offices of NationsBank of Georgia, N.A. ("NationsBank Georgia") are located in leased space in the 55-story NationsBank Plaza in Atlanta. The registrant, through a subsidiary, is a partner in CSC Associates, L.P., a partnership that was formed with Cousins Properties Incorporated for the development and ownership of the office tower. NationsBank Georgia is the major tenant of the building with approximately 579,000 square feet of the net rentable space, under a lease that expires in 2012. NationsBank Georgia has three ten-year renewal options on this space. Of the approximately 656,000 remaining square feet, 417,000 square feet has been leased to third parties, with 239,000 remaining square feet available for lease to third parties at market rates.

On March 8, 1995, NationsBank of Virginia, N.A. merged with NationsBank, N.A. to form NationsBank, N.A. The principal offices of NationsBank, N.A. are located in approximately 383,000 square feet of space in NationsBank Center in Richmond, Virginia, a facility that is owned by NationsBank, N.A. The remaining approximately 152,000 square feet are leased to a third party tenant.

The principal Maryland offices of NationsBank, N.A. are located in approximately 145,000 square feet of leased space in the Rockledge Executive

Center in Bethesda under a lease that expires in 2002. NationsBank, N.A. has two five-year renewal options on this space. The approximately 6,500 square feet of space remaining is occupied by a third party under a sub-lease with NationsBank, N.A. The sub-lease, which is at market rates, expires in April 1997 with one five-year renewal option.

The principal offices of NationsBank of Tennessee, N.A. ("NationsBank Tennessee") are located in approximately 220,000 square feet of leased space in NationsBank Plaza in Nashville under a lease that expires in 2012. NationsBank Tennessee has two ten-year and one five-year renewal options on this space.

The principal offices of NationsCredit are located in approximately 136,000 square feet of space in Allentown, Pennsylvania in a facility that is owned by NationsCredit. In addition, NationsCredit has approximately 300 leased premises around the country.

The principal offices of Greyrock Capital Group Inc. are located in approximately 42,880 square feet of leased space in Canterbury Green in Stamford, Connecticut, under a lease which expires in 1997. Greyrock Capital Group Inc., through subsidiaries or branch offices, leases space in the following states: Alabama, Arizona, California, Florida, Georgia, Hawaii, Illinois, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin.

As of December 31, 1994, the registrant and its subsidiaries conducted their banking and bank-related activities in both leased and owned facilities throughout the jurisdictions in which the Banks are located, as follows:

<TABLE>
<CAPTION>

	APPROXIMATE LEASED FACILITIES <C>	APPROXIMATE OWNED FACILITIES <C>
<S>		
North Carolina and South Carolina	365	166
Texas	180	150
Florida	249	251
Virginia, Maryland and D.C.	423	234
Georgia	113	155
Tennessee	98	76
Delaware	2	0
Kentucky	7	3

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ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, the registrant 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 registrant and its subsidiaries and certain of these actions and proceedings are based on alleged violations of consumer protection, securities, banking and other laws. Management believes, based upon the advice of counsel, that these actions and proceedings and losses, if any, resulting from the final outcome thereof, will not be material in the aggregate to the registrant's financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to security holders in the fourth quarter of the registrant's fiscal year.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The principal market on which the registrant's Common Stock (the "Common Stock") is traded is the New York Stock Exchange. The registrant also listed certain of its shares of Common Stock for trading on the Pacific Stock Exchange and on the Tokyo Stock Exchange. The high and low sales prices of Common Stock on the Composite Tape, as reported in published financial sources, for each quarterly period indicated below are as follows:

<TABLE>
<CAPTION>

	QUARTER <C>	HIGH <C>	LOW <C>
1993	first	\$ 58	\$ 49 1/2
	second	57 7/8	45
	third	53 5/8	48 1/4
	fourth	53 1/4	44 1/2
1994	first	50 7/8	44 3/8
	second	57 3/8	44 1/2
	third	56	47 1/8
	fourth	50 3/4	43 3/8

</TABLE>

As of December 31, 1994, there were 105,774 record holders of Common Stock. During 1993 and 1994, the registrant paid dividends on the Common Stock on a quarterly basis, which aggregated \$1.64 per share in 1993 and \$1.88 per share in 1994. For additional information regarding the registrant's ability to pay dividends, see "Government Supervision and Regulation -- Distributions." The seventh paragraph of Note 7 (page 69) and Note 10 (page 70) of the Notes to

Consolidated Financial Statements in the registrant's 1994 Annual Report to Shareholders are hereby incorporated by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth in Table 1 (page 25) in the registrant's 1994 Annual Report to Shareholders is hereby incorporated by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All of the information set forth under the captions "Management's Discussion and Analysis -- 1994 Compared to 1993" (pages 25 through 53), "Management's Discussion and Analysis -- 1993 Compared to 1992" (pages 54 and 55), "Report of Management" (page 56) and all tables, graphs and charts presented under the foregoing captions, in the 1994 Annual Report to Shareholders of the registrant is hereby incorporated by reference.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following information set forth in the 1994 Annual Report to Shareholders of the registrant is hereby incorporated by reference:

The Consolidated Financial Statements and Notes to Consolidated Financial Statements of NationsBank Corporation and Subsidiaries, together with the report thereon of Price Waterhouse LLP dated January 13, 1995 (pages 57 through 77); the unaudited information presented in Table 22 (page 50); and the narrative comments under the caption "Fourth Quarter Review" (page 51).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosure as defined by Item 304 of Regulation S-K.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information set forth under the caption "Election of Directors" on pages 3 through 11 of the definitive 1995 Proxy Statement of the registrant furnished to shareholders in connection with its Annual Meeting to be held on April 26, 1995 (the "1995 Proxy Statement") with respect to the name of each nominee or director, that person's age, positions and offices with the registrant, business experience, directorships in other public companies, service on the registrant's Board and certain family relationships, and information set forth under the caption "Compliance with Section 16(a) of the Securities Exchange Act of 1934" on page 14 of the 1995 Proxy Statement with respect to Section 16 matters, is hereby incorporated by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to the Instructions to Form 10-K and Item 401(b) of Regulation S-K, the name, age and position of each executive officer of the registrant are listed below along with such officer's business experience during the past five years. Officers are appointed annually by the Board of Directors at the meeting of directors immediately following the annual meeting of shareholders. There are no arrangements or understandings between any officer and any other person pursuant to which any officer was selected.

Fredric J. Figge, II, age 58, Chairman, Corporate Risk Policy of the registrant and of the Banks. Mr. Figge was named Chairman, Corporate Risk Policy in October, 1993 and prior to that time served as Chairman, Credit Policy of the registrant and of the Banks. He first became an officer in 1987.

James H. Hance, Jr., age 50, Vice Chairman and Chief Financial Officer of the registrant. Mr. Hance was named Chief Financial Officer in August, 1988, also served as Executive Vice President from March, 1987 to December 31, 1991 and was named Vice Chairman in October, 1993. He first became an officer in 1987. He also serves as a director of NationsBank, N.A., NationsBank Carolinas, NationsBank Tennessee and various other subsidiaries of the registrant.

Kenneth D. Lewis, age 47, President of the registrant. Mr. Lewis was named to his present position in October, 1993. Prior to that time, from June, 1990 to October, 1993 he served as President of the registrant's General Bank and from August, 1988 to June, 1990, he served as President of NationsBank Texas. He first became an officer in 1971. Mr. Lewis also serves as a director of NationsBank, N.A., NationsBank Florida, NationsBank Georgia and NationsBank Texas.

Hugh L. McColl, Jr., age 59, Chairman of the Board and Chief Executive Officer of the registrant and Chief Executive Officer of the Banks. He first became an officer in 1962. Mr. McColl was Chairman of the registrant from September, 1983 until December 31, 1991, and was re-appointed Chairman on December 31, 1992. He also serves as a director of the registrant and NationsBank Texas.

Marc D. Oken, age 48, Executive Vice President and Principal Accounting Officer of the registrant. He first became an officer in 1989.

James W. Thompson, age 55, Vice Chairman of the registrant and Chairman of NationsBank East. Mr. Thompson was named Vice Chairman in October, 1993, and as Chairman of NationsBank East on

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December 31, 1991. He first became an officer in 1963. He also serves as chairman of the boards of directors of NationsBank, N.A. and NationsBank Carolinas.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to current remuneration of executive officers, certain proposed remuneration to them, their options and certain indebtedness and other transactions set forth in the 1995 Proxy Statement (i) under the caption "Board of Directors' Compensation" on pages 16 and 17 thereof, (ii)

under the caption "Executive Compensation" on pages 18 and 19 thereof, (iii) under the caption "Retirement Plans" on pages 19 and 20 thereof, (iv) under the caption "Deferred Compensation Plan" on pages 20 and 21 thereof, (v) under the caption "Benefit Security Trust" on page 21 thereof, (vi) under the caption "Stock Options" on page 22 thereof, (vii) under the caption "Compensation Committee Interlocks and Insider Participation" on page 29 thereof, and (viii) under the caption "Certain Transactions" on pages 29 through page 32 thereof, is, to the extent such information is required by Item 402 of Regulation S-K, hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The security ownership information required by Item 403 of Regulation S-K relating to persons who beneficially own more than 5% of the outstanding shares of Common Stock or ESOP Preferred Stock, as well as security ownership information relating to directors, nominees and named executive officers individually and directors and executive officers as a group, is hereby incorporated by reference to the ownership information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" on pages 12 through 14 of the 1995 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to relationships and related transactions between the registrant and any director, nominee for director, executive officer, security holder owning 5% or more of the registrant's voting securities or any member of the immediate family of any of the above, as set forth in the 1995 Proxy Statement under the caption "Compensation Committee Interlocks and Insider Participation" on page 29 and under the caption "Certain Transactions" on pages 29 through 32 thereof, is, to the extent such information is required by Item 404 of Regulation S-K, hereby incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

a. The following documents are filed as part of this report:

<TABLE>
<CAPTION>

PAGE IN

ANNUAL

REPORT*

<S>

<C>
<C>

(1) Financial Statements:
Report of Independent

Accountants.....	57
Consolidated Statement of Income for the three years ended December 31,	
1994.....	58
Consolidated Balance Sheet at December 31, 1994 and 1993.....	59
Consolidated Statement of Cash Flows for the three years ended December 31,	
1994.....	60
Consolidated Statement of Changes in Shareholders' Equity for the three years ended December 31,	
1994.....	61
Notes to Consolidated Financial Statements.....	62-77

* Incorporated by reference from the indicated pages of the 1994 Annual Report to Shareholders.

(2) All schedules are omitted because they are not applicable or the required

</TABLE>
10

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<C>
information is shown in the financial statements or notes thereto.

</TABLE>

- b. The following reports on Form 8-K have been filed by the registrant during the quarter ended December 31, 1994:
Current Report on Form 8-K dated September 28, 1994 and filed October 3, 1994, Item 5.
Current Report on Form 8-K dated December 20, 1994 and filed December 22, 1994, Items 5 and 7.
- c. The exhibits filed as part of this report and exhibits incorporated herein by reference to other documents are listed in the Index to Exhibits to this Annual Report on Form 10-K (pages E-1 through E-5, including executive compensation plans and arrangements which are identified separately by asterisk).

With the exception of the information herein expressly incorporated by reference, the 1994 Annual Report to Shareholders and the 1995 Proxy Statement are not to be deemed filed as part of this Annual Report on Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATIONSBANK CORPORATION

Date: March 30, 1995

By: */s/ JAMES H. HANCE, JR.
 JAMES H. HANCE, JR.
 VICE CHAIRMAN AND
 CHIEF FINANCIAL OFFICER
 (PRINCIPAL FINANCIAL OFFICER)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE>

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TITLE	SIGNATURE	DATE	
<C>			<C>
<S>			
and	*/s/ HUGH L. MCCOLL, JR.	March 30, 1995	Chairman of the Board
	(HUGH L. MCCOLL, JR.)		Chief Executive Officer
and	*/s/ JAMES H. HANCE, JR.	March 30, 1995	Vice Chairman
	(JAMES H. HANCE, JR.)		Chief Financial Officer (Principal Financial Officer)
President	*/s/ MARC D. OKEN	March 30, 1995	Executive Vice
Officer)	(MARC D. OKEN)		(Principal Accounting
Director	*/s/ RONALD W. ALLEN	March 30, 1995	
	(RONALD W. ALLEN)		
Director	*/s/ WILLIAM M. BARNHARDT	March 30, 1995	
	(WILLIAM M. BARNHARDT)		
Director	*/s/ THOMAS M. BELK	March 30, 1995	
	(THOMAS M. BELK)		
Director	*/s/ THOMAS E. CAPPS	March 30, 1995	
	(THOMAS E. CAPPS)		
Director	*/s/ R. EUGENE CARTLEDGE	March 30, 1995	
	(R. EUGENE CARTLEDGE)		
Director	*/s/ CHARLES W. COKER	March 30, 1995	
	(CHARLES W. COKER)		
Director	*/s/ THOMAS G. COUSINS	March 30, 1995	
	(THOMAS G. COUSINS)		
Director	*/s/ ALAN T. DICKSON	March 30, 1995	
	(ALAN T. DICKSON)		
Director	*/s/ W. FRANK DOWD, JR.	March 30, 1995	
	(W. FRANK DOWD, JR.)		

</TABLE>

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<TABLE>

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TITLE	SIGNATURE	DATE	
<C>			<C>
<S>			
Director	*/s/ A. L. ELLIS	March 30, 1995	
	(A. L. ELLIS)		
Director	*/s/ PAUL FULTON	March 30, 1995	
	(PAUL FULTON)		
Director	*/s/ L. L. GELLERSTEDT, JR.	March 30, 1995	
	(L. L. GELLERSTEDT, JR.)		
Director	*/s/ TIMOTHY L. GUZZLE	March 30, 1995	
	(TIMOTHY L. GUZZLE)		

Director	*/s/ E. BRONSON INGRAM	March 30, 1995
	(E. BRONSON INGRAM)	
Director	*/s/ W. W. JOHNSON	March 30, 1995
	(W. W. JOHNSON)	
Director	*/s/ BUCK MICKEL	March 30, 1995
	(BUCK MICKEL)	
Director	*/s/ JOHN J. MURPHY	March 30, 1995
	(JOHN J. MURPHY)	
Director		March , 1995
	(JOHN C. SLANE)	
Director	*/s/ JOHN W. SNOW	March 30, 1995
	(JOHN W. SNOW)	
Director		March , 1995
	(MEREDITH R. SPANGLER)	
Director		March , 1995
	(ROBERT H. SPILMAN)	
Director	*/s/ WILLIAM W. SPRAGUE, JR.	March 30, 1995
	(WILLIAM W. SPRAGUE, JR.)	
Director	*/s/ RONALD TOWNSEND	March 30, 1995
	(RONALD TOWNSEND)	
Director	*/s/ JACKIE M. WARD	March 30, 1995
	(JACKIE M. WARD)	
Director	*/s/ MICHAEL WEINTRAUB	March 30, 1995
	(MICHAEL WEINTRAUB)	
*By: /S/	CHARLES M. BERGER	
	CHARLES M. BERGER, ATTORNEY-IN-FACT	

</TABLE>

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INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
<C>	<S>
<C>	
<C>	
1.	Not Applicable.
2.	Not Applicable.
3.	(a) Restated Articles of Incorporation of registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3(i) of registrant's Quarterly Report on Form 10-Q dated August 12, 1994.
	(b) Amended and Restated Bylaws of registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3(b) of registrant's Annual Report on Form 10-K dated March 25, 1992.
4.	(a) Specimen certificate of registrant's Common Stock, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-45542.
	(b) Specimen certificate of registrant's ESOP Convertible Preferred Stock, Series C, incorporated by reference to Exhibit 4(c) of registrant's Annual Report on Form 10-K dated March 25, 1992.
	(c) Indenture dated as of March 1, 1974 between registrant and Manufacturers Hanover Trust Company, including the form of the Debenture, pursuant to which registrant issued its 8 3/8% Sinking Fund Debentures, due 1999, incorporated by reference to Exhibit 2 of registrant's Registration No. 2-50151.
	(d) Indenture dated as of August 1, 1982 between registrant and Morgan Guaranty Trust Company of New York, pursuant to which registrant issued its 7 3/4% Debentures, due 2002, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 2-78530.
	(e) Indenture dated as of October 1, 1986 between registrant and Security Pacific

National Trust Company (New York), pursuant to which registrant issued its 8 1/2% Notes, due 1996, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-7221.

(f) Indenture dated as of March 30, 1989 between registrant and The Bank of New York, including the form of Notes, pursuant to which registrant issued its 10 1/2% Subordinated Notes, due 1999, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 33-27918.

(g) Indenture dated as of September 1, 1989 between registrant and The Bank of New York, pursuant to which registrant issued its 9 3/8% Subordinated Notes, due 2009; its 10.20% Subordinated Notes, due 2015; its 9 1/8% Subordinated Notes, due 2001; and its 8 1/8% Subordinated Notes, due 2002, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-30717.

(h) Indenture dated as of January 1, 1992 between registrant and BankAmerica Trust Company of New York, pursuant to which registrant issued its 6 5/8% Senior Notes, due 1998; and its 5 3/8% Senior Notes, due 1995, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-54784.

(i) Indenture dated as of November 1, 1992 between registrant and The Bank of New York, pursuant to which registrant issued its 6 7/8% Subordinated Notes, due 2005, incorporated by reference to Exhibit 4.1 of registrant's Amendment to Application or Report on Form 8 dated March 1, 1993.

(j) First Supplemental Indenture dated as of July 1, 1993 to the Indenture dated as of January 1, 1992 between registrant and BankAmerica National Trust company (formerly BankAmerica Trust Company of New York), pursuant to which registrant issued its Senior Medium-Term Notes, Series A, B and C; its 4 3/4% Senior Notes, due 1996; its 5 1/8% Senior Notes, due 1998; its 5 3/8% Senior Notes, due 2000; and its 7 1/2% Senior Notes, due 1997, incorporated by reference to Exhibit 4.1 of registrant's Report on Form 8-K dated July 6, 1993.

(k) First Supplemental Indenture dated as of July 1, 1993 to the Indenture dated as of November 1, 1992 between registrant and The Bank of New York, pursuant to which registrant issued its Subordinated Medium-Term Notes, Series A and B; its 6 1/2% Subordinated Notes, due 2003; and its 7 3/4% Subordinated Notes, due 2004, incorporated by reference to Exhibit 4.4 of registrant's Report on Form 8-K dated July 6, 1993.

</TABLE>

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<TABLE>

<CAPTION>

EXHIBIT NO.

DESCRIPTION

<C>	<S>	DESCRIPTION
	(l)	Indenture dated as of January 1, 1995 between registrant and BankAmerica National Trust Company, pursuant to which registrant issued its Floating Rate Senior Notes, due 1998, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-57533.
	(m)	The registrant has other long-term debt agreements, but these are not material in amount. Copies of these agreements will be furnished to the Commission on request.
5.		Not Applicable.
6.		Not Applicable.
7.		Not Applicable.
8.		Not Applicable.

9. None.

10. (a) Limited Partnership Agreement of CSC Associates, L. P., between The Citizens and Southern Corporation and Cousins Properties Incorporated dated as of September 29, 1989, including Transfer of Partnership Interest between The Citizens and Southern Corporation and C&S Premises, Inc. and First Amendment thereto, both of which are incorporated by reference to Exhibit 10(ss) of registrant's Annual Report on Form 10-K dated March 25, 1992; and Second Amendment thereto dated as of December 31, 1990.

(b) Employment Agreement between registrant and A. L. Ellis, incorporated by reference to * Exhibit 2 of registrant's Registration No. 2-88129.

(c) The NationsBank Retirement Savings Plan, as effective January 1, 1993, incorporated * by reference to Exhibit 10(d) of registrant's Annual Report on Form 10-K dated March 30, 1994; and Amendment thereto dated as of December 31, 1993.

(d) Investment Trust Agreement Under The NationsBank Retirement Savings Plan, as * effective January 1, 1993, incorporated by reference to Exhibit 10(e) of registrant's Annual Report on Form 10-K dated March 30, 1994.

(e) ESOP Trust Agreement Under The NationsBank Retirement Savings Plan, as effective * January 1, 1993, incorporated by reference to Exhibit 10(f) of registrant's Annual Report on Form 10-K dated March 30, 1994.

(f) Ancillary Trust Agreement for the Investment Trust of The NationsBank Retirement * Savings Plan, as effective January 1, 1993, incorporated by reference to Exhibit 10(g) of registrant's Annual Report on Form 10-K dated March 30, 1994.

(g) Independent Agency Agreement for the Investment Trust of The NationsBank Retirement * Savings Plan, as effective January 1, 1993, incorporated by reference to Exhibit 10(h) of registrant's Annual Report on Form 10-K dated March 30, 1994.

(h) Description of the 1994 NationsBank Corporate Management Incentive Plan. *

(i) NationsBank Corporation and Designated Subsidiaries Directors' Retirement Plan, * incorporated by reference to Exhibit 10(f) of registrant's Annual Report on Form 10-K dated March 27, 1991; and Amendment thereto dated as of September 28, 1994.

(j) NationsBank Corporation and Designated Subsidiaries Supplemental Executive Retirement * Plan; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(g) of registrant's Annual Report on Form 10-K dated March 28, 1990; Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(g) of registrant's Annual Report on Form 10-K dated March 27, 1991; Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of registrant's Annual Report on Form 10-K dated March 25, 1992; Amendment thereto dated as of December 3, 1992 and Amendment thereto dated as of December 15, 1992, both of which are incorporated by reference to Exhibit 10(l) of registrant's Annual Report on Form 10-K dated March 24, 1993; and Amendment thereto dated as of September 28, 1994.

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EXHIBIT NO.

DESCRIPTION

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(k) NationsBank Corporation and Designated Subsidiaries

Deferred Compensation Plan for *
Key Employees; Amendment thereto dated as of June 28,
1989, incorporated by reference
to Exhibit 10(h) of registrant's Annual Report on Form
10-K dated March 28, 1990;
Amendment thereto dated as of June 27, 1990, incorporated
by reference to Exhibit
10(h) of registrant's Annual Report on Form 10-K dated
March 27, 1991; Amendment
thereto dated as of July 21, 1991, incorporated by
reference to Exhibit 10(bb) of
registrant's Annual Report on Form 10-K dated March 25,
1992; and Amendment thereto
dated as of December 3, 1992, incorporated by reference
to Exhibit 10(m) of
registrant's Annual Report on Form 10-K dated March 24,
1993.

(l) 1986 Restricted Stock Award Plan of NationsBank
Corporation, as amended, incorporated *
by reference to Exhibit 10(n) of registrant's Annual
Report on Form 10-K dated March
24, 1993.

(m) The NationsBank Pension Plan, as effective January 1,
1993, incorporated by reference *
to Exhibit 10(n) of registrant's Annual Report on Form
10-K dated March 30, 1994; and
Amendments thereto dated as of September 28, 1994,
December 15, 1994 and December 28,
1994.

(n) NationsBank Corporation and Designated Subsidiaries
Supplemental Retirement Plan, *
incorporated by reference to Exhibit 10(o) of
registrant's Annual Report on Form 10-K
dated March 30, 1994; Amendment thereto dated as of June
28, 1989, incorporated by
reference to Exhibit 10(k) of registrant's Annual Report
on Form 10-K dated March 28,
1990; Amendment thereto dated as of June 27, 1990,
incorporated by reference to
Exhibit 10(k) of registrant's Annual Report on Form 10-K
dated March 27, 1991;
Amendment thereto dated as of July 21, 1991, incorporated
by reference to Exhibit
10(bb) of registrant's Annual Report on Form 10-K dated
March 25, 1992; Amendment
thereto dated as of December 3, 1992 and Amendment
thereto dated as of December 4,
1992, both of which are incorporated by reference to
Exhibit 10(p) of registrant's
Annual Report on Form 10-K dated March 24, 1993.

(o) NationsBank Corporation and Designated Subsidiaries
Supplemental Executive Retirement *
Plan for Senior Management Employees; Amendment thereto
dated as of June 28, 1989,
incorporated by reference to Exhibit 10(1) of
registrant's Annual Report on Form 10-K
dated March 28, 1990; Amendment thereto dated as of June
27, 1990, incorporated by
reference to Exhibit 10(1) of registrant's Annual Report
on Form 10-K dated March 27,
1991; Amendment thereto dated as of July 21, 1991,
incorporated by reference to
Exhibit 10(bb) of registrant's Annual Report on Form 10-K
dated March 25, 1992;
Amendment thereto dated as of December 3, 1992 and
Amendment thereto dated as of
December 15, 1992, both of which are incorporated by
reference to Exhibit 10(q) of
registrant's Annual Report on Form 10-K dated March 24,
1993; and Amendment thereto
dated as of September 28, 1994.

(p) Split Dollar Agreement dated as of February 1, 1990
between registrant and Hugh L. *
McColl III, as Trustee for the benefit of Hugh L. McColl,
Jr. and Jane S. McColl,
incorporated by reference to Exhibit 10(s) of
registrant's Annual Report on Form 10-K
dated March 27, 1991.

(q) NationsBank Corporation Benefit Security Trust dated as
of June 27, 1990, *
incorporated by reference to Exhibit 10(t) of
registrant's Annual Report on Form 10-K
dated March 27, 1991; and First Supplement thereto dated
as of November 30, 1992,
incorporated by reference to Exhibit 10(v) of

registrant's Annual Report on Form 10-K
dated March 24, 1993.
(r) The NationsBank Retirement Savings Restoration Plan, as
effective January 1, 1994, *
incorporated by reference to Exhibit 10(t) of
registrant's Annual Report on Form 10-K
dated March 30, 1994.
(s) Employment Arrangement with Fredric J. Figge, II dated
July 27, 1987, incorporated by *
reference to Exhibit 10(tt) of registrant's Annual Report
on Form 10-K dated March
25, 1992.

</TABLE>

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EXHIBIT NO.

DESCRIPTION

EXHIBIT NO.	DESCRIPTION
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(t)	Business Asset Purchase Agreement dated November 17, 1992 among NationsBanc Financial Services and the other Purchasers named or to be named therein and Chrysler First, Inc. and the other sellers named therein, incorporated by reference to Exhibit 28.2 of registrant's Report on Form 8-K dated December 2, 1992.
(u)	Agreement and Plan of Consolidation between registrant and MNC Financial, Inc., incorporated by reference to Exhibit 28.4 of registrant's Quarterly Report on Form 10-Q dated August 11, 1992; Amendment thereto dated as of September 28, 1992, incorporated by reference to Exhibit 28.1 of registrant's Report on Form 8-K dated October 2, 1992; and Amendment thereto dated as of November 30, 1992, incorporated by reference to Exhibit 28.6 of registrant's Report on Form 8-K dated December 2, 1992.
(v)	NationsBank Corporation Executive Incentive Compensation Plan, as effective January 1, 1994; and Amendment thereto dated as of September 28, 1994.
(w)	NationsBank Corporation Key Employee Deferral Plan, as effective October 1, 1994.
(x)	NationsBank Corporation Director Deferral Plan, as effective January 1, 1995.
(y)	Special Trust Agreement under The NationsBank Pension Plan, as effective December 31, 1994.
11.	Earnings per share computation.
12.	(a) Ratio of Earnings to Fixed Charges. (b) Ratio of Earnings to Fixed Charges and Preferred Dividends.
13.	1994 Annual Report to Shareholders. This exhibit filed via EDGAR contains only those portions of the Annual Report that are incorporated by reference.
14.	Not Applicable.
15.	Not Applicable.
16.	None.
17.	Not Applicable.
18.	None.
19.	Not Applicable.
20.	Not Applicable.
21.	List of Subsidiaries of Registrant.
22.	None.
23.	Consent of Price Waterhouse LLP.
24.	(a) Power of Attorney. (b) Corporate Resolution.
25.	Not Applicable.
26.	Not Applicable.
27.	Financial Data Schedule.
28.	None.
99.	None.

</TABLE>

* Denotes executive compensation plan or arrangements.

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

THIS SPECIAL TRUST AGREEMENT is made and entered into effective as of the 31st day of December, 1994, by and between NATIONSBANK CORPORATION, a North Carolina corporation ("NationsBank"), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association (hereinafter referred to as the "Special Trustee").

Statement of Purpose

NationsBank and certain of its subsidiaries sponsor The NationsBank Pension Plan (the "NationsBank Plan"). During 1994, NationsBank acquired RHNB Corporation and its subsidiary, Rock Hill National Bank. In connection with the consolidation of the RHNB employee benefits programs into the NationsBank employee benefits programs, the Rock Hill National Bank Pension Plan (the "RHNB Plan") is merging with and into the Plan effective as of the date hereof.

A portion of the assets of the RHNB Plan have been invested in units of the Wachovia Bank Real Estate Fund, a common trust fund established and maintained by the Special Trustee (the "REF"). The Special Trustee is in the process of liquidating the REF, and it is anticipated that liquidating and other distributions will be made from time to time with respect to the units of the REF owned by the RHNB Plan.

NationsBank desires to have the RHNB Plan's units in the REF held in a separate special trust under the NationsBank Plan (the "Special Trust") following the merger of the RHNB Plan into the NationsBank Plan and to provide that the Special Trustee (and not NationsBank of North Carolina, N.A., the Trustee of the primary Trust under the Plan) shall have fiduciary responsibility for the assets of the Special Trust. This Special Trust Agreement establishes and documents the Special Trust.

NOW, THEREFORE, the parties hereto hereby agree that a Special Trust for The NationsBank Pension Plan is established effective as of December 31, 1994, to consist of the following Articles I through VIII:

ARTICLE I
PURPOSE

The terms and provisions of this Special Trust Agreement govern the Special Trust established effective December 31, 1994 under the Plan. The Special Trust is a part of the Plan and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries, as provided in the Plan and this Special Trust Agreement, for the purpose of:

(i) holding the assets of the Plan comprising the Plan's units in the REF;

(ii) receiving assets in exchange for and liquidating and other distributions made with respect to the Plan's units in the REF; and

(iii) transferring all such assets and liquidating and other distributions as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A. to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

It shall be impossible for any part of the assets of the Special Trust to be diverted to or used for purposes other than the exclusive benefit of the Participants or their Beneficiaries except as provided in the Plan or the Special Trust and permitted qualified plans and trusts under the Act and the Code.

ARTICLE II
CONSTRUCTION

SECTION 2.1. GENERAL.

(a) Construction. In the construction of this Special Trust Agreement, reference is made to the definitions, terms and provisions of The NationsBank Pension Plan, and the terms used in this Special Trust Agreement shall have the same meanings as given the terms in the Plan unless the context clearly indicates otherwise. Whenever used in this Special Trust Agreement, unless the context clearly indicates

otherwise, the singular shall include the plural and the plural the singular. The conjunction "or" shall include both the conjunctive and disjunctive, and the adjective "any" shall mean one or more or all. References to the masculine gender are for convenience of expression only and shall refer to the other genders as well. Article, section and paragraph headings have been inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Special Trust Agreement. If any provision of this Special Trust Agreement, as amended from time to time, shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable and fully effective.

(b) Intent. It is the intent of the parties that the Plan shall at all times be a qualified plan under Section 401(a) of the Code and that the Special Trust shall at all times be exempt from taxation under Section 501(a) of the Code. This Special Trust Agreement shall be construed and interpreted to effectuate such intent.

SECTION 2.2. APPLICABLE LAW. This Special Trust Agreement and the Special Trust herein provided for shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable and, to the extent such laws are not applicable, by the laws of the State of North Carolina.

ARTICLE III ASSETS AND INVESTMENTS

SECTION 3.1. SPECIAL TRUST ASSETS. The assets of the Special Trust shall consist of all the Plan's units in the REF and all assets received in exchange for or liquidating and other distributions with respect to the Plan's units in the REF.

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SECTION 3.2. INVESTMENT OF ASSETS.

(a) Primary Investment Purpose. The primary purpose of the Special Trust is to hold the Plan's units in the REF, and therefore all of the assets held under the Special Trust may be invested in the REF.

(b) Other Investments. A portion of the Special Trust assets need not be invested in REF units. Such portion, however, shall consist only of assets received by the Special Trustee in exchange for or as liquidating and other distributions made with respect to the Plan's REF units and being held temporarily by the Special Trustee pending the transfer of such assets as soon as administratively practicable to NationsBank of North Carolina, N.A. The portion of the Special Trust assets not invested in REF units shall be (i) held in cash or cash equivalent or (ii) invested in short-term debt obligations selected with a view towards minimal fluctuations in principal value and otherwise on the basis of their income returns consistent with investment quality.

ARTICLE IV DUTIES AND POWERS

SECTION 4.1. DUTIES.

(a) General. The Special Trustee's powers, duties and responsibilities shall be limited to the following:

(i) to manage and control the assets of the Special Trust pursuant to the Plan and this Special Trust Agreement and to prepare and submit the financial information with respect to said assets (including the valuations thereof) agreed to between the Special Trustee and the Participating Employers or required to be furnished to the Committee, the Participating Employers, any Participant and Beneficiary or any regulatory authority under the Act; and

(ii) to transfer all assets received in exchange for or distributions with respect to the Plan's REF units as soon as practicable after their receipt by the Special Trustee to NationsBank of North Carolina, N.A., to be held, administered and distributed in accordance with the terms of the primary Trust under the Plan.

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(b) Limitation. Except to the extent provided in this Special Trust Agreement or the Plan and as otherwise required by applicable law, the Special Trustee shall not be responsible for the administration of the Plan nor for the acts or omissions of any other fiduciary (or agent thereof)

with respect to the Plan unless:

(i) the Special Trustee participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of trust;

(ii) by the Special Trustee's breach of fiduciary duty in the administration of its specific responsibilities, the Special Trustee enables such other fiduciary to commit a breach of trust; or

(iii) the Special Trustee has knowledge of a breach of trust by another fiduciary and fails to make reasonable efforts under the circumstances to remedy such breach of trust.

SECTION 4.2. POWERS OF SPECIAL TRUSTEE. The Special Trustee, in addition to and not in modification of or limitation of all of the Special Trustee's common law and statutory authority, but subject to the provisions of Section 3.2 and 4.1 of this Special Trust Agreement with respect to the investments of the Special Trust, shall have all of the following powers with regard to all property which shall at any time and from time to time form a part of the assets of the Special Trust:

(i) to collect the principal and income of the Special Trust as the same shall become due and payable and to give binding receipt therefor, and if at any time there shall be a default in the payment of such principal or income, or any part thereof, to take such action, whether by legal proceedings, compromise or otherwise, as the Special Trustee, in its discretion, shall deem to be in the best interest of the Special Trust; any property acquired by the Special Trustee under judicial sale, or otherwise, in the enforcement or compromise of any such claim or claims, shall be and become a part of the Special Trust and dealt with as such by the Special Trustee;

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(ii) to invest the Special Trust assets in the REF and to exercise all powers conferred upon the Special Trustee by the REF as to such investment;

(iii) to keep such portion of the Special Trust in cash as the Special Trustee may, from time to time, deem to be in the best interest of the Special Trust, without liability for interest thereon;

(iv) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(v) to settle and compromise any claims, debts or damages due or owing to or from the Special Trust, and to commence or defend suits or legal and administrative proceedings; and

(vi) to employ suitable agents and counsel (who may be counsel for the Participating Employers), and to pay their reasonable compensation and expenses.

ARTICLE V VALUATION OF ASSETS AND ACCOUNTING

SECTION 5.1. VALUATION OF ASSETS. The assets of the Special Trust shall be valued at least once during each Plan Year at the then existing fair market value, or in the absence of a readily ascertainable fair market value, at such values as the Special Trustee shall determine in accordance with methods consistently followed and uniformly applied. The Special Trustee shall be responsible for the valuations of the assets of the Special Trust hereunder.

SECTION 5.2. ACCOUNTINGS. The Special Trustee, as soon as practicable after each Plan Year and after such other date(s) during the Plan Year as the Special Trustee and the Committee shall agree, shall cause a full account of the administration of the Special Trust hereunder during the accounting period then ended to be rendered to the Committee and shall furnish to the Committee such information as is necessary for the timely preparation of the statements, returns, reports and information required to be submitted, filed or distributed by the Committee within sufficient time to permit the Committee to cause to be prepared and distributed or filed such statements, returns, reports and information.

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ARTICLE VI AMENDMENT AND MERGER

SECTION 6.1. RESERVATION OF RIGHT TO AMEND AND RESTRICTIONS THEREON. The Participating Employers reserve and shall have the right at any time, and from time to time to amend, modify or alter, in whole or in part, any of the terms and provisions of the Special Trust and this Special Trust Agreement, and any such amendment may be retroactive to the extent not prohibited by applicable law; provided, however, that no amendment shall authorize or permit any part of the Special Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants and their Beneficiaries or shall have the effect of revesting in the Participating Employers any part of the assets of the Special Trust unless such amendment is permitted or required by laws governing qualified plans and such amendment does not affect the status of the Plan as a qualified plan under the Code or the status of the Special Trust as a tax-exempt trust under the Code.

SECTION 6.2. AMENDMENT PROCEDURE. Any amendment to this Special Trust Agreement shall be effected by a written agreement between NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee, which amendment shall become a part of this Special Trust Agreement; provided, however, if the Special Trustee is unwilling or unable to execute such amendment, it may resign or be removed by the Compensation Committee.

SECTION 6.3. MERGER OR CONSOLIDATION. The Plan and its trusts (including the Special Trust) shall not be merged or consolidated with any other plan and trust, nor shall the assets or liabilities of the Plan and trusts be transferred to any other plan and trust, unless the benefit which each Participant would receive immediately after such merger, consolidation or transfer if the Plan and trusts had then terminated is equal to or greater

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than the benefit such Participant would have been entitled to receive immediately before such merger, consolidation or transfer if the Plan and trusts had then terminated.

ARTICLE VII

RESIGNATION, REMOVAL AND SUCCESSOR SPECIAL TRUSTEE

SECTION 7.1. RESIGNATION. The Special Trustee may resign from the Special Trust at any time by giving thirty (30) days advance written notice to the Compensation Committee. Upon such resignation becoming effective, the Special Trustee shall render to the Committee a full account of its administration of the Special Trust during the period following that covered by the last accounting, and shall perform all acts necessary to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.2. REMOVAL. The Compensation Committee may remove the Special Trustee at any time upon delivery of thirty (30) days prior written notice to the Special Trustee. In the event of such removal, the Special Trustee shall be under the same duties to account for and to transfer and deliver the assets of the Special Trust and all information and data relating to such administration to its successor.

SECTION 7.3. SUCCESSOR. In the event of a vacancy in the trusteeship of the Special Trust occurring at any time, the Compensation Committee shall designate and appoint a qualified successor corporate Special Trustee of the Special Trust. Any such successor Special Trustee shall have all the rights and powers and all of the duties and responsibilities herein conferred upon the original Special Trustee. If a successor Special Trustee is not appointed within sixty (60) days after the Special Trustee gives notice of its resignation pursuant to Section 7.1, the Special Trustee may apply to any court of competent jurisdiction for appointment of a successor.

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ARTICLE VIII MISCELLANEOUS

SECTION 8.1. SPECIAL TRUSTEE'S COMPENSATION AND EXPENSES. The Special Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Special Trustee and NationsBank. In addition, the Special Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by the Special Trustee in the administration of the Special Trust hereunder. The Special Trustee's compensation and expenses shall be a charge upon and paid out of the assets of the Plan (whether the assets of the Trust or the Special Trust) except to the extent, if any, that the Participating Employers in their discretion pay such compensation and expenses.

SECTION 8.2. TAXES. The Special Trustee shall pay out of the Special Trust assets all taxes imposed or levied with respect to the Special Trust or any part thereof, under existing or future laws, and in its discretion may contest the validity or amount of any tax, assessment, claim or demand with respect to the Special Trust or any part thereof.

SECTION 8.3. RECORDS. The Special Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books and records relating thereto shall be open to inspection by any person or persons designated by the Committee at any reasonable time.

SECTION 8.4. ACCEPTANCE BY SPECIAL TRUSTEE. The Special Trustee, by joining in the execution of this Special Trust Agreement, signifies its acceptance of the Special Trust created hereunder.

SECTION 8.5. AGREEMENT BINDING. This Agreement and all amendments hereafter adopted shall be binding upon the parties hereto, their successors and assigns, and upon the Participants and their Beneficiaries, heirs, executors, administrators, personal representatives and assigns.

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SECTION 8.6. GENERAL RESTRICTIONS. Neither the Special Trustee nor any fiduciary with respect to the Plan shall exercise any power, make any investment, engage in any act or transaction or take any other action whatever that shall cause or result in:

- (i) the Special Trust losing its status as a trust exempt from taxation under the Code;
- (ii) the Plan losing its status as a qualified plan under the Code; or
- (iii) a transaction which is prohibited the Special Trust under the Act.

IN WITNESS WHEREOF, NationsBank Corporation, on behalf of the Participating Employers, and the Special Trustee have executed this Special Trust Agreement as of the day and year first above written.

NATIONSBANK CORPORATION

By: /s/ Susan B. Waldkirch
Name: Susan B. Waldkirch
Title: Vice President

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: /s/ Lisa P. Trivette
Name: Lisa P. Trivette
Title: Vice President

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SPECIAL TRUST AGREEMENT
UNDER THE
NATIONSBANK PENSION PLAN

(as effective December 31, 1994)

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December 31, 1994
 (shares in thousands, dollars in millions)

<TABLE>
 <CAPTION>

	Year Ended December 31		
	1994 <C>	1993 <C>	1992 <C>
Average common shares outstanding.....	274,656	257,969	243,748
Dilutive effect of			
Convertible preferred stock.....	2,513	2,453	2,473
Stock options.....	1,404	2,031	2,297
Total fully dilutive shares.....	278,573	262,453	248,518
Income available to common shareholders before effect of change in method of accounting for income taxes.....	\$ 1,680	\$ 1,291	\$ 1,121
Tax effect of assumed conversion of ESOP preferred stock.	0	0	(6)
Preferred dividends paid on dilutive convertible preferred stock.....	10	10	9
Income available to common shareholders adjusted for full dilution and before effect of change in method of accounting for income taxes.....	1,690	1,301	1,124
Effect of change in method of accounting for income taxes	0	200	0
Total net income available for common shareholders adjusted for full dilution.....	\$ 1,690	\$ 1,501	\$ 1,124
Fully diluted earnings per common share before effect of change in method of accounting for income taxes.....	\$ 6.06	\$ 4.95	\$ 4.52
Fully diluted earnings per common share.....	\$ 6.06	\$ 5.72	\$ 4.52

</TABLE>

<TABLE>
<CAPTION>

NATIONSBANK CORPORATION

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Year Ended December 31				
	1994	1993	1992	1991	1990
	(Dollars in Thousands)				
<S> Excluding Interest on Deposits -----	<C>	<C>	<C>	<C>	<C>
Income before taxes.....	\$2,554,778	\$1,991,103	\$1,396,213	\$ 108,524	\$ 625,467
Equity in undistributed earnings of unconsolidated subsidiaries.....	(2,604)	(4,756)	(1,426)	(1,114)	(668)
Fixed charges:					
Interest expense (including capitalized interest).....	2,895,569	1,420,800	915,880	1,290,755	1,851,513
Amortization of debt discount and appropriate issuance costs.....	8,194	6,377	3,000	2,093	2,872
1/3 of net rent expense.....	114,414	95,786	90,667	81,909	66,195
Total fixed charges.....	3,018,177	1,522,963	1,009,547	1,374,757	1,920,580
Preferred dividend requirements.....	14,796	15,737	29,260	30,775	37,979
Earnings (excluding capitalized interest)...	\$5,570,351	\$3,509,310	\$2,398,329	\$1,470,621	\$2,533,093
Fixed charges.....	\$3,032,973	\$1,538,700	\$1,038,807	\$1,405,532	\$1,958,559
Ratio of Earnings to Fixed Charges.....	1.84	2.28	2.31	1.05	1.29
Including Interest on Deposits -----					
Income before taxes.....	\$2,554,778	\$1,991,103	\$1,396,213	\$ 108,524	\$ 625,467
Equity in undistributed earnings of unconsolidated subsidiaries.....	(2,604)	(4,756)	(1,426)	(1,114)	(668)
Fixed charges:					
Interest expense (including capitalized interest).....	5,310,419	3,570,079	3,687,650	5,611,057	6,683,262
Amortization of debt discount and appropriate issuance costs.....	8,194	6,377	3,000	2,093	2,872
1/3 of net rent expense.....	114,414	95,786	90,667	81,909	66,195
Total fixed charges.....	5,433,027	3,672,242	3,781,317	5,695,059	6,752,329
Preferred dividend requirements.....	14,796	15,737	29,260	30,775	37,979
Earnings (excluding capitalized interest)...	\$7,985,201	\$5,658,589	\$5,170,099	\$5,790,923	\$7,364,842
Fixed charges.....	\$5,447,823	\$3,687,979	\$3,810,577	\$5,725,834	\$6,790,308
Ratio of Earnings to Fixed Charges.....	1.47	1.53	1.36	1.01	1.08

</TABLE>

<TABLE>
<CAPTION>

NATIONSBANK CORPORATION

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Year Ended December 31				
	1994	1993	1992	1991	1990
	(Dollars in Thousands)				
<S>	<C>	<C>	<C>	<C>	<C>

Excluding Interest on Deposits					

Income before taxes.....	\$2,554,778	\$1,991,103	\$1,396,213	\$ 108,524	\$ 625,467
Equity in undistributed earnings of unconsolidated subsidiaries.....	(2,604)	(4,756)	(1,426)	(1,114)	(668)
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	=====	=====	=====	=====	=====
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	=====	=====	=====	=====	=====
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Earnings (excluding capitalized interest)...	\$7,985,201	\$5,658,589	\$5,170,099	\$5,790,923	\$7,364,842
	=====	=====	=====	=====	=====
Fixed charges.....	\$5,447,823	\$3,687,979	\$3,810,577	\$5,725,834	\$6,790,308
	=====	=====	=====	=====	=====
Ratio of Earnings to Fixed Charges.....	1.47	1.53	1.36	1.01	1.08

</TABLE>

NationsBank Corporation and Subsidiaries
Financial Summary

(Dollars in Millions Except Per-Share Information)

<TABLE>

<CAPTION>

		1994	1993	Change
<S>	<C>	<C>	<C>	<C>
For the Year	Net income before effect of change in method of accounting for income taxes.....	\$ 1,690	\$ 1,301	29.9 %
	Net income.....	1,690	1,501	12.6
	Earnings per common share before effect of change in method of accounting for income taxes.....	6.12	5.00	22.4
	Earnings per common share.....	6.12	5.78	5.9
	Cash dividends paid on common shares.....	517	423	22.2
	Dividends per common share.....	1.88	1.64	14.6
	Return on average common shareholders' equity.....	16.10 %	15.00 %	
At Year-End	Assets.....	\$ 169,604	\$ 157,686	
	Deposits.....	100,470	91,113	
	Loans, leases and factored accounts receivable, net of unearned income.....	103,371	92,007	
	Securities.....	25,825	29,054	
	Earning assets.....	151,722	140,890	
	Total shareholders' equity.....	11,011	9,979	
	Per common share.....	39.70	36.39	
	Common shares issued (thousands).....	276,452	270,905	
	Market price per share of common stock.....	\$ 45 1/8	\$ 49	
Daily Average for the Year	Assets.....	\$ 166,319	\$ 134,400	
	Deposits.....	93,757	83,471	
	Loans and leases, net of unearned income.....	95,006	78,984	
	Securities.....	27,434	25,840	
	Earning assets.....	148,381	119,182	
	Total shareholders' equity.....	10,484	8,651	
	Common shares issued (thousands).....	274,656	257,969	
Risk-Based Capital Ratios	Tier 1.....	7.43 %	7.41 %	
	Total.....	11.47	11.73	

</TABLE>

Financial Summary 1

Management's Discussion And Analysis

1994 Compared To 1993
Overview

NationsBank Corporation (NationsBank or the Corporation) is a bank holding company headquartered in Charlotte, North Carolina, which provides financial products and services, both domestically and internationally. With \$170 billion of total assets on December 31, 1994, NationsBank is the fourth largest banking company in the United States.

Results for 1994 demonstrated the power and breadth of the Corporation's franchise and the diversity of its business activities. Despite the pressures of steadily rising interest rates and difficult financial markets in 1994, the Corporation's net income of \$1.7 billion represented an increase of \$389 million, or 30 percent, over 1993. Earnings in 1993 were \$1.3 billion, excluding the impact of adopting a new income tax accounting standard. Earnings per common share were \$6.12 and \$5.00 for 1994 and 1993, respectively. Including the \$200-million, or \$.78-per-share impact of the new accounting standard, net income for 1993 was \$1.5 billion, or \$5.78 per common share.

1 FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA
(Dollars in Millions Except Per-Share Information)

<TABLE>

<CAPTION>

	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>
Income statement				
Income from earning assets.....	\$10,529	\$8,327	\$7,780	\$9,398
Interest expense.....	5,318	3,690	3,682	5,599
Net interest income (taxable-equivalent).....	5,305	4,723	4,190	3,940
Net interest income.....	5,211	4,637	4,098	3,799

1,025	Provision for credit losses.....	310	430	715	1,582	
67	Gains (losses) on sales of securities.....	(13)	84	249	454	
1,605	Noninterest income.....	2,597	2,101	1,913	1,742	
65	Other real estate owned expense (income).....	(12)	78	183	127	
91	Restructuring expense.....	-	30	-	330	
3,473	Other noninterest expense.....	4,942	4,293	3,966	3,847	
31	Income tax expense (benefit).....	865	690	251	(93)	
-	Effect of change in method of accounting for income taxes.....	-	200	-	-	
595	Net income.....	1,690	1,501	1,145	202	
	Per common share					
2.61	Earnings before effect of change in method of accounting for income taxes.....	6.12	5.00	4.60	.76	
2.61	Earnings.....	6.12	5.78	4.60	.76	
1.42	Cash dividends paid.....	1.88	1.64	1.51	1.48	
27.30	Shareholders' equity (year-end).....	39.70	36.39	30.80	27.03	
7/8	Market price of common stock (close at year end).....	45 1/8	49	51 3/8	40 5/8	22
	Balance sheet (year-end)					
70,891	Total loans, leases and factored accounts receivable, net of unearned income.....	103,371	92,007	72,714	69,108	
112,791	Total assets.....	169,604	157,686	118,059	110,319	
89,065	Total deposits.....	100,470	91,113	82,727	88,075	
2,766	Long-term debt and obligations under capital leases.....	8,488	8,352	3,066	2,876	
6,283	Total shareholders' equity.....	11,011	9,979	7,814	6,518	
	Performance ratios					
.52%	Return on average assets.....	1.02%	.97%	1.00%	.17%	
9.56	Return on average common shareholders' equity (1).....	16.10	15.00	15.83	2.70	
	Market price per share of common stock					
1/4	High for the period.....	\$ 57 3/8	\$ 58	\$ 53 3/8	\$ 42 3/4	\$ 47
7/8	Low for the period.....	43 3/8	44 1/2	39 5/8	21 1/2	16

</TABLE>

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

In 1993, return on average assets and return on average common shareholders' equity after the tax benefit from the impact of adopting the new income tax accounting standard was 1.12% and 17.33%, respectively.

Management's Discussion and Analysis 25

KEY PERFORMANCE HIGHLIGHTS FOR 1994 WERE:

- Return on average common shareholders' equity increased to 16.10 percent from 15.00 percent in 1993.
- Taxable-equivalent net interest income increased \$582 million, or 12 percent, compared to 1993, resulting from a 24-percent increase in average earning assets. Average loans and leases rose 20 percent in 1994. Adjusting for acquisitions, internal loan growth was 12 percent.
- Provision for credit losses decreased 28 percent to \$310 million, compared to 1993, and OREO expense declined from \$78 million in 1993 to a net recovery of \$12 million in 1994. Nonperforming asset levels declined 36 percent and net charge-offs declined 23 percent.
- Noninterest income increased to \$2.6 billion, or 24 percent, over 1993 levels. After adjusting for acquisitions, noninterest income increased 11 percent reflecting higher trading account profits, investment banking income, service charges on deposit accounts and trust fees.
- Noninterest expense increased 15 percent to \$4.9 billion in 1994. Adjusting for acquisitions, expense growth was held to approximately two and one-half percent in 1994, reflecting the results of corporate-wide efforts to contain expense levels. The Corporation's efficiency ratio improved to 62.54 percent in 1994 from 62.91 percent in 1993.

HIGHLIGHTS FROM A CUSTOMER GROUP PERSPECTIVE WERE:

The General Bank's 1994 earnings of \$932 million increased \$192 million, or 26 percent, from 1993. Return on average

2 CUSTOMER GROUP SUMMARY
(Dollars in Millions)

	General Bank		Institutional Group		Financial Services		Other
	1994	1993	1994	1993	1994	1993	1994
1993							
Net interest income (taxable-equivalent)....	\$ 3,689	\$ 3,479	\$ 1,180	\$ 1,040	\$ 413	\$ 204	\$ 24
Noninterest income.....	1,712	1,430	834	626	51	45	-
Total revenue.....	5,401	4,909	2,014	1,666	464	249	24
Provision for credit losses.....	283	364	(46)	31	73	35	-
Gains (losses) on sales of securities.....	-	-	-	-	-	-	(13)
Other real estate owned expense (income)....	8	30	(27)	43	7	5	-
Restructuring expense.....	-	-	-	-	-	-	-
Noninterest expense.....	3,644	3,342	1,087	798	212	153	-
Income before income taxes and effect of changes in method of accounting for income taxes.....	1,466	1,173	1,000	794	172	56	11
Income tax expense.....	534	433	369	302	69	21	(13)
Income before effect of change in method of accounting for income taxes.....	932	740	631	492	103	35	24
Effect of change in method of accounting for income taxes.....	-	-	-	-	-	-	-
Net income.....	\$ 932	\$ 740	\$ 631	\$ 492	\$ 103	\$ 35	\$ 24
Net interest yield.....	4.52%	4.76%	2.81% (1)	3.17% (1)	7.45%	7.80%	
Return on equity.....	17%	16%	16%	16%	13%	13%	
Efficiency ratio.....	67.46	68.08	53.95	47.90	45.64	61.62	
Average (2)							
Total loans and leases, net of unearned income.....	\$58,582	\$50,055	\$31,109	\$26,855	\$5,537	\$2,622	
Total deposits.....	77,665	71,967	11,273	8,721	-	-	
Total assets.....	86,860	77,976	66,496	44,599	6,064	3,102	
Year end (2)							
Total loans and leases, net of unearned income.....	63,578	59,591	33,193	28,244	6,380	5,164	
Total deposits.....	79,905	79,573	13,614	8,926	-	-	

(1) Institutional Group's net interest yield excludes the impact of the primary government securities dealer. Including the primary government securities dealer, the net interest yield was 1.98 percent in 1994 and 2.66 percent in 1993.

(2) The sums of balance sheet amounts will differ from consolidated amounts due to intercompany balances.

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[PIE CHART APPEARS HERE]

1994 EARNINGS CONTRIBUTION BY CUSTOMER GROUP

	General Bank	Institutional Group	Financial Services
--	--------------	---------------------	--------------------

<S>	----- <C>	----- <C>	----- <C>
Percent of net income (excludes other)	56%	38%	6%]

common shareholders' equity increased to 17 percent in 1994 from 16 percent in 1993.

- Earnings for the Institutional Group grew 28 percent to \$631 million, compared to 1993 earnings of \$492 million. Return on average common shareholders' equity was 16 percent in both 1994 and 1993.
- Financial Services earnings were \$103 million in 1994 compared to \$35 million in the prior year, primarily reflecting the full-year impact of the 1993 acquisition of U S WEST Financial Services Inc. Return on average common shareholders' equity was 13 percent in both 1994 and 1993 .

The analysis of the results of operations and financial condition of the Corporation is impacted by acquisitions. As more fully discussed in Note 2 to the consolidated financial statements, the more significant acquisitions, all of which were accounted for as purchases, included:

- MNC Financial Inc. (MNC), a bank holding company headquartered in Baltimore, Maryland, with total assets of approximately \$16.5 billion. Acquired October 1, 1993.
- Approximately \$2.0 billion in net receivables and the ongoing business of U S WEST Financial Services Inc., now known as Greyrock Capital Group Inc. Acquired December 1, 1993.
- Primarily \$12 billion of trading account assets and certain of the liabilities of Chicago Research & Trading Group Ltd. (CRT), an options market-making and trading firm and a primary government securities dealer. Acquired July 2, 1993.
- Approximately \$3.7 billion of finance receivables and certain of the liabilities of Chrysler First Inc., the non-automotive finance subsidiary of Chrysler Financial Corporation, which now operates as NationsCredit. Acquired February 1, 1993.
- Several smaller banking organizations, including aggregate loans of \$654 million and deposits of \$5.1 billion. Several mortgage banking operations, including mortgage servicing rights of \$8.6 billion.

The remainder of management's discussion and analysis of the consolidated results of operations and financial condition of NationsBank Corporation should be read together with the consolidated financial statements and related notes presented on pages 58 through 77.

Customer Group Review

The Corporation is segregated into three major internal management units, or Customer Groups. These units, shown in TABLE 2, are managed with a focus on numerous performance objectives including return on equity, operating efficiency and net income.

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

The General Bank includes the Banking Group, which contains the retail banking network and is the service provider for small and medium-size companies; Financial Products, which provides specialized services such as credit cards, residential mortgages, indirect lending and brokerage on a national basis; and Trust and Private Banking.

The General Bank earned \$932 million in 1994, an increase of 26 percent over 1993. Return on equity improved to 17 percent. Groups with the largest contribution toward the higher returns included the Banking Group and Card Services, driven primarily by improvement in operating efficiency and credit quality. Net interest income in the General Bank grew six percent over 1993 reflecting the benefits of deposit cost containment efforts as well as 17-percent loan growth. Approximately two-thirds of this loan growth was internally generated while the remainder resulted from acquisitions. Internally generated loan growth was concentrated in residential mortgages and commercial loans. The increase in net interest income resulting from loan growth and deposit pricing was partially offset by a narrowing of the spread between securities and market-based funds. The General Bank's efficiency ratio continued to improve in 1994, declining 62 basis points to 67.46 percent, reflecting the benefits of operational consolidation and increases in fee income. The efficiency improvement was realized despite Model Banking development expense totaling \$80 million in 1994. Model Banking is a system designed and in the process of being implemented across the Corporation's franchise to enhance retail customer sales and product delivery.

The Banking Group contributed 58 percent of the General Bank's earnings in 1994 with a return on equity of 15 percent. In 1993, the Banking Group's return on equity was 14 percent. During 1994, average loans increased 25 percent, or \$8.4 billion, with

3 12-MONTH TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

	1994			1993			1992	
	AVERAGE BALANCE SHEET	INCOME OR EXPENSE	YIELDS/ RATES	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense
Earning assets								
Loans and leases, net of unearned income (1)								
Commercial (2).....	\$ 41,606	\$ 3,147	7.56%	\$ 35,050	\$ 2,438	6.96%	\$ 29,206	\$ 2,067
Real estate commercial.....	7,780	636	8.18	6,667	506	7.59	6,769	527
Real estate construction.....	3,155	268	8.49	2,894	217	7.50	3,718	266
Total commercial.....	52,541	4,051	7.71	44,611	3,161	7.09	39,693	2,860
Residential mortgage.....	14,980	1,141	7.62	10,904	902	8.27	8,245	769
Home equity.....	2,531	202	7.99	2,173	155	7.14	2,109	148
Credit card.....	3,956	508	12.84	4,376	596	13.62	3,969	574
Other consumer.....	17,237	1,629	9.45	14,289	1,366	9.56	12,047	1,277
Total consumer.....	38,704	3,480	8.99	31,742	3,019	9.51	26,370	2,768
Foreign.....	1,417	86	6.10	961	52	5.49	823	55
Lease financing.....	2,344	176	7.50	1,670	133	7.96	1,301	107
Total loans and leases, net.....	95,006	7,793	8.20	78,984	6,365	8.06	68,187	5,790
Securities								
Held for investment.....	15,048	761	5.06	24,823	1,375	5.54	22,541	1,542
Available for sale (3).....	12,386	644	5.20	1,017	49	4.80	1,785	103
Total securities.....	27,434	1,405	5.12	25,840	1,424	5.51	24,326	1,645
Loans held for sale.....	339	23	6.63	790	53	6.73	967	70
Federal funds sold and securities purchased under agreements to resell.....	13,389	547	4.09	6,049	194	3.21	5,346	201
Time deposits placed and other short-term investments.....	1,762	90	5.12	2,037	79	3.91	1,802	92
Trading account securities (4).....	10,451	765	7.32	5,482	298	5.43	1,592	74
Total earning assets (5).....	148,381	10,623	7.16	119,182	8,413	7.06	102,220	7,872
Cash and cash equivalents.....	8,271			7,275			6,512	
Factored accounts receivable.....	1,252			1,074			949	
Other assets, less allowance for credit losses and excluding Special Asset Division.....	8,415			6,869			5,366	

Total assets, excluding Special Asset Division.....									
	\$166,319				\$134,400				\$115,047
=====									
Interest-bearing liabilities									
Savings.....	\$9,116	212	2.33		\$ 6,774	161	2.38		\$ 5,646
2.86									161
NOW and money market deposit accounts.....	29,724	696	2.34		28,641	641	2.24		28,283
2.82									798
Consumer CDs and IRAs.....	23,937	999	4.17		23,387	1,057	4.52		25,835
5.58									1,443
Negotiated CDs, public funds and other time deposits.....	3,319	133	4.02		4,211	167	3.97		5,663
4.93									279
Foreign time deposits.....	7,544	375	4.98		3,033	123	4.05		1,648
5.52									91
Borrowed funds and trading account liabilities (4) (6).....	48,323	2,353	4.87		33,293	1,149	3.45		19,204
3.33									639
Long-term debt and obligations under capital leases.....	8,033	550	6.85		5,268	392	7.44		3,036
8.92									271
Special Asset Division net funding allocation.....	-	-	-		-	-	-		-
-									-

Total interest-bearing liabilities.....	129,996	5,318	4.09		104,607	3,690	3.53		89,315
4.12									3,682
Noninterest-bearing sources									
Noninterest-bearing deposits.....	20,097				17,425				15,597
Other liabilities.....	5,742				3,717				2,849
FDIC interest in NationsBank of Texas.....	-				-				-
Shareholders' equity.....	10,484				8,651				7,286

Total liabilities and shareholders' equity.....	\$166,319				\$134,400				\$115,047
=====									
Net interest spread.....			3.07				3.53		
3.58									
Impact of noninterest-bearing sources.....			.51				.43		
.52									

Net interest income/yield on earning assets.....	\$ 5,305	3.58%			\$4,723	3.96%			\$4,190
4.10%									

</TABLE>

- (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 asset conversion swaps converting variable-rate commercial loans to fixed rate. Such amounts were \$62 and \$120 in 1994 and 1993, 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) Gross unrealized gains and losses on off-balance sheet trading positions are reported in other assets and liabilities, respectively.
- (5) Interest income includes taxable-equivalent adjustments of \$94, \$86, \$92, \$141, \$163 and \$217 for 1994, 1993, 1992, 1991, 1990 and 1989, respectively.
- (6) Borrowed funds and trading account liabilities interest expense includes net interest rate swap expense related to liability conversion swaps fixing the cost of certain variable-rate liabilities, primarily market-based borrowed funds. Such amounts were \$31 and \$3 in 1994 and 1993, respectively.

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3 12-MONTH TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

<TABLE>

<CAPTION>

	1991			1990		
	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).....	\$ 29,731	\$2,586	8.70%	\$ 29,890	\$ 3,122	10.44%
Real estate commercial.....	6,473	591	9.13	5,931	622	10.49
Real estate construction.....	5,085	449	8.82	5,289	573	10.84

Total commercial.....	41,289	3,626	8.78	41,110	4,317	10.50
Residential mortgage.....	7,713	807	10.47	9,079	867	9.55
Home equity.....	1,883	179	9.53	1,625	182	11.18
Credit card.....	3,411	519	15.22	3,018	476	15.78
Other consumer.....	13,045	1,483	11.37	11,215	1,419	12.66
Total consumer.....	26,052	2,988	11.47	24,937	2,944	11.81
Foreign.....	734	62	8.47	838	112	13.28
Lease financing.....	1,292	141	10.89	1,240	118	9.53
Total loans and leases, net.....	69,367	6,817	9.83	68,125	7,491	11.00
Securities						
Held for investment.....	25,412	2,189	8.61	25,984	2,377	9.15
Available for sale (3).....	-	-	-	-	-	-
Total securities.....	25,412	2,189	8.61	25,984	2,377	9.15
Loans held for sale.....	425	37	8.74	379	44	11.49
Federal funds sold and securities purchased under agreements to resell.....	4,904	289	5.89	2,148	175	8.16
Time deposits placed and other short-term investments.....	1,661	115	6.89	2,810	251	8.95
Trading account securities (4).....	1,321	92	6.99	1,211	103	8.43
Total earning assets (5).....	103,090	9,539	9.25	100,657	10,441	10.37
Cash and cash equivalents.....	6,387			6,622		
Factored accounts receivable.....	829			845		
Other assets, less allowance for credit losses and excluding Special Asset Division.....	5,486			5,568		
Total assets, excluding Special Asset Division.....	\$115,792			\$113,692		
Interest-bearing liabilities						
Savings.....	\$ 4,732	216	4.55	\$ 5,003	258	5.15
NOW and money market deposit accounts.....	26,854	1,331	4.96	24,536	1,477	6.02
Consumer CDs and IRAs.....	27,261	1,912	7.01	24,713	1,962	7.94
Negotiated CDs, public funds and other time deposits.....	11,684	827	7.08	13,738	1,116	8.13
Foreign time deposits.....	2,548	171	6.70	2,603	231	8.89
Borrowed funds and trading account liabilities (4) (6).....	18,948	1,068	5.64	21,256	1,685	7.93
Long-term debt and obligations under capital leases.....	2,816	250	8.88	2,669	245	9.18
Special Asset Division net funding allocation.....	(2,845)	(176)	(6.20)	(4,057)	(304)	(7.49)
Total interest-bearing liabilities.....	91,998	5,599	6.09	90,461	6,670	7.37
Noninterest-bearing sources						
Noninterest-bearing deposits.....	14,491			14,067		
Other liabilities.....	2,698			2,942		
FDIC interest in NationsBank of Texas.....	-			-		
Shareholders' equity.....	6,605			6,222		
Total liabilities and shareholders' equity.....	\$115,792			\$113,692		
Net interest spread.....			3.16			3.00
Impact of noninterest-bearing sources.....			.66			.75
Net interest income/yield on earning assets.....		\$3,940	3.82%		\$3,771	3.75%

<CAPTION>

	1989			Five-Year Compounded Growth Rate 1989/94	
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balances	Income or Expense
<S>	<C>	<C>	<C>	<C>	<C>
Earning assets					
Loans and leases, net of unearned income (1)					
Commercial (2).....	\$ 28,060	\$3,299	11.76%	8%	(1)%
Real estate commercial.....	5,173	573	11.08	9	2
Real estate construction.....	4,848	580	11.96	(8)	(14)
Total commercial.....	38,081	4,452	11.69	7	(2)
Residential mortgage.....	7,003	774	11.06	16	8
Home equity.....	1,506	178	11.80	11	3
Credit card.....	2,513	413	16.45	9	4
Other consumer.....	11,636	1,354	11.64	8	4
Total consumer.....	22,658	2,719	12.00	11	5

Foreign.....	954	109	11.38	8	(5)
Lease financing.....	1,178	107	9.08	15	10
<hr/>					
Total loans and leases, net.....	62,871	7,387	11.75	9	1
<hr/>					
Securities					
Held for investment.....	20,475	1,903	9.29	(6)	(17)
Available for sale (3).....	-	-	-		
<hr/>					
Total securities.....	20,475	1,903	9.29	6	(6)
<hr/>					
	251	31	12.36	6	(6)
Loans held for sale.....					
Federal funds sold and securities purchased under agreements to resell.....	2,314	213	9.20	42	21
Time deposits placed and other short-term investments.....	3,022	294	9.72	(10)	(21)
Trading account securities (4).....	605	55	9.08	77	69
<hr/>					
Total earning assets (5).....	89,538	9,883	11.04	11	1
Cash and cash equivalents.....	6,474			5	
Factored accounts receivable.....	683			13	
Other assets, less allowance for credit losses and excluding Special Asset Division.....	4,644			13	
<hr/>					
Total assets, excluding Special Asset Division.....	\$101,339			10	
<hr/>					
Interest-bearing liabilities					
Savings.....	\$6,203	364	5.86	8	(10)
NOW and money market deposit accounts.....	18,695	1,159	6.20	10	(10)
Consumer CDs and IRAs.....	20,446	1,735	8.48	3	(10)
Negotiated CDs, public funds and other time deposits.....	15,685	1,379	8.79	(27)	(37)
Foreign time deposits.....	2,670	257	9.63	23	8
Borrowed funds and trading account liabilities (4) (6).....	17,854	1,606	8.99	22	8
Long-term debt and obligations under capital leases.....	2,061	203	9.84	31	22
Special Asset Division net funding allocation.....	(5,164)	(424)	(8.20)		
<hr/>					
Total interest-bearing liabilities.....	78,450	6,279	8.00	11	(3)
<hr/>					
Noninterest-bearing sources					
Noninterest-bearing deposits.....	13,976			8	
Other liabilities.....	3,235			12	
FDIC interest in NationsBank of Texas.....	412				
Shareholders' equity.....	5,266			15	
<hr/>					
Total liabilities and shareholders' equity.....	\$101,339			10	
<hr/>					
Net interest spread.....			3.04		
Impact of noninterest-bearing sources.....			.99		
<hr/>					
Net interest income/yield on earning assets.....		\$3,604	4.03%		8
<hr/>					

</TABLE>

Management's Discussion and Analysis 29

MNC accounting for approximately 40 percent of the increase. The \$4.9 billion increase in average deposits reflected the full-year impact of MNC and four in-market acquisitions in Texas, Florida and South Carolina. The Financial Products group contributed 31 percent of the General Bank's earnings with a return on equity of 28 percent. Card Services accounted for over 50 percent of Financial Products' earnings and generated a return on equity of 46 percent. In 1993, the Card Services' return on equity was 27 percent. Dealer Finance is the next largest component of Financial Products and produced a return on equity of 17 percent in 1994. The 1993 return was 15 percent.

The Institutional Group includes Corporate and Investment Banking activities, the Real Estate Banking Group, Specialized Lending and the Capital Markets Group, which includes customer-related derivatives, foreign exchange, securities trading and securities underwriting activities. Housed in this unit are NationsBanc-CRT and NationsBanc Capital Markets, Inc., which with its Section 20/Tier II powers, underwrites and deals in various types of corporate debt and has the power to underwrite and deal in equity securities.

The Institutional Group earned \$631 million in 1994, representing a return on equity of 16 percent. Continued asset quality improvements in the Real Estate Banking Group drove the increased return on equity for the Institutional Group overall. The increase in net interest income resulting from loan growth of 16 percent over 1993 was constrained by a narrowing of the spread between securities and market-based funds. Noninterest income for the Institutional Group rose \$208 million, or 33 percent, reflecting higher trading gains (due to the full-year impact of CRT) and growth in investment banking and deposit fees. Investments committed to expand capital markets activities and the full-year impact of CRT largely drove the \$289 million increase in operating expense and the change in the efficiency ratio. Real Estate Banking Group asset quality improvement contributed to the negative provision for credit losses and OREO recoveries for 1994. Combined, these two categories accounted for \$147 million of the Institutional Group's \$206 million growth in pretax earnings over

1993.

Financial Services consists of NationsCredit and Greyrock Capital Group. In 1994, Financial Services contributed \$103 million, or six percent, of consolidated earnings reflecting their first full year of NationsBank operations as well as strong growth throughout the year. On a year-end basis, loan growth of 24 percent included strength in consumer lending and inventory financing. The 13-percent return on equity was impacted by a higher equity-to-asset ratio of 13 percent in 1994, necessary to posture this unit for raising funds in the financial markets.

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

Results Of Operations

NET INTEREST INCOME

TABLE 3 presents an analysis of the Corporation's taxable-equivalent net interest income and average balance sheet levels for the last six years. TABLE 4 analyzes changes in net interest income from year to year.

Taxable-equivalent net interest income increased \$582 million to \$5.3 billion in 1994, compared to \$4.7 billion in 1993. The increase was due to higher earning asset levels, primarily loans and leases which increased \$16.0 billion, or 20 percent. Loan growth in the General Bank approximated \$9.0 billion, centered in commercial, residential mortgage and other consumer loans. The Institutional Group experienced loan growth of approximately \$4.0 billion, reflecting primarily an increase in commercial loans. The \$3.0-billion increase in average loans in Financial Services primarily reflects the full-year impact of Greyrock Capital Group. On a consolidated basis, after adjusting for acquisitions and the securitization of credit card receivables, loan levels increased by \$9.1 billion, or 12 percent. The aggregate of average federal funds sold, securities purchased under agreements to resell and trading account assets increased \$12.3 billion, primarily due to the 1993 acquisition and higher trading asset levels of the Corporation's primary government securities dealer. The increase in net interest income resulting from higher loan levels and deposit cost containment efforts was partially offset by a narrowing of the spread between fixed-rate investment securities and market-based funds. As more fully discussed in the Interest Rate Risk Management section, actions taken in the second half of 1994 to reposition the balance sheet in light of rising interest rates had a slight negative impact on net interest income.

[PIE CHART APPEARS HERE

1994 CUSTOMER GROUP DISTRIBUTION OF LOANS AND REVENUES

<TABLE>
<CAPTION>

	General Bank	Institutional Group	Financial Services
	-----	-----	-----
<S>	<C>	<C>	<C>
Percent of net loans and leases.....	62%	32%	6%
Percent of revenues.....	68%	26%	6%]

</TABLE>

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The net interest yield declined 38 basis points to 3.58 percent in 1994, compared to 3.96 percent in 1993. Excluding the impact of the Corporation's primary government securities dealer, for which revenues are recorded in noninterest income, the net interest yield declined 14 basis points to 4.04 percent, compared to 4.18 percent in 1993. The decline in the yield reflected the decreased spread between fixed-rate investment securities and market-based funds, partially offset by increased net interest yields resulting from loan growth and deposit cost containment efforts.

The yield on average earning assets increased 10 basis points to 7.16 percent in 1994 from 7.06 percent in 1993. Excluding the impact of the trading assets of the Corporation's primary government securities dealer, the yield on average earning assets increased 16 basis points to 7.33 percent in 1994, compared to 7.17 percent in 1993. The yield on total loans and leases increased 14 basis points to 8.20 percent in 1994, reflecting loan growth in a rising interest rate environment. The Corporation's prime interest rate rose from an average of 6.00 percent in 1993 to 7.14 percent in 1994.

4 CHANGES IN TAXABLE-EQUIVALENT NET INTEREST INCOME
(Dollars in Millions)

This table presents an analysis of the year-to-year changes in net interest income on a fully taxable-equivalent basis for the years shown. The changes for each category of income and expense are divided between the portion of change attributable to the variance in average levels or yields/rates for that category. The amount of change that cannot be separated is allocated to each variance proportionately.

<TABLE>

<CAPTION>

From 1993 to 1994

From 1992 to 1993

Percentage Increase (Decrease)	Increase (Decrease) in Income/Expense Due to Change in			Increase (Decrease) in Income/Expense Due to Change in			
	Average Levels	Yields/ Rates	Total	Percentage Increase (Decrease)	Average Levels	Yields/ Rates	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income from earning assets							
Loans and leases, net of unearned income							
Commercial.....	\$ 483	\$ 226	\$ 709	29.1%	\$ 407	\$ (36)	\$ 371
17.9%							
Real estate commercial.....	89	41	130	25.7	(8)	(13)	(21)
(4.0)							
Real estate construction.....	21	30	51	23.5	(61)	12	(49)
(18.4)							
Total commercial.....	595	295	890	28.2	349	(48)	301
10.5							
Residential mortgage.....	315	(76)	239	26.5	227	(94)	133
17.3							
Home equity.....	27	20	47	30.3	5	2	7
4.7							
Credit card.....	(55)	(33)	(88)	(14.8)	57	(35)	22
3.8							
Other consumer.....	279	(16)	263	19.3	222	(133)	89
7.0							
Total consumer.....	633	(172)	461	15.3	528	(277)	251
9.1							
Foreign.....	27	7	34	65.4	8	(11)	(3)
(5.5)							
Lease financing.....	51	(8)	43	32.3	29	(3)	26
24.3							
Total loans and leases, net.....	1,312	116	1,428	22.4	881	(306)	575
9.9							
Securities							
Held for investment.....	(503)	(111)	(614)	(44.7)	146	(313)	(167)
(10.8)							
Available for sale.....	591	4	595	n/m	(39)	(15)	(54)
(52.4)							
Total securities.....	85	(104)	(19)	(1.3)	98	(319)	(221)
(13.4)							
Loans held for sale.....	(31)	1	(30)	(56.6)	(12)	(5)	(17)
(24.3)							
Federal funds sold and securities purchased under agreements to resell.....	287	66	353	182.0	25	(32)	(7)
(3.5)							
Time deposits placed and other short-term investments.....	(12)	23	11	13.9	11	(24)	(13)
(14.1)							
Trading account securities.....	339	128	467	156.7	209	15	224
302.7							
Total interest income.....	2,089	121	2,210	26.3	1,234	(693)	541
6.9							
Interest expense							
Savings.....	55	(4)	51	31.7	29	(29)	-
-							
NOW and money market deposit accounts.....	26	29	55	8.6	10	(167)	(157)
(19.7)							
Consumer CDs and IRAs.....	24	(82)	(58)	(5.5)	(128)	(258)	(386)
(26.7)							
Negotiated CDs, public funds and other time deposits.....	(36)	2	(34)	(20.4)	(64)	(48)	(112)
(40.1)							
Foreign time deposits.....	219	33	252	204.9	61	(29)	32
35.2							
Borrowed funds and trading account liabilities.....	629	575	1,204	104.8	485	25	510
79.8							
Long-term debt and obligations under							

capital leases.....	191	(33)	158	40.3	172	(51)	121
44.6							
			-----				-----
Total interest expense.....	982	646	1,628	44.1	581	(573)	8
.2							
			-----				-----
Net interest income.....	1,076	(494)	\$ 582	12.3	676	(143)	\$ 533
12.7							
			=====				=====

</TABLE>
n/m - not meaningful.

Management's Discussion and Analysis 31

The Corporation did not fully reinvest proceeds from the 1994 maturities and sales of certain higher yielding securities during 1994. As a result, the yield on the securities portfolio declined 39 basis points to 5.12 percent in 1994. The average yield of the remaining securities portfolio on December 31, 1994 was 5.37 percent.

Average interest-bearing liabilities increased \$25.4 billion in 1994 compared to 1993. Borrowed funds and trading liabilities increased \$15.0 billion, to \$48.3 billion, resulting primarily from the acquisition and funding of the Corporation's primary government securities dealer and increased trading activities. Long-term debt increased \$2.8 billion due to debt acquired in the MNC acquisition and debt securities issued in connection with financing Financial Services. Interest-bearing deposits increased \$7.6 billion, principally due to acquisitions. Excluding deposits acquired from MNC in 1993 and California Federal Savings Bank in 1994, average interest-bearing deposit levels remained relatively flat. Consumer CDs and money market savings accounts declined, offset by increases in foreign time deposits. The increase in foreign time deposits resulted from wholesale funding initiatives.

The rate on average interest-bearing liabilities increased 56 basis points to 4.09 percent in 1994, from 3.53 percent in 1993. Excluding the impact of the trading liabilities of the Corporation's primary government securities dealer, the rate on average interest-bearing liabilities increased 39 basis points to 3.83 percent in 1994, compared to 3.44 percent in 1993. This rate increase resulted from the Corporation's efforts to extend liability maturities through its use of longer-term bank notes and foreign time deposits in lieu of utilizing overnight funding.

Net interest income in 1994 was impacted by the fourth quarter 1993 securitization of credit card receivables. The Corporation periodically securitizes credit card receivables which changes the Corporation's role from that of a lender to that of a loan servicer. During 1994, the Corporation managed an average credit card portfolio of \$5.4 billion, including \$1.4 billion which had been securitized. For the securitized portion of the credit card portfolio, residual net interest income after paying certificate holders and after credit losses is reported as servicing fees in noninterest income.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was \$310 million in 1994, compared to \$430 million in the prior year. A strengthening economy, coupled with the Corporation's continued loan workout activities, resulted in an overall improvement in credit quality trends which led to lower credit costs. Excluding the fourth quarter 1993 impact of MNC, nonperforming asset levels declined every quarter of 1994 and 1993. Net charge-offs declined \$96 million to \$316 million in 1994.

On December 31, 1994, the allowance for credit losses was \$2.2 billion, or 2.11 percent of loans, leases and factored accounts receivable, compared to an allowance of \$2.2 billion, or 2.36 percent, at the end of 1993. The allowance for credit losses was 273 percent of nonperforming loans on December 31, 1994, compared to 193 percent on December 31, 1993.

TABLE 12 provides an analysis of the activity in the Corporation's allowance for credit losses for each of the last five years. Allowance levels, net charge-offs and nonperforming assets are discussed in the Asset Quality Review and Credit Risk Management section.

SECURITIES GAINS AND LOSSES

Losses from the sales of securities were \$13 million in 1994, as securities were sold in the last quarter of 1994 as a part of interest rate repositioning efforts. Gains in 1993 were \$84 million.

NONINTEREST INCOME

TABLE 5 compares the major categories of noninterest income for 1994 and 1993.

Noninterest income totaled \$2.6 billion in 1994, an increase of \$496 million, or 24 percent, from \$2.1 billion in 1993. Adjusted for acquisitions, growth in noninterest income was 11 percent in 1994.

Trading account profits and fees, including foreign exchange income, increased \$121 million, or 80 percent, in 1994 compared to 1993. This increase, resulting primarily from the acquisition of CRT, is concentrated in interest

rate derivatives trading and is consistent with the expansion efforts in capital markets activities.

An analysis of trading account profits

[GRAPH APPEARS HERE]

Net Interest Income
(Dollars in Billions)

	1990	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>	<C>
Net interest income.....	\$3.771	\$3.940	\$4.190	\$4.723	\$5.305]

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and fees by major business activity is as follows (dollars in millions):

	1994	1993
<S>	<C>	<C>
Securities trading.....	\$ 82	\$ 73
Interest rate contracts.....	119	21
Foreign exchange contracts	27	27
Other.....	45	31
Total trading account profits and fees.....	\$273	\$152

</TABLE>

Growth, excluding acquisitions, occurred in most major categories of noninterest income as described below:

- General Bank trust fees increased \$22 million, or six percent, in 1994 compared to 1993. Increased fees were realized primarily due to growth in mutual fund investment advisory services, other trust related services and increased volume of securities lending activities. Partially offsetting these increases were fee decreases resulting from the rising interest rate environment which caused declines in the discretionary assets under management portfolio, principally in the market values of debt instruments. Discretionary assets under management and total assets under administration by the Trust Group were \$57.4 billion and \$163.6 billion, respectively, on December 31, 1994.
- Service charges on deposit accounts increased \$33 million, or five percent, from 1993. Concentrated emphasis on fee collections was the primary contributor to this growth.
- Mortgage servicing and related fees increased \$2 million, or three percent, in 1994 compared to 1993. Including acquisitions, the average portfolio of loans serviced increased 35 percent from \$26.3 billion in 1993 to \$35.5 billion in 1994. On December 31, 1994, the servicing portfolio totaled \$39.0 billion. Mortgage loan originations through the Corporation's mortgage company decreased 38 percent during 1994 to \$6.9 billion. The majority of this decrease was in retail loan volume coupled with a slight decline in correspondent wholesale volume. These declines reflected industry-wide trends of lower origination levels resulting from increases in interest rates.
- Higher syndication fees and venture capital income in the Institutional Group contributed the majority of the \$44-million, or 47-percent increase in investment banking income in 1994 compared to 1993. The Capital Markets syndication group led 362 deals totaling \$195.5 billion during 1994, compared to 234 deals totaling \$115.9 billion in 1993.
- Credit card income increased \$81 million in 1994, or 41 percent, compared to 1993.

5 NONINTEREST INCOME
(Dollars in Millions)

	1994		1993		Change	
	Amount	Percent of Taxable-Equivalent Net Interest Income	Amount	Percent of Taxable-Equivalent Net Interest Income	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Trust fees.....	\$ 435	8.2%	\$ 371	7.9%	\$ 64	17.3%
Service charges on deposit accounts..	797	15.0	681	14.4	116	17.0

Nondeposit-related service fees						
Safe deposit rent.....	27	.5	25	.5	2	8.0
Mortgage servicing and related fees.....	86	1.6	77	1.6	9	11.7
Fees on factored accounts receivable.....	74	1.4	74	1.6	-	-
Investment banking income.....	138	2.6	94	2.0	44	46.8
Other service fees.....	111	2.1	93	2.0	18	19.4

Total nondeposit-related service fees.....	436	8.2	363	7.7	73	20.1

Credit card income						
Merchant discount fees.....	27	.5	30	.6	(3)	(10.0)
Annual credit card fees.....	21	.4	24	.5	(3)	(12.5)
Other credit card fees.....	232	4.4	144	3.1	88	61.1

Total credit card income.....	280	5.3	198	4.2	82	41.4

Other income						
Brokerage income.....	44	.8	41	.9	3	7.3
Trading account profits and fees.....	273	5.1	152	3.2	121	79.6
Bankers' acceptances and letters of credit.....	67	1.3	65	1.4	2	3.1
Insurance commissions and earnings.....	49	.9	39	.8	10	25.6
Miscellaneous.....	216	4.2	191	4.0	25	13.1

Total other income.....	649	12.3	488	10.3	161	33.0

	\$2,597	49.0%	\$2,101	44.5%	\$ 496	23.6
=====						

</TABLE>

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A large portion of the increase in other credit card fees is related to the securitization of certain credit card loans during the fourth quarter of 1993. While this transaction served to increase this component of noninterest income, it also served to decrease net interest income and net charge-offs for 1994 compared to 1993. The overall effect on net income from the securitization of this portfolio was approximately neutral. The remainder of the increase relates to other new credit card initiatives including an increase in co-branding card income.

OTHER REAL ESTATE OWNED EXPENSE

OREO expense declined \$90 million to a net recovery of \$12 million in 1994 compared to expense of \$78 million in 1993, consistent with the improvement in asset quality. Improved real estate markets resulted in lower OREO write-downs and increased gains on sales of these properties.

NONINTEREST EXPENSE

The Corporation's noninterest expense, as shown in TABLE 6, increased \$649 million, or 15 percent, in 1994 compared to 1993. Most categories of noninterest expense were significantly influenced by acquisitions.

Adjusting for the impact of acquisitions, noninterest expense in the current year increased approximately two and one-half percent, primarily in the categories described below:

- . Personnel expense increased \$143 million, or eight percent, primarily due to increased incentives as well as salaries and wages. Additionally, within the Capital Markets Group, investments in personnel to expand the Corporation's capital markets and trading activities and growth in the business activities of the Institutional Bank and Financial Services resulted in increases in the number of associates in these customer groups. Also, contributing to the increase were higher pension costs and other employee benefits.
- . Equipment expense increased \$20 million, or seven percent, in 1994 compared to 1993. This increase is primarily due to enhancements to computer resources, including higher rental expense for upgraded mainframe equipment and increased costs relating to product delivery systems.
- . Marketing expense increased \$14 million, or 10 percent, in 1994 compared to 1993, due to the continuation of a "brand image" campaign that began in 1993 focusing on the NationsBank name and the Corporation's range of financial products and services. Increased credit card solicitations were also a primary factor.
- . Professional fees decreased \$14 million, or nine percent, compared to 1993. The decline was largely the result of focused expense management efforts in this area.
- . The Corporation's FDIC insurance expense for 1994 decreased \$13 million, or six percent, as a result of higher capital levels of certain of the Corporation's subsidiary banks as well as upgrades in supervisory risk

(Dollars in Millions)

<TABLE>
<CAPTION>

	1994		1993		Change	
	Amount	Percent of Taxable-Equivalent Net Interest Income	Amount	Percent of Taxable-Equivalent Net Interest Income	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Personnel.....	\$2,311	43.6%	\$1,903	40.3%	\$408	21.4%
Occupancy, net.....	487	9.2	434	9.2	53	12.2
Equipment.....	364	6.9	317	6.7	47	14.8
Marketing.....	161	3.0	138	2.9	23	16.7
Professional fees.....	171	3.2	168	3.6	3	1.8
Amortization of intangibles.....	141	2.7	110	2.3	31	28.2
Credit card.....	44	.8	49	1.0	(5)	(10.2)
Private label credit card.....	27	.5	37	.8	(10)	(27.0)
FDIC insurance.....	211	4.0	205	4.3	6	2.9
Processing.....	235	4.4	190	4.0	45	23.7
Telecommunications.....	137	2.6	122	2.6	15	12.3
Postage and courier.....	126	2.4	120	2.6	6	5.0
Other general operating.....	388	7.3	370	7.8	18	4.9
General administrative and miscellaneous.....	139	2.6	130	2.8	9	6.9
	\$4,942	93.2%	\$4,293	90.9%	\$649	15.1

</TABLE>

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classifications due to improved asset quality. These factors decreased assessment rates under the risk-based assessment system mandated by the Federal Deposit Insurance Corporation.

The Corporation's combined general operating and general administrative and miscellaneous expenses decreased \$9 million due to focused expense management efforts resulting in reduced expenses for postage, relocation and supplies, partially offset by increased expenses for telecommunications.

INCOME TAXES

The Corporation's income tax expense for 1994 was \$865 million, for an effective tax rate of 33.9 percent of pretax income. Tax expense for 1993 was \$690 million, for an effective tax rate of 34.7 percent.

Note 13 to the consolidated financial statements includes a reconciliation of federal income tax expense computed using the federal statutory rate of 35 percent, to the actual income tax expense reported for 1994 and 1993.

See Notes 1 and 13 to the consolidated financial statements for additional information on income taxes.

Risk Management

In conducting its business activities, the Corporation is exposed to interest rate, liquidity and credit risk. The successful management of risk is integral to the continued growth and profitability of the Corporation. The following sections address the Corporation's approach to managing risk. The first section presents a review of the Corporation's balance sheet and liquidity risk management practices. The Corporation's asset quality results for 1994 combined with a discussion of credit risk management policies and procedures are presented in the second section. The third section discusses the tools used to manage interest rate risk and outlines certain balance sheet repositioning efforts undertaken by the Corporation during 1994. The Corporation's capital resources and the management practices surrounding capital are discussed in the final section.

Balance Sheet Review And Liquidity Risk Management

Liquidity, a measure of the Corporation's ability to fulfill its cash requirements, is managed by the Corporation through its asset and liability management process. This entails measuring and managing the relative balance between asset, liability and off-balance sheet positions. This process, coupled with the Corporation's ability to raise capital and debt financing, ensures the maintenance of sufficient funds to meet the liquidity needs of the Corporation.

TABLE 7 presents an analysis of the major

7 SOURCES AND USES OF FUNDS
(Average Dollars in Millions)

<TABLE>
<CAPTION>

	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Composition of sources				
Savings, NOW, money market deposit accounts, and consumer CDs and IRAs.....	\$ 62,777	37.7%	\$ 58,802	43.8%
Noninterest-bearing funds.....	20,097	12.1	17,425	13.0
Customer-based portion of negotiated CDs.....	1,328	.8	1,690	1.2
Customer-based funds.....	84,202	50.6	77,917	58.0
Market-based funds.....	57,858	34.8	38,847	28.9
Long-term debt and obligations under capital leases.....	8,033	4.8	5,268	3.9
Other liabilities.....	5,742	3.5	3,717	2.8
Shareholders' equity.....	10,484	6.3	8,651	6.4
Total sources.....	\$166,319	100.0%	\$134,400	100.0%
Composition of uses				
Loans and leases, net of unearned income.....	\$ 95,006	57.1%	\$ 78,984	58.8%
Securities held for investment.....	15,048	9.1	24,823	18.5
Securities available for sale.....	12,386	7.4	1,017	.7
Loans held for sale.....	339	.2	790	.6
Time deposits placed and other short-term investments.....	1,762	1.1	2,037	1.5
Other earning assets.....	23,840	14.3	11,531	8.6
Total earning assets.....	148,381	89.2	119,182	88.7
Factored accounts receivable.....	1,252	.8	1,074	.8
Other assets.....	16,686	10.0	14,144	10.5
Total uses.....	\$166,319	100.0%	\$134,400	100.0%

</TABLE>

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sources and uses of funds for 1994 and 1993 based on average levels.

The composition of sources of funds reflected a 49-percent increase in market-based funds to \$57.9 billion in 1994 from \$38.8 billion in the prior year. These funds represented 35 percent of total sources of funds in 1994 compared to 29 percent in 1993. Excluding the impact of trading account liabilities associated with the Corporation's primary government securities dealer, market-based funds increased 25 percent in 1994 from the prior year, primarily attributable to the extension of liability maturities through the use of bank notes and foreign time deposits. Customer-based funds increased to \$84.2 billion from \$77.9 billion in 1993 and represented 51 percent of total sources of funds in 1994, compared to 58 percent in 1993.

The Corporation's primary use of funds, loans and leases, increased \$16.0 billion, or 20 percent, to \$95.0 billion in 1994, compared to \$79.0 billion in 1993. This increase reflects both internal loan growth as well as acquisitions. Loans represent 57 percent of the Corporation's uses of funds. The Corporation's ratio of average loans and leases to customer-based funds was 113 percent in 1994, compared to 101 percent in the prior year. The change in this ratio is primarily due to loan growth of 20 percent, coupled with industry-wide disintermediation.

Average other earning assets rose \$12.3 billion, or 107 percent, to \$23.8 billion in 1994 from \$11.5 billion in 1993. Approximately \$10.9 billion of this increase resulted from higher levels of trading account assets associated with the Corporation's primary government securities dealer.

Cash and cash equivalents increased \$1.9 billion from December 31, 1993 to December 31, 1994, due to net cash provided by operating activities of \$9.1 billion, and \$1.8 billion in cash provided by financing activities, offset by \$9.0 billion in cash used in investing activities.

The net increase in cash provided by operating activities of \$7.0 billion from December 31, 1993 to December 31, 1994, was primarily attributable to the net change in trading instruments of \$3.8 billion during 1994 as compared to \$707 million during 1993. Cash used in investing activities decreased \$1.6 billion in 1994 compared to 1993, as proceeds from the sales and maturities of securities available for sale exceeded the purchases of those securities. This increase in cash was offset by a decrease in the proceeds from the sales and securitizations of loans of \$4.6 billion from year to year.

8 DISTRIBUTION OF LOANS, LEASES AND FACTORED ACCOUNTS RECEIVABLE
December 31
(Dollars in Millions)

<TABLE>
<CAPTION>

	1994	1993	1992	1991	1990
AMOUNT		Amount	Amount	Amount	Amount
PERCENT		Percent	Percent	Percent	Percent

Percent									

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>									
Domestic									
Commercial.....	\$ 44,665	43.1%	\$40,808	44.3%	\$32,260	44.4%	\$28,701	41.5%	\$30,951
43.7%									
Real estate commercial...	7,349	7.1	8,239	9.0	6,324	8.7	6,756	9.8	5,847
8.2									
Real estate construction.	2,981	2.9	3,256	3.5	3,065	4.2	4,212	6.1	5,453
7.7									
Total commercial.....	54,995	53.1	52,303	56.8	41,649	57.3	39,669	57.4	42,251
59.6									
Residential mortgage.....	17,244	16.7	12,689	13.8	9,262	12.7	7,571	11.0	8,133
11.5									
Home equity.....	2,644	2.6	2,565	2.8	2,061	2.8	2,121	3.1	1,687
2.4									
Credit card.....	4,753	4.6	3,728	4.1	4,297	5.9	4,178	6.0	3,501
4.9									
Other consumer.....	17,867	17.3	16,761	18.2	12,091	16.6	12,524	18.1	12,392
17.5									
Total consumer.....	42,508	41.2	35,743	38.9	27,711	38.0	26,394	38.2	25,713
36.3									
Lease financing.....	2,440	2.4	1,729	1.9	1,301	1.8	1,229	1.8	1,236
1.7									
Factored accounts receivable.....	1,004	1.0	1,001	1.1	917	1.3	817	1.2	760
1.1									
	100,947	97.7	90,776	98.7	71,578	98.4	68,109	98.6	69,960
98.7									
Foreign									
Governments and official institutions...	6	-	22	-	2	-	42	.1	88
.1									
Banks and other financial institutions.....	795	.8	446	.5	304	.4	177	.2	197
.3									
Commercial and industrial companies.....	1,183	1.1	510	.5	634	.9	634	.9	584
.8									
Lease financing.....	440	.4	253	.3	196	.3	146	.2	62
.1									
	2,424	2.3	1,231	1.3	1,136	1.6	999	1.4	931
1.3									
Total loans, leases and factored accounts receivable, net of unearned income.....	\$103,371	100.0%	\$92,007	100.0%	\$72,714	100.0%	\$69,108	100.0%	\$70,891
100.0%									

</TABLE>

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The net cash provided by financing activities decreased \$6.5 billion from December 31, 1993 to December 31, 1994. During 1994, proceeds from the issuances of long-term debt and subordinated capital notes exceeded principal payments and retirements by \$181 million, as compared to net proceeds in 1993 of \$3.7 billion. Also, in 1994, cash provided by the net increase in deposits, federal funds purchased and securities sold under agreements to repurchase was \$1.7 billion as compared to a net increase of \$2.9 billion in 1993.

SECURITIES

The securities portfolio on December 31, 1994, consisted of securities held for investment totaling \$17.8 billion and securities available for sale totaling \$8.0 billion compared to \$13.6 billion and \$15.5 billion, respectively, on December 31, 1993.

On December 31, 1994, the Corporation's portfolio of securities held for investment reflected unrealized net depreciation of \$699 million compared to

unrealized net appreciation of \$20 million on December 31, 1993.

The valuation reserve for securities available for sale and marketable equity securities reduced shareholders' equity by \$136 million on December 31, 1994, reflecting \$264 million of pretax depreciation on securities available for sale, offset by \$48 million of pretax appreciation on marketable equity securities. The valuation amount increased shareholders' equity by \$104 million on December 31, 1993. The changes in depreciation for both the securities held for investment and the securities available for sale portfolios were primarily due to the rise in interest rates. Further increases in interest rates would cause further depreciation due to the fixed-rate nature of the portfolios.

The estimated average maturity was 2.48 years and 2.73 years for securities held for investment and securities available for sale on December 31, 1994, respectively, compared to 1.83 years and 1.44 years on December 31, 1993. The estimated average maturity of the combined securities portfolio was 2.56 years on December 31, 1994, compared to 1.63 years on December 31, 1993. The increase in the estimated average maturity was primarily attributable to 1994 maturities and sales which served to decrease the aggregate period-end securities portfolio balance 11 percent and shift the composition of the remaining portfolio to a longer maturity.

The securities portfolio serves a primary role in the overall context of balance sheet management by the Corporation. The decision to purchase or sell securities is based upon the current assessment of economic and financial conditions, including the interest rate environment and other on- or off-balance sheet positions. The portfolio's scheduled maturities and the liquid nature of securities, in general, represent a significant source of liquidity. Approximately \$8.0 billion, or 31 percent, of the securities portfolio matures in 1995. No liquidations other than scheduled maturities are currently anticipated. As such, no significant securities losses are expected to result from the unrealized depreciation in the

 9 SELECTED LOAN MATURITY DATA
 December 31, 1994
 (Dollars in Millions)

This table presents the maturity distribution and interest sensitivity of selected loan categories (excluding residential mortgage, home equity, credit card, other consumer loans, lease financing and factored accounts receivable). Maturities are presented on a contractual basis.

<TABLE>
 <CAPTION>

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
<S>	<C>	<C>	<C>	<C>
Commercial.....	\$18,713	\$18,443	\$7,509	\$44,665
Real estate commercial.....	1,852	4,438	1,059	7,349
Real estate construction.....	1,624	1,248	109	2,981
Foreign.....	1,653	247	84	1,984
Total selected loans, net of unearned income.....	\$23,842	\$24,376	\$8,761	\$56,979
Percent of total.....	41.8%	42.8%	15.4%	100.0%
Cumulative percent of total.....	41.8	84.6	100.0	
Sensitivity of loans to changes in interest rates--loans due after one year				
Predetermined interest rate.....		\$ 6,823	\$3,320	\$10,143
Floating or adjustable interest rate.....		17,553	5,441	22,994
		\$24,376	\$8,761	\$33,137

</TABLE>

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securities portfolio on December 31, 1994. For additional information on securities see Note 3 to the consolidated financial statements.

LOANS AND LEASES

Total loans and leases increased \$11.4 billion to \$102.4 billion on December 31, 1994, compared to \$91.0 billion on December 31, 1993. Average loans and leases increased \$16.0 billion to \$95.0 billion in 1994 compared to \$79.0 billion one year earlier. Approximately \$9.1 billion, or 57 percent, of the increase in average loans and leases reflects internal loan growth, while the remainder of the increase is the result of acquisitions.

Average loan growth in the commercial loan category increased \$6.5 billion, or 19 percent, to \$41.6 billion in 1994 from \$35.1 billion in 1993. Internal loan growth, primarily in the General Bank and Institutional Bank, contributed \$3.1 billion of the increase.

Real estate commercial and construction loans averaged \$10.9 billion, a \$1.4 billion increase in average levels from the prior year. Excluding acquisitions, average levels decreased \$595 million.

Residential mortgage loans increased \$4.1 billion, or 37 percent, to an average of \$15.0 billion in 1994. The majority of this growth was due to increased origination of residential mortgages through the General Bank's vast banking center network coupled with a higher retention level of adjustable-rate mortgages generated through the Corporation's mortgage company.

The scheduled repayments and maturities of loans also represent a substantial source of liquidity for the Corporation. TABLE 9 shows selected loan maturity data on December 31, 1994. Approximately 42 percent of the selected loans presented had maturities of one year or less.

Other sources of liquidity, such as the securitization and sale of certain loans or portfolios, are also available to the Corporation.

OTHER EARNING ASSETS

As presented in TABLE 3, average other earning assets, including federal funds sold, securities purchased under agreements to resell and trading account securities, increased \$12.3 billion to \$23.8 billion in 1994, compared to 1993. Other earning assets represented 14 percent of total uses of funds in 1994, compared to 9 percent in 1993. Increases in trading account securities primarily reflected the acquisition and higher trading asset levels of the Corporation's primary government securities dealer.

DEPOSITS

TABLE 3 provides information on the average amounts of deposits and the rates paid by deposit category. Deposits are the Corporation's primary source of funds. Through its diverse retail banking network, the Corporation has access to customers who provide a highly stable source of funds. Average deposits increased \$10.3 billion in 1994, compared to 1993, primarily due to acquisitions. TABLE 10 provides information on the maturity distribution of domestic certificates of deposit and other time deposits in amounts of \$100 thousand or more for 1994. Domestic certificates of deposit and other time deposits in denominations of \$100 thousand or more amounted to \$6.2 billion on December 31, 1994, compared to \$6.5 billion on December 31, 1993. Certificates of deposit and other time deposits of \$100 thousand or more of foreign offices amounted to \$12.6 billion and \$3.8 billion on December 31, 1994 and 1993, respectively.

SHORT-TERM BORROWINGS

The Corporation uses short-term borrowings as a funding source and in its management of interest rate risk. TABLE 11 presents

<TABLE>
<CAPTION>

10 MATURITY DISTRIBUTION OF DOMESTIC CERTIFICATES OF DEPOSIT AND OTHER TIME DEPOSITS IN AMOUNTS OF \$100 THOUSAND OR MORE
December 31, 1994
(Dollars in Millions)

	Certificates of Deposit	Other Time Deposits	Total
<S>	<C>	<C>	<C>
Maturing in 3 months or less.....	\$2,679	\$ 32	\$2,711
Maturing in over 3 through 6 months.....	1,121	20	1,141
Maturing in over 6 through 12 months.....	939	35	974
Maturing in over 12 months.....	1,093	236	1,329
	\$5,832	\$323	\$6,155

</TABLE>

[BAR GRAPH APPEARS HERE]

Average Loans and Leases
(Dollars in Billions)

<TABLE>
<CAPTION>

	1990	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>	<C>
Average loans and leases.....	\$68.125	\$69.367	\$68.187	\$78.984	\$95.006]

</TABLE>

the categories of short-term borrowings. The increase in commercial paper outstanding in 1994 and 1993 primarily reflects the use of this funding source to finance Financial Services, a nonbank subsidiary of the parent company.

The Corporation diversified its funding sources in 1993 by implementing a short-term bank note program. In 1994, the banking subsidiaries increased the maximum available issuance under this program by \$3.0 billion to \$6.0 billion. Outstandings on December 31, 1994, which are included in other short-term borrowings, were \$4.5 billion under this program.

TRADING ACCOUNT LIABILITIES

Trading activities are primarily financed with funds from short sales. During 1994, average short sales approximated \$10.5 billion.

LONG-TERM DEBT

On December 31, 1994 and 1993, long-term debt was \$8.5 billion and \$8.3 billion, respectively. During 1994, the Corporation issued approximately \$1.2 billion in long-term senior and subordinated debt. This new debt was used for general corporate purposes including replacing debt repurchased due to its higher cost and funding for the internal loan growth of Financial Services.

As a source of term liquidity, the Corporation has a medium-term note program which provides for issuance from time to time of medium-term notes with maturities of nine months or longer. See Note 7 to the consolidated financial statements for further details on long-term debt.

OTHER

On September 30, 1994, the Corporation renegotiated its commercial paper back-up lines establishing a single committed, \$1.5 billion, three-year credit facility. No borrowings have been made under this credit facility.

The Corporation's principal debt ratings on December 31, 1994 were as follows:

	Commercial Paper	Senior Debt
Moody's Investors Service.....	P-1	A2
Standard & Poor's Corporation.....	A-1	A
Duff and Phelps, Inc.	Duff 1+	A+
Fitch Investors Service, Inc.	F-1	A+
Thomson BankWatch.....	TBW-1	A+

In managing liquidity, the Corporation takes into account the ability of the subsidiary banks to pay dividends to the parent corporation. See Note 10 to the consolidated financial statements for further details on dividends.

<TABLE>
<CAPTION>

11 SHORT-TERM BORROWINGS
(Dollars in Millions)

Federal funds purchased generally represent overnight borrowings and repurchase agreements represent borrowings which generally range from one day to three months in maturity. Commercial paper is issued in maturities not to exceed nine months. Other short-term borrowings principally consist of bank notes and U.S. Treasury note balances.

	1994		1993		1992	
	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE
Federal funds purchased						
On December 31.....	\$ 3,993	5.19%	\$ 7,135	2.92%	\$ 6,420	2.94%
Average during year.....	5,397	4.07	6,479	3.03	5,634	3.37
Maximum month-end balance during year.....	7,264	-	7,899	-	8,644	-
Securities sold under agreements to repurchase						
On December 31.....	21,977	5.36	21,236	3.11	9,632	3.23
Average during year.....	24,903	4.32	17,283	3.13	10,382	3.25
Maximum month-end balance during year.....	27,532	-	22,733	-	13,210	-
Commercial paper						
On December 31.....	2,519	5.22	2,056	3.26	784	3.29
Average during year.....	2,482	4.46	1,379	3.26	534	3.78
Maximum month-end balance during year.....	2,871	-	2,056	-	784	-
Other short-term borrowings						
On December 31.....	5,640	7.21	5,522	3.08	4,560	3.18
Average during year.....	5,015	4.25	4,006	3.45	1,962	3.49
Maximum month-end balance during year.....	6,634	-	8,187	-	4,781	-

In conducting business activities, the Corporation is exposed to the possibility that borrowers or counterparties may default on their obligations to the Corporation. Credit risk arises through the extension of loans, leases, factored accounts receivable and certain securities, financial guarantees, and through counterparty risk on trading and capital markets transactions. To manage this risk, the Credit Policy group establishes policies and procedures to manage both on- and off-balance sheet risk and communicates and monitors the application of these policies and procedures throughout the Corporation.

=====
 12 ALLOWANCE FOR CREDIT LOSSES
 (Dollars in Millions)

<TABLE>
 <CAPTION>

	1994	1993	1992	1991
1990				
<S>	<C>	<C>	<C>	<C>
Balance on January 1.....	\$ 2,169	\$ 1,454	\$ 1,605	\$ 1,322
878				
Loans, leases and factored accounts receivable charged off				
Commercial.....	(113)	(107)	(245)	(436)
(206)				
Real estate commercial.....	(32)	(84)	(279)	(316)
(101)				
Real estate construction.....	(27)	(17)	(114)	(276)
(58)				
Total commercial.....	(172)	(208)	(638)	(1,028)
(365)				
Residential mortgage.....	(7)	(10)	(18)	(33)
(15)				
Home equity.....	(2)	(3)	(4)	(4)
(2)				
Credit card.....	(126)	(184)	(172)	(138)
(91)				
Other consumer.....	(190)	(169)	(162)	(181)
(160)				
Total consumer.....	(325)	(366)	(356)	(356)
(268)				
Foreign.....	-	-	(7)	(3)
(28)				
Lease financing.....	(4)	(5)	(8)	(7)
(9)				
Factored accounts receivable.....	(32)	(30)	(17)	(23)
(29)				
Total loans, leases and factored accounts receivable charged off.....	(533)	(609)	(1,026)	(1,417)
(699)				
NationsBank of Texas charge-offs reimbursed by the FDIC.....	-	-	-	-
13				
Recoveries of loans, leases and factored accounts receivable previously charged off				
Commercial.....	69	67	62	36
27				
Real estate commercial.....	17	21	13	5
3				
Real estate construction.....	26	12	8	3
-				
Total commercial.....	112	100	83	44
30				
Residential mortgage.....	2	3	4	3
2				
Home equity.....	1	1	1	1
-				
Credit card.....	22	19	13	19
12				

Other consumer.....	66	64	47	36
30				

Total consumer.....	91	87	65	59
44				

Foreign.....	-	1	1	1
2				
Lease financing.....	3	2	2	2
1				
Factored accounts receivable.....	11	7	9	3
2				

Total recoveries of loans, leases and factored accounts receivable previously charged off.....	217	197	160	109
79				

Net charge-offs.....	(316)	(412)	(866)	(1,308)
(607)				

Provision for credit losses.....	310	430	715	1,582
1,025				
Allowance applicable to loans of purchased companies.....	23	697	-	9
26				

Balance on December 31.....	\$ 2,186	\$ 2,169	\$ 1,454	\$ 1,605
1,322				\$
=====				
Loans, leases and factored accounts receivable, net of unearned income, outstanding on December 31.....	\$103,371	\$92,007	\$72,714	\$69,108
\$70,891				
Allowance for credit losses as a percentage of loans, leases and factored accounts receivable, net of unearned income, outstanding on December 31.....	2.11%	2.36%	2.00%	2.32%
1.86%				
Average loans, leases and factored accounts receivable, net of unearned income, outstanding during the year.....	\$96,258	\$80,058	\$69,136	\$70,196
\$68,970				
Net charge-offs as a percentage of average loans, leases and factored accounts receivable, net of unearned income, outstanding during the year.....	.33%	.51%	1.25%	1.86%
.88%				
Ratio of the allowance for credit losses on December 31 to net charge-offs.....	6.93	5.27	1.68	1.23
2.18				
Allowance for credit losses as a percentage of nonperforming loans.....	273.07%	193.38%	103.11%	81.82%
100.46%				

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[BAR GRAPH APPEARS HERE

Net Charge-offs As A Percentage of Average Net Loans

<TABLE>

<CAPTION>

	1990	1991	1992	1993	1994
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Net charge-offs as a percentage of average net loans.....	0.88%	1.86%	1.25%	0.51%	0.33%]

</TABLE>

Loan and Lease Portfolio -- The Corporation's credit risk is centered in its loan and lease portfolio which on December 31, 1994 totaled \$102.4 billion, or 67 percent, of total earning assets. The Corporation's overall objective in managing loan portfolio risk is to minimize the adverse impact of any single event or set of occurrences. To achieve this objective, the Corporation strives to maintain a loan portfolio that is diverse in terms of loan type, industry concentration, geographic distribution and borrower concentration.

The Credit Policy group works with lending officers and is involved with the implementation, refinement and monitoring of credit policies and procedures.

For commercial loans, loan officers prepare proposals supporting the extension of credit. These proposals contain an analysis of the borrower and an evaluation of the ability of the borrower to repay the potential credit. The proposals are subject to varying levels of approval by senior line and credit policy management prior to extension of credit. Commercial loans receive an initial risk rating by the originating loan officer. This rating is based on the amount of credit risk inherent in the loan and is reviewed

for appropriateness by senior line and credit policy management. Credits are monitored by line and credit policy personnel for deterioration in a borrower's financial condition which would impact the borrower's ability to repay the credit. Risk ratings are adjusted as necessary.

For consumer loans, approval and funding is conducted in centralized locations. Generally, credit scoring systems are utilized to provide standards for extension of credit. Consumer portfolio credit risk is monitored primarily using statistical models to predict portfolio behavior. Additionally, product and geographic concentrations are monitored.

An independent credit review group conducts ongoing reviews of the loan and lease portfolio, reexamining on a regular basis risk assessments for loans and leases and overall compliance with policy.

To limit credit exposure, the Corporation obtains collateral to support credit extensions and commitments when deemed necessary. The most significant categories of collateral are real and personal property, cash on deposit and marketable securities. The Corporation obtains real property as security for some loans that are made on the basis of the general creditworthiness of the borrower and whose proceeds were not used for real estate-related purposes.

The Corporation also manages exposure to a single borrower, industry, loan-type or other concentration through syndications of credits, participations, loan sales and securitizations. Through the Corporation's Capital Markets Group, the Corporation is a major participant in the syndications market. In a syndicated facility, each participating lender funds only their portion of the syndicated facility, therefore limiting their exposure to the borrower. The Corporation also identifies and reduces its exposure to funded borrower or industry concentrations through loan sales. Generally, these sales are without recourse to the Corporation.

=====
 13 ALLOCATION OF THE ALLOWANCE FOR CREDIT LOSSES
 December 31
 (Dollars in Millions)

<TABLE>
 <CAPTION>

	1994		1993		1992		1991		1990	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Percent										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Commercial.....	\$444	20.3%	\$403	18.6%	\$303	20.9%	\$524	32.6%	\$498	
37.7%										
Real estate commercial.....	214	9.8	230	10.6	220	15.1	282	17.6	123	9.3
Real estate construction.....	83	3.8	123	5.7	141	9.7	252	15.7	239	18.1
--										
Total commercial.....	741	33.9	756	34.9	664	45.7	1,058	65.9	860	65.1
--										
Residential mortgage.....	34	1.6	24	1.1	21	1.4	50	3.1	64	4.9
Home equity.....	3	.1	23	1.1	18	1.2	26	1.6	23	1.7
Credit card.....	117	5.4	92	4.2	125	8.6	104	6.5	78	5.9
Other consumer.....	225	10.3	201	9.3	117	8.1	135	8.4	168	12.7
--										
Total consumer.....	379	17.4	340	15.7	281	19.3	315	19.6	333	25.2
--										
Foreign.....	11	.5	13	.6	17	1.2	6	.4	5	.4
Lease financing.....	17	.8	13	.6	12	.8	12	.7	20	1.5
Factored accounts receivable....	23	1.0	19	.9	18	1.2	17	1.1	11	.8
Unallocated.....	1,015	46.4	1,028	47.3	462	31.8	197	12.3	93	7.0
--										
	\$2,186	100.0%	\$2,169	100.0%	\$1,454	100.0%	\$1,605	100.0%	\$1,322	

</TABLE>

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Allowance for Credit Losses -- The Corporation's allowance for credit losses was \$2.2 billion on December 31, 1994 and 1993. Continued improvements in credit quality during 1994, as evidenced by a 36-percent decline in nonperforming asset levels and a 23-percent decline in net charge-offs, resulted in a lower provision for credit losses in 1994. The allowance coverage of nonperforming loans increased to 273 percent on December 31, 1994, up from 193 percent at the end of 1993. Although credit quality has improved steadily, management continues to carefully monitor asset quality trends and reserve levels.

Based on the risk rating process described above, an amount is allocated within the allowance for credit losses to cover the amount of loss estimated to be inherent in particular risk categories of loans. The

allocation of the allowance for credit losses is presented in TABLE 13 and reflects a refinement in methodology of allocating the allowance for credit losses. The amount allocated is based upon the Corporation's loss experience within risk categories of loans over a period of years and is adjusted for existing economic conditions as well as performance trends within specific industries.

In addition to the allocation by risk category, the Corporation reviews significant individual credits and concentrations of credits and makes additional allocations to the allowance when deemed necessary. The nature of the process by which the Corporation determines the appropriate allowance for credit losses requires the exercise of considerable judgment. Management believes that the allowance for credit losses is appropriate given inherent credit losses on December 31, 1994.

As presented in TABLE 12, net charge-offs for 1994 were \$316 million, or .33 percent of average loans, leases and factored accounts receivable, versus \$412 million, or .51 per-

=====

14 NONPERFORMING ASSETS
December 31
(Dollars in Millions)

<TABLE>
<CAPTION>

	1994	1993	1992	1991
1990				

<S>	<C>	<C>	<C>	<C>
Nonperforming loans				
Commercial.....	\$ 362	\$ 474	\$ 650	\$ 831
537 Real estate commercial.....	201	318	404	535
374 Real estate construction.....	66	142	210	480
349				

Total commercial.....	629	934	1,264	1,846
1,260				

Residential mortgage.....	66	77	88	114
56 Home equity (1).....	10	7	5	-
- Other consumer (1).....	84	86	29	-
-				

Total consumer.....	160	170	122	114
56				

Foreign.....	3	8	9	1
- Lease financing (1).....	9	10	15	-
-				

Total nonperforming loans.....	801	1,122	1,410	1,961
1,316				

Other real estate owned.....	337	661	587	843
335				

Total nonperforming assets.....	\$1,138	\$1,783	\$1,997	\$2,804
\$1,651				

=====

Nonperforming assets as a percentage of

Total assets, excluding Special Asset Division.....	.67%	1.13%	1.69%	2.54%
1.46%				
Loans, leases and factored accounts receivable, net of unearned income, and other real estate owned.....	1.10	1.92	2.72	4.01
2.32				
Total loans past due 90 days or more and not classified as nonperforming.....	\$ 146	\$ 167	\$ 215	\$ 223
406				

</TABLE>

The loss of income associated with nonperforming loans on December 31 and the cost of carrying other real estate owned were:

<TABLE>
<CAPTION>

1994 1993 1992 1991

North Carolina and South Carolina.....	1,951	18.9	27	10.1	33
12.5					
Florida.....	1,899	18.4	55	20.6	87
33.1					
Other states.....	3,475	33.6	51	19.1	21
8.0					

	\$10,330	100.0%	\$267	100.0%	\$263
100.0%					

</TABLE>
Distribution based on geographic location of collateral.

=====

16 REAL ESTATE COMMERCIAL AND CONSTRUCTION LOANS AND
OTHER REAL ESTATE OWNED BY PROPERTY TYPE
December 31, 1994
(Dollars in Millions)

<TABLE>
<CAPTION>

Percent	Loans				OREO
	Outstanding	Percent	Nonperforming	Percent	Amount
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Shopping centers/retail.....	\$ 1,990	19.3%	\$ 31	11.6%	\$ 37
14.1%					
Office buildings.....	1,786	17.3	40	15.0	39
14.8					
Apartments.....	1,478	14.3	19	7.1	5
1.9					
Hotels.....	965	9.3	17	6.4	3
1.1					
Land and land development.....	890	8.6	58	21.7	109
41.4					
Residential.....	845	8.2	23	8.6	15
5.7					
Industrial/warehouse.....	737	7.1	19	7.1	17
6.5					
Commercial-other.....	372	3.6	10	3.7	10
3.8					
Multiple use.....	349	3.4	4	1.5	1
.4					
Resorts/golf courses.....	172	1.7	16	6.0	3
1.1					
Other.....	746	7.2	30	11.3	24
9.2					

	\$10,330	100.0%	\$267	100.0%	\$263
100.0%					

</TABLE>

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represents real estate acquired through foreclosure and in-substance foreclosures, decreased \$324 million, or 49 percent, to \$337 million at the end of 1994 from \$661 million at the end of 1993.

Internal loan workout units are devoted to the management and/or collection of certain nonperforming assets as well as certain performing loans. Aggressive collection strategies and a proactive approach to managing overall credit risk has expedited the Corporation's disposition, collection and renegotiation of nonperforming and other lower-quality assets and allowed loan officers to concentrate on generating new business.

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

Concentrations of Credit Risk -- As previously discussed, the Corporation strives to maintain a diverse credit portfolio in an effort to minimize the adverse impact of any single event or set of occurrences. Summarized below are areas of credit risk with exposures in excess of 25 percent of shareholders' equity and a discussion of foreign outstandings.

Real Estate -- Total nonresidential real estate commercial and construction loans declined to \$10.3 billion, or 10 percent of total loans,

leases and factored accounts receivable on December 31, 1994, from \$11.5 billion, or 12 percent, at year-end 1993. TABLES 15 and 16 summarize the geographic and property-type distribution of these loans. During 1994, the Corporation recorded real estate net charge-offs of \$16 million, or .15 percent of average real estate loans compared to net charge-offs of \$68 million, or .71 percent in 1993. Nonperforming real estate loans totaled \$267 million and \$460 million on December 31, 1994 and 1993, respectively.

Commercial -- Commercial loan outstandings totaled \$44.7 billion, or 43 percent, of total loans, leases and factored accounts receivable on December 31, 1994, compared to \$40.8 billion, or 44 percent, at year-end 1993. TABLE 17 presents selected commercial loans by industry. Net charge-offs of commercial loans totaled \$44 million, or .11 percent of average commercial loans in 1994 versus \$40 million, or .11 percent, in 1993. Nonperforming commercial loans were \$362 million and \$474 million on December 31, 1994 and 1993, respectively.

Consumer -- On December 31, 1994, consumer loan outstandings totaled \$42.5 billion, representing 41 percent of total loans, leases and factored accounts receivable. This compares to outstandings of \$35.7 billion, or 39 percent, on December 31, 1993. TABLE 8 shows the components of the Corporation's consumer loan portfolio. Net charge-offs in the consumer portfolio were \$234 million in 1994 compared to \$279 million in 1993. Net charge-offs as a percentage of average loans in 1994 were 2.63 percent for credit card, .03 percent for residential mortgage, .04 percent for home equity and .72 percent for other consumer loans. This compares to net charge-off ratios of 3.77 percent, .06 percent, .09 percent and .73 percent, respectively, in 1993.

Foreign -- Foreign outstandings, which exclude contingencies and the local currency transactions of each country, include loans and

=====

17 SELECTED COMMERCIAL LOANS
December 31, 1994
(Dollars in Millions)

<TABLE>
<CAPTION>

	Outstanding	Unfunded Commitments	Nonperforming
<S>	<C>	<C>	<C>
Health care.....	\$3,690	\$1,947	\$35
Oil and gas.....	3,571	3,463	2
Leisure and sports.....	3,300	1,947	42
Communications.....	3,255	3,165	4
Food.....	3,081	2,933	28
Retail.....	2,666	2,940	25
Textiles and apparel.....	2,594	1,475	26
Automotive.....	2,402	1,539	12
Machinery and equipment.....	1,978	2,197	9
Construction.....	1,856	1,125	36
Electronics.....	1,779	1,713	5
Forest products and paper.....	1,678	1,398	3
Utilities.....	1,202	1,622	1
Finance companies.....	1,070	4,713	-

</TABLE>

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leases, interest-bearing deposits with foreign banks, bankers' acceptances and other investments. The Corporation has no significant medium- or long-term outstandings to restructuring countries. The Corporation's foreign outstandings totaled \$4.6 billion on December 31, 1994, compared to \$2.1 billion on December 31, 1993.

Interest Rate Risk Management

The Corporation's asset and liability management process is utilized to manage the Corporation's interest rate risk through structuring the balance sheet and off-balance sheet portfolios to maximize net interest income while maintaining acceptable levels of risk to changes in market interest rates. While achievement of this goal requires a balance between profitability, liquidity and interest rate risk, there are opportunities to enhance revenues through controlled risk.

Interest rate risk is managed by the Corporation's Finance Committee which formulates strategies based on a desirable level of interest rate risk. In setting desirable levels of interest rate risk, the Finance Committee considers the impact on earnings and capital of the current outlook on interest rates, potential changes in the outlook on interest rates, world and regional economies, liquidity, business strategies and other factors.

To effectively measure and manage interest rate risk, the Corporation uses computer simulations which determine the impact on net interest income of various interest rate scenarios, balance sheet trends and strategies. These simulations incorporate assumptions about balance sheet dynamics, such as loan and deposit growth, loan and deposit pricing, changes in funding mix and asset and liability repricing and maturity characteristics. Simulations based on numerous assumptions are run under various interest rate scenarios to determine the impact on net interest income and capital. From these

scenarios, interest rate risk is quantified and appropriate strategies are developed and implemented. The overall interest rate risk position and strategies are reviewed on an ongoing basis by executive management.

Additionally, duration and market value sensitivity measures are selectively utilized where they provide added value to the overall interest rate risk management process.

In implementing strategies to manage interest rate risk, the primary tools used by the Corporation are the discretionary portfolio, which is comprised of the securities portfolio and interest rate swaps, and management of the mix, rates and maturities of the wholesale and retail funding sources of the Corporation.

The investment securities portfolio serves a primary role in positioning the Corporation based on the long-term interest rate outlook. Securities available for sale serve as a key tool for near-term interest rate risk management and can be utilized to take advantage of market opportunities that are medium-term in nature. Interest rate swaps allow the Corporation to adjust its interest rate risk position without exposure to risk of loss of principal and funding requirements, as swaps do not involve the exchange of notional amounts, only net interest payments. The interest payments can be based on a fixed rate or a variable index.

The Corporation uses non-leveraged generic swaps, index amortizing swaps and collateralized mortgage obligation (CMO) swaps. Generic swaps involve the exchange of fixed and variable interest rates based on the contractual underlying notional amounts. Index amortizing and CMO swaps also involve the exchange of fixed and variable interest rates, however, their notional amounts decline and their maturities vary based on certain interest rate indices in the case of index amortizing swaps, or mortgage prepayment rates in the case of CMO swaps. Such instruments are subjected to the same credit risk

=====

18 ASSET AND LIABILITY MANAGEMENT INTEREST RATE SWAPS
 NOTIONAL CONTRACTS
 (Dollars in Millions)

<TABLE>
 <CAPTION>

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

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1993.....	\$6,500	\$ -	\$6,150	\$1,076	\$182	\$13,726	\$ 182	
\$13,908								
Additions.....	320	8,469	2,300	2,000	-	4,620	8,469	
13,089								
Maturities.....	(292)	(23)	-	(572)	(85)	(864)	(108)	
(972)								

BALANCE ON DECEMBER 31, 1994.....	\$6,528	\$8,446	\$8,450	\$2,504	\$ 97	\$17,482	\$ 8,543	
\$26,025								

=====

</TABLE>

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management policies and procedures as trading instruments as described on page 49.

In light of the economic momentum in the U.S. economy, and the associated tightening of credit by the Federal Reserve Bank through increases in interest rates, the Corporation shifted, in the latter half of 1994, its interest rate risk position from one postured to benefit modestly from stable to declining rates to a more neutral position. The actions taken by the Corporation to shift its position included reduction of the net swap position, reduction of fixed-rate assets, and extension of maturities of fixed-rate deposits and borrowings.

In the third quarter of 1994, in order to reduce the net swap position, the Corporation entered into two-year maturity, pay fixed, interest rate swaps with a notional amount of \$8.0 billion. As a result, the Corporation's net receive fixed position on December 31, 1994 was \$8.9 billion, compared to \$13.5 billion on December 31, 1993. TABLE 18 summarizes the notional contracts and the activity for the

=====

19 ASSET AND LIABILITY MANAGEMENT INTEREST RATE SWAPS
 December 31, 1994
 (Dollars in Millions, Average Maturity in Years)

<TABLE>
 <CAPTION>

Average Maturity	Market Value	Maturities							After 1999
		Total	1995	1996	1997	1998	1999		
ASSET CONVERSION SWAPS									
Receive fixed generic..... 1.14	\$(188)								
Notional value.....	\$ 6,528	\$3,137	\$ 2,705	\$ 575	\$ 3	-	\$ 108		
Weighted average receive rate.....	4.52%	4.30%	4.63%	4.45%	6.58%	-	8.25%		
Weighted average pay rate.....	5.84								
Receive fixed amortizing..... 2.61	(619)								
Notional value.....	\$ 8,450	\$ 110	\$ 186	\$6,140	\$2,014	-	-		
Weighted average receive rate.....	4.92%	5.73%	5.69%	4.85%	5.01%	-	-		
Weighted average pay rate.....	6.02								
Receive fixed CMO..... 2.25	(149)								
Notional value.....	\$ 2,504	\$ 708	\$ 488	\$ 349	\$ 474	\$ 485	-		
Weighted average receive rate.....	5.12%	5.12%	5.10%	5.11%	5.07%	5.21%	-		
Weighted average pay rate.....	6.10								
Total asset conversion swaps..... 2.01	\$(956)								
Notional value.....	\$17,482	\$3,955	\$ 3,379	\$7,064	\$2,491	\$ 485	\$ 108		
Weighted average receive rate.....	4.80%	4.49%	4.76%	4.83%	5.02%	5.21%	8.25%		
Weighted average pay rate.....	5.96								
LIABILITY CONVERSION SWAPS									
Pay fixed generic..... 1.69	\$ 223								
Notional value.....	\$ 8,446	\$ 110	\$ 8,037	\$ 125	\$ 100	-	\$ 74		
Weighted average pay rate.....	6.39%	6.64%	6.44%	4.52%	5.12%	-	5.37%		
Weighted average receive rate.....	5.35								
Pay fixed CMO..... 2.08	7								
Notional value.....	\$ 97	\$ 24	\$ 19	\$ 14	\$ 40	-	-		
Weighted average pay rate.....	4.44%	4.44%	4.44%	4.44%	4.44%	-	-		
Weighted average receive rate.....	6.19								
Total liability conversion swaps..... 1.69	\$ 230								
Notional value.....	\$ 8,543	\$ 134	\$ 8,056	\$ 139	\$ 140	-	\$ 74		
Weighted average pay rate.....	6.37%	6.25%	6.44%	4.51%	4.93%	-	5.37%		
Weighted average receive rate.....	5.35								
Total.....	\$(726)								
Notional value.....	\$26,025	\$4,089	\$11,435	\$7,203	\$2,631	\$ 485	\$ 182		
Weighted average receive rate.....	4.98%								
Weighted average pay rate.....	6.10								

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

Maturities are based on interest rates implied by the forward curve on December 31, 1994, and may differ from actual maturities, depending on future interest rate movements and resultant prepayment patterns.

In addition to the above asset and liability management interest rate swaps, on December 31, 1994, the Corporation had approximately \$1.2 billion notional of net receive fixed generic interest rate swaps associated primarily with the credit card securitization. On December 31, 1994, these positions had an unrealized market value of negative \$115 million. The weighted average receive rate is 5.19 percent and the pay rate on December 31, 1994 was 6.94 percent.

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year ended December 31, 1994 of asset and liability management interest rate swaps (ALM swaps). The interest rate swap transactions entered into during 1994 increased the gross notional amount of the Corporation's ALM swaps program on December 31, 1994, to \$26.0 billion with the Corporation receiving fixed on \$17.5 billion, converting variable-rate commercial loans to fixed rate and receiving variable on \$8.5 billion, fixing the cost of certain variable-rate liabilities, primarily market-based borrowed funds.

Secondly, the Corporation adjusted its interest rate risk position by reducing the level of fixed-rate securities. As securities matured in 1994, the Corporation did not fully reinvest these proceeds. Additionally, during

the fourth quarter, approximately \$1.5 billion of securities were sold, without reinvestment of those proceeds. These actions give the Corporation the flexibility to reinvest as deemed appropriate.

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

In addition to these efforts, the acquisition of approximately \$3.9 billion of customer-based deposits from California Federal Savings Bank in 1994 helped adjust the interest rate risk sensitivity of the Corporation's liabilities, as approximately one-half of these deposits are not rate sensitive and are longer-term.

The above actions shifted the Corporation's interest rate position from one postured to benefit modestly from stable to declining interest rates to a more neutral position. On December 31, 1994, the impact of a gradual 100-basis point rise in interest rates over the next 12 months was estimated to have an insignificant impact on net income when compared to stable rates.

TABLE 19 summarizes the maturities, average pay and receive rates and the market value on December 31, 1994, of the Corporation's ALM swaps. The weighted average interest receive rate was 4.98 percent and pay rate was 6.10 percent as of

=====

20 INTEREST RATE GAP ANALYSIS
December 31, 1994
(Dollars in Millions)

<TABLE>
<CAPTION>

Total	Interest-Sensitive				Total	Over 12 Months and Noninterest- Sensitive
	30-Day	3-Month	6-Month	12-Month		

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income.....	\$ 45,946	\$ 9,243	\$ 4,713	\$ 6,343	\$66,245	\$36,122
\$102,367						
Securities held for investment.....	49	88	222	4,485	4,844	12,956
17,800						
Securities available for sale.....	523	1,844	407	152	2,926	5,099
8,025						
Loans held for sale.....	318	-	-	-	318	-
318						
Time deposits placed and other short-term investments.....	1,530	572	52	3	2,157	2
2,159						
Other earning assets.....	21,053	-	-	-	21,053	-
21,053						

Total.....	69,419	11,747	5,394	10,983	97,543	54,179
\$151,722						

Interest-bearing liabilities						
Savings.....	9,037	-	-	-	9,037	- \$
9,037						
NOW and money market deposit accounts.....	21,881	-	-	-	21,881	7,871
29,752						
Consumer CDs and IRAs.....	3,212	3,785	4,992	4,881	16,870	8,070
24,940						
Negotiated CDs, public funds and other time deposits.....	776	725	614	345	2,460	298
2,758						
Foreign time deposits.....	5,754	1,542	3,513	1,794	12,603	-
12,603						
Borrowed funds and trading account liabilities.....	39,614	1,449	2,188	2,304	45,555	-
45,555						
Long-term debt and obligations under capital leases.....	552	1,605	2	565	2,724	5,764
8,488						

Total.....	80,826	9,106	11,309	9,889	111,130	22,003
133,133						
Noninterest-bearing, net.....	-	-	-	-	-	18,589
18,589						

Total.....	80,826	9,106	11,309	9,889	111,130	40,592
\$151,722						

Interest rate gap.....	(11,407)	2,641	(5,915)	1,094	(13,587)	13,587

Effect of asset and liability management interest rate swaps, futures and other off-balance sheet items.....	(6,289)	(198)	(2,306)	2,662	(6,131)	6,131
Adjusted interest rate gap.....	\$ (17,696)	\$ 2,443	\$ (8,221)	\$ 3,756	\$ (19,718)	\$ 19,718
Cumulative adjusted interest rate gap.....	\$ (17,696)	\$ (15,253)	\$ (23,474)	\$ (19,718)		

</TABLE>

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December 31, 1994. Net interest receipts and payments have been included in interest income and expense on the underlying instruments. Deferred gains and losses relating to any terminated contracts are insignificant.

The unrealized depreciation in the estimated value of the ALM swap portfolio should be viewed in the context of the overall balance sheet. The value of any single component of the balance sheet or off-balance sheet position should not be viewed in isolation. For example, the value of core deposits and other fixed-rate longer-term liabilities increased as interest rates rose, offsetting the decline in value of swaps and other fixed-rate assets. The overall impact of a 100-basis point parallel increase in interest rates from December 31, 1994 levels is estimated to have an insignificant impact on the market value of equity.

Table 20 represents the Corporation's interest rate gap position on December 31, 1994. Based on contractual maturities or repricing dates, or anticipated dates where no contractual maturity or repricing date exists, interest sensitive assets and liabilities are placed in maturity categories. The Corporation's negative cumulative interest rate gap position in the near term reflects the strong customer-deposit gathering franchise which provides a relatively stable core deposit base. These available funds have been deployed in longer-term interest-earning assets including certain loans and securities. A gap analysis is limited in its usefulness as it represents a one-day position 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.

Capital Resources And Capital Management

Shareholders' equity on December 31, 1994, was \$11.0 billion, compared to \$10.0 billion on December 31, 1993.

The Federal Reserve Board, the Office of the Comptroller of the Currency and the FDIC have issued risk-based capital guidelines for U.S. banking organizations. These guidelines provide a capital framework that is sensitive to differences in risk profiles among banking companies.

The guidelines define a two-tier capital framework. Tier 1 Capital consists of common and qualifying preferred shareholders' equity less goodwill and other adjustments. Tier 2 Capital consists of mandatory convertible, subordinated and other qualifying term debt, preferred stock not qualifying as Tier 1 Capital and the allowance for credit losses up to 1.25 percent of risk-weighted assets.

The risk-based capital guidelines are designed to measure Tier 1 and Total Capital in relation to the credit risk of both on- and off-balance sheet items. Under the guidelines, one of four risk weights is applied to the different on-balance sheet assets. Off-balance sheet items, such as loan commitments and derivatives, are also applied a risk weight after conversion to balance sheet equivalent amounts.

On December 31, 1994, the Corporation's Tier 1 ratio was 7.43 percent, compared to 7.41 percent on December 31, 1993. The total risk-based capital ratio was 11.47 percent, compared to 11.73 percent on December 31, 1993. Both of these measures compare favorably with the regulatory minimums of four percent for Tier 1 and eight percent for total risk-based capital.

The leverage ratio consists of Tier 1 Capital divided by total average quarterly assets, excluding goodwill and certain other items. The minimum leverage ratio guideline is three percent, although most banking organizations are expected to maintain ratios of at least 100 to 200 basis points above the three-percent minimum. The Corporation's leverage ratio was 6.18 percent on December 31, 1994, compared to 6.00 percent on December 31, 1993.

The components of Tier 1 and Total Capital and on- and off-balance sheet risk-weighted assets on December 31 were (dollars in millions):

<TABLE>

<CAPTION>

	1994	1993
<S>	<C>	<C>
Common shareholders' equity.....	\$ 10,976	\$ 9,859
Qualifying preferred stock.....	35	120
Less: Deductions from Tier 1 Capital.....	(1,500)	(1,444)

Tier 1 Capital.....	9,511	8,535
Allowance for credit losses.....	2,186	2,169
Qualifying debt.....	3,781	3,667
Less: Deductions from Tier 2 Capital.....	(797)	(865)
Tier 2 Capital.....	5,170	4,971
Total Capital.....	\$ 14,681	\$ 13,506
Balance sheet risk-weighted assets.....	\$104,432	\$ 95,084
Off-balance sheet risk-weighted assets.....	27,252	23,237
Less: Deductions from risk-weighted assets.....	(3,691)	(3,208)
Net risk-weighted assets.....	\$127,993	\$115,113

</TABLE>

[BAR GRAPH APPEARS HERE
Risk-Based Capital
(Dollars in Billions)

<TABLE>
<CAPTION>

	1993	1994
<S>	<C>	<C>
Risk-Based Capital		
Tier 1.....	8.535	13.506
Total.....	9.511	14.681]

</TABLE>

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Trading Activities

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

Capital markets activities are managed in the Capital Markets Group and are conducted in two principal divisions, NationsBanc Capital Markets, Inc. (NCMI) and NationsBanc-CRT. Major trading sites include Charlotte, Chicago, New York and London.

NCMI underwrites, trades and distributes debt and equity securities. Its business activities include both customer and proprietary trading activities. Additionally, NCMI is a primary dealer in U.S. Government securities.

NationsBanc-CRT manages the Corporation's derivatives and foreign exchange business activities. Interest rate derivatives are the primary component of NationsBanc-CRT's customer-based and proprietary derivative products. Other derivative products consist primarily of commodity-based transactions.

Note 4 to the consolidated financial statements details the individual components of the Corporation's trading assets and liabilities. Additionally, TABLE 21 provides information on the Corporation's derivative dealer positions.

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

The Corporation's exposure to credit risk from derivative financial instruments is represented by the fair value of instruments. Credit risk amounts represent the 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. Counterparties are subject to the credit approval and credit

<TABLE>
<CAPTION>

	1994		1993	
(1)	Contract/ Notional	Credit Risk Amount (1)	Contract/ Notional	Credit Risk Amount
<S>	<C>	<C>	<C>	<C>
Interest Rate Contracts				
Swaps.....	\$ 45,179	\$ 531	\$15,758	\$185
Futures and forwards.....	124,620	30	32,503	-
Written options.....	114,928	-	58,499	-
Purchased options.....	118,839	481	55,616	129
Foreign Exchange Contracts				
Swaps.....	470	-	258	7
Spot, futures and forwards.....	26,987	221	12,516	106
Written options.....	13,398	-	8,058	-
Purchased options.....	13,507	167	8,051	134
Commodity Contracts				
Swaps.....	570	74	1,470	51
Futures and forwards.....	1,984	1	1,661	31
Written options.....	12,608	-	6,696	-
Purchased options.....	11,591	309	7,339	313
		-----		-----
		\$1,814		\$956
		=====		=====

</TABLE>

(1) Represents the replacement cost the Corporation could incur should counterparties with contracts in a gain position to the Corporation completely fail to perform under the terms of those contracts. Amounts include interest.

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monitoring policies and procedures of the Corporation. Certain instruments require the Corporation or the counterparty to maintain collateral for all or part of the exposure. Generally, such collateral is in the form of cash or other highly liquid instruments. Limits for exposure to any particular counterparty are established and monitored. In certain jurisdictions, counterparty risk is also reduced through the use of legally enforceable master netting arrangements which allow the Corporation to settle positions with the same counterparty on a net basis. The contract or notional amounts associated with the Corporation's dealer derivative positions are reflected in TABLE 21. 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 amount for the instruments reflected in TABLE 21 is measured by the Corporation as the positive replacement cost on December 31, 1994 and 1993. Of the credit risk amount reported in TABLE 21, \$354 million and \$343 million relates to exchange-traded

=====

22 SELECTED QUARTERLY OPERATING RESULTS
(Dollars in Millions Except Per-Share Information)

<TABLE>
<CAPTION>

	1994 Quarters				1993 Quarters			
First	Fourth	Third	Second	First	Fourth	Third	Second	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income from earning assets.....	\$ 2,918	\$ 2,701	\$ 2,512	\$ 2,398	\$ 2,395	\$ 2,104	\$ 1,932	\$
1,896								
Interest expense.....	1,618	1,395	1,195	1,110	1,092	956	821	
821								
Net interest income (taxable-equivalent).....	1,326	1,330	1,339	1,310	1,326	1,168	1,131	
1,098								
Net interest income.....	1,300	1,306	1,317	1,288	1,303	1,148	1,111	
1,075								
Provision for credit losses.....	70	70	70	100	100	100	110	
120								
Gains (losses) on sales of securities.....	(28)	(4)	5	14	-	50	22	
12								
Noninterest income.....	639	649	629	680	615	524	481	
481								
Other real estate owned expense (income).....	(8)	(6)	(3)	5	22	11	21	
24								
Restructuring expense.....	-	-	-	-	-	30	-	
-								
Noninterest expense.....	1,261	1,234	1,228	1,219	1,222	1,054	1,019	

998									
Income before income taxes and effect of change in method of accounting for income taxes.....	588	653	656	658	574	527	464		
426									
Income tax expense.....	183	222	219	241	201	186	158		
145									
Income before effect of change in method of accounting for income taxes.....	405	431	437	417	373	341	306		
281									
Effect of change in method of accounting for income taxes.....	-	-	-	-	-	-	-		
200									
Net income.....	405	431	437	417	373	341	306		
481									
Earnings per common share.....	1.46	1.55	1.58	1.52	1.37	1.33	1.20		
1.89									
Dividends per common share.....	.50	.46	.46	.46	.42	.42	.40		
.40									
Yield on average earning assets.....	7.54%	7.24%	7.00%	6.81%	6.88%	6.96%	7.19%		
7.28%									
Rate on average interest- bearing liabilities.....	4.71	4.22	3.80	3.57	3.53	3.54	3.47		
3.57									
Net interest spread.....	2.83	3.02	3.20	3.24	3.35	3.42	3.72		
3.71									
Net interest yield.....	3.40	3.54	3.70	3.69	3.77	3.83	4.17		
4.16									
Average total assets.....	\$174,554	\$167,283	\$161,989	\$161,294	\$157,790	\$136,195	\$122,810	\$120,374	
Average total deposits.....	98,574	94,656	91,358	90,260	90,338	80,404	81,264		
81,819									
Average total shareholders' equity.....	10,906	10,665	10,272	10,080	9,669	8,642	8,344		
7,929									
Return on average assets.....	.92%	1.02%	1.08%	1.05%	.94%	.99%	1.00%		
.95%									
Return on average common shareholders' equity.....	14.68	16.00	17.04	16.82	15.34	15.60	14.65		
14.29									
Market price per share of common stock									
High for the period.....	\$ 50 3/4	\$ 56	\$ 57 3/8	\$ 50 7/8	\$ 53 1/4	\$ 53 5/8	\$ 57 7/8	\$ 58	
Low for the period.....	43 3/8	47 1/8	44 1/2	44 3/8	44 1/2	48 1/4	45	49	
1/2									
Closing price.....	45 1/8	49	51 3/8	45 3/4	49	51 1/2	49 5/8	54	
5/8									
Risk-based capital ratios									
Tier 1.....	7.43%	7.48%	7.63%	7.50%	7.41%	7.60%	7.63%		
7.61%									
Total.....	11.47	11.57	11.57	11.66	11.73	12.15	11.75		
11.80									

</TABLE>

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instruments for 1994 and 1993, respectively. Because exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements, the credit risk to the Corporation is minimal.

Market Risk -- Market risk arises due to fluctuations in interest rates and market prices that may result in changes in the values of trading instruments. The Corporation manages its exposure to market risk resulting from trading activities through a risk management function. Each major trading site is monitored by these risk management units.

Daily earnings at risk limits, which have been approved by the Corporation's Finance Committee, are generally allocated to the business units. In addition to limits placed on these individual business units, limits are imposed on the risks certain individual traders may take. Risk positions are monitored by line, risk management function personnel and senior management on a daily basis.

Daily earnings at risk measures the rate of loss for a one-day, three-standard deviation movement in market prices if traders are unable to re hedge. In addition to these daily earnings at risk 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. Limits are also established by product for losses which could result in these stress scenarios.

Fourth Quarter Review

The Corporation recorded net income of \$405 million in the fourth quarter of 1994, compared to \$373 million in the same period of the previous year. Results for the fourth quarter of 1993 reflected a full-quarter impact of the MNC acquisition. TABLE 22 presents selected quarterly operating results for each quarter of 1994 and 1993.

TABLE 23 presents an analysis of the Corporation's taxable-equivalent net interest income for each of the last five quarters ending December 31, 1994. Taxable-equivalent net interest income was \$1.3 billion in the fourth quarter of 1994 and 1993. The net interest yield was 3.40 percent in the fourth quarter of 1994, compared to 3.77 percent in the same quarter of 1993. Excluding the impact of the primary government securities dealer, the net interest yield totaled 3.88 percent in the fourth quarter of 1994 and 4.18 percent in the fourth quarter of 1993. The decline in the net interest yield is due to the narrowing of the spread between investment securities and market-based funds and actions taken to reposition the balance sheet in light of rising interest rates.

Provision for credit losses was \$70 million in the fourth quarter of 1994, compared to \$100 million in the fourth quarter of 1993. This decline primarily reflected improved credit quality, as evidenced by decreases in net charge-offs and lower nonperforming asset levels. Net charge-offs for the fourth quarter of 1994 were \$98 million, compared to \$136 million in the prior year quarter.

Securities losses in the fourth quarter of 1994 were \$28 million resulting from the previously described interest rate risk repositioning initiatives. There were no securities gains or losses in the fourth quarter of 1993.

Noninterest income, adjusted for the effects of acquisitions, increased \$14 million in the fourth quarter of 1994 compared to the fourth quarter of 1993. Significant changes in the components of noninterest income included increases of \$27 million in investment banking income, \$8 million in deposit account service charges and \$23 million in credit card income, primarily due to the impact of the December 1993 credit card securitization. These increases were partially offset by decreases of \$30 million in trading account profits and fees, due to difficult conditions in the financial markets in the fourth quarter of 1994, and \$17 million in miscellaneous income.

Other real estate owned expense was a recovery of \$8 million in the fourth quarter of 1994, compared to an expense of \$22 million in the same period of 1993.

Fourth quarter noninterest expense in 1994, adjusted for the effects of acquisitions, increased \$2 million. Increases of \$49 million in personnel expense and \$7 million in equipment expense were offset by decreases in all other noninterest expense categories totaling approximately \$54 million.

In the fourth quarter of 1994, the Corporation recorded tax expense of \$183 million for an effective tax rate of 31.1 percent of pretax income, compared to \$201 million, or 35.0 percent of pretax income, recorded in the same period of 1993. This decrease is a result of adjustment of the Corporation's effective tax rate for the year, bringing it to 33.9 percent of pretax income on an annual basis. See Note 13 to the consolidated financial statements for a discussion of the Corporation's tax position.

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23 QUARTERLY TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

<TABLE>
<CAPTION>

1994	Fourth Quarter 1994			Third Quarter		
	Average Balance Sheet	Income or Expense	Yields/ Rates	Average Balance Sheet	Income or Expense	Yields/ Rates
Earning assets	<C>	<C>	<C>	<C>	<C>	<C>
Loans and leases, net of unearned income (1)						
Commercial (2).....	\$ 43,587	\$ 855	7.78%	\$ 42,037	\$ 805	7.60%
Real estate commercial.....	7,289	162	8.86	7,473	159	8.43
Real estate construction.....	3,038	72	9.33	3,106	66	8.50
Total commercial.....	53,914	1,089	8.01	52,616	1,030	7.77
Residential mortgage.....	16,680	321	7.70	15,528	296	7.63
Home equity.....	2,580	56	8.71	2,516	55	8.72
Credit card.....	4,357	141	12.80	4,003	131	12.96
Other consumer.....	17,714	430	9.63	17,357	412	9.42
Total consumer.....	41,331	948	9.13	39,404	894	9.03

Foreign.....	1,764	30	6.79	1,453	23	6.34
Lease financing.....	2,755	53	7.71	2,474	49	7.90

Total loans and leases, net.....	99,764	2,120	8.44	95,947	1,996	8.27

Securities						
Held for investment.....	17,966	245	5.40	15,443	197	5.08
Available for sale (3).....	8,560	117	5.44	11,683	152	5.17

Total securities.....	26,526	362	5.42	27,126	349	5.12

Loans held for sale.....	109	3	7.65	183	3	6.69
Federal funds sold and securities purchased under agreements to resell.....	16,159	203	5.00	13,495	149	4.38
Time deposits placed and other short-term investments.....	2,231	32	5.75	2,216	29	5.16
Trading account securities (4).....	10,318	224	8.64	10,488	199	7.52

Total earning assets (5).....	155,107	2,944	7.54	149,455	2,725	7.24
Cash and cash equivalents.....	8,674			8,372		
Factored accounts receivable.....	1,235			1,156		
Other assets, less allowance for credit losses.....	9,538			8,300		

Total assets.....	\$174,554			\$167,283		
=====						
Interest-bearing liabilities						
Savings.....	\$ 9,143	54	2.37	\$ 9,255	54	2.31
NOW and money market deposit accounts.....	29,442	190	2.53	29,507	179	2.41
Consumer CDs and IRAs.....	25,136	277	4.40	24,439	257	4.17
Negotiated CDs, public funds and other time deposits.....	2,825	35	4.80	3,223	34	4.23
Foreign time deposits.....	11,576	162	5.57	8,436	108	5.06
Borrowed funds and trading account liabilities (4) (6).....	50,110	756	5.99	48,688	629	5.13
Long-term debt and obligations under capital leases.....	8,147	144	7.08	7,731	134	6.95

Total interest-bearing liabilities.....	136,379	1,618	4.71	131,279	1,395	4.22
Noninterest-bearing sources						
Noninterest-bearing deposits.....	20,452			19,796		
Other liabilities.....	6,817			5,543		
Shareholders' equity.....	10,906			10,665		

Total liabilities and shareholders' equity.....	\$174,554			\$167,283		
=====						
Net interest spread.....			2.83			3.02
Impact of noninterest-bearing sources.....			.57			.52

Net interest income/yield on earning assets.....		\$1,326	3.40%		\$1,330	3.54%
=====						

</TABLE>

- (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 asset conversion swaps converting variable-rate commercial loans to fixed rate. Such revenue (expense) amounts were \$(32), \$0, \$38 and \$56 in the fourth, third, second and first quarters of 1994, respectively, and \$42 in the fourth quarter of 1993.
- (3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.
- (4) Gross unrealized gains and losses on off-balance sheet trading positions are reported in other assets and liabilities, respectively.
- (5) Interest income includes taxable-equivalent adjustments of \$26, \$24, \$22 and \$22 in the fourth, third, second and first quarters of 1994, respectively, and \$23 in the fourth quarter of 1993.
- (6) Borrowed funds and trading account liabilities interest expense includes net interest rate swap expense related to liability conversion swaps fixing the cost of certain variable-rate liabilities, primarily market-based borrowed funds. Such expense (revenue) was \$20, \$9, \$(1) and \$3 in the fourth, third, second and first quarters of 1994, respectively, and \$2 in the fourth quarter of 1993.

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23 QUARTERLY TAXABLE-EQUIVALENT DATA

(Dollars in Millions)

<TABLE>

<CAPTION>

1994	Second Quarter 1994			First Quarter	
	Average Balance Sheet	Income or	Yields/	Average Balance Sheet	Income or

Yields/ Rates	Amounts	Expense	Rates	Amounts	Expense	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2).....	\$ 40,339	\$ 765	7.61%	\$ 40,421	\$ 722	
7.24%						
Real estate commercial.....	7,955	157	7.92	8,419	158	7.61
Real estate construction.....	3,226	68	8.42	3,253	62	7.73

Total commercial.....	51,520	990	7.71	52,093	942	7.33

Residential mortgage.....	14,329	270	7.53	13,340	254	7.63
Home equity.....	2,480	46	7.41	2,547	45	7.11
Credit card.....	3,783	115	12.27	3,673	121	13.32
Other consumer.....	17,060	397	9.33	16,806	390	9.41

Total consumer.....	37,652	828	8.82	36,366	810	8.99

Foreign.....	1,287	18	5.73	1,157	15	5.15
Lease financing.....	2,146	38	7.08	1,992	36	7.19

Total loans and leases, net.....	92,605	1,874	8.12	91,608	1,803	7.96

Securities						
Held for investment.....	14,009	167	4.79	12,714	152	4.82
Available for sale (3).....	14,829	191	5.16	14,545	184	5.12

Total securities.....	28,838	358	4.98	27,259	336	4.98

Loans held for sale.....	392	6	6.49	681	11	6.46
Federal funds sold and securities purchased under agreements to resell.....	11,780	108	3.64	12,073	87	2.95
Time deposits placed and other short-term investments.....	1,211	15	4.96	1,375	14	4.12
Trading account securities (4).....	10,265	173	6.75	10,738	169	6.39

Total earning assets (5).....	145,091	2,534	7.00	143,734	2,420	6.81
Cash and cash equivalents.....	8,051			7,976		
Factored accounts receivable.....	1,599			1,016		
Other assets, less allowance for credit losses.....	7,248			8,568		

Total assets.....	\$161,989			\$161,294		
=====						
Interest-bearing liabilities						
Savings.....	\$ 9,181	53	2.30	\$ 8,879	51	2.33
NOW and money market deposit accounts.....	29,816	166	2.24	30,140	161	2.17
Consumer CDs and IRAs.....	22,855	231	4.02	23,295	234	4.09
Negotiated CDs, public funds and other time deposits.....	3,574	33	3.80	3,664	31	3.44
Foreign time deposits.....	5,691	63	4.49	4,385	42	3.86
Borrowed funds and trading account liabilities (4) (6).....	47,122	514	4.38	47,336	454	3.89
Long-term debt and obligations under capital leases.....	7,952	135	6.75	8,308	137	6.61

Total interest-bearing liabilities.....	126,191	1,195	3.80	126,007	1,110	3.57
Noninterest-bearing sources						
Noninterest-bearing deposits.....	20,241			19,897		
Other liabilities.....	5,285			5,310		
Shareholders' equity.....	10,272			10,080		

Total liabilities and shareholders' equity.....	\$161,989			\$161,294		
=====						
Net interest spread.....			3.20			
3.24						
Impact of noninterest-bearing sources.....			.50			
.45						

Net interest income/yield on earning assets.....		\$1,339	3.70%		\$1,310	
3.69%						

</TABLE>

23 QUARTERLY TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

<TABLE>

<CAPTION>

Fourth Quarter 1993

	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).....	\$ 39,233	\$ 702	7.10%
Real estate commercial.....	7,915	150	7.51
Real estate construction.....	3,260	64	7.77
Total commercial.....	50,408	916	7.21
Residential mortgage.....	12,663	249	7.85
Home equity.....	2,586	47	7.24
Credit card.....	4,593	150	12.97
Other consumer.....	16,072	378	9.33
Total consumer.....	35,914	824	9.12
Foreign.....	931	13	5.82
Lease financing.....	1,894	35	7.47
Total loans and leases, net.....	89,147	1,788	7.97
Securities			
Held for investment.....	27,273	354	5.16
Available for sale (3).....	2,211	26	4.69
Total securities.....	29,484	380	5.13
Loans held for sale.....	961	16	6.54
Federal funds sold and securities purchased under agreements to resell.....	8,237	64	3.08
Time deposits placed and other short-term investments.....	2,238	20	3.71
Trading account securities (4).....	9,590	150	6.19
Total earning assets (5).....	139,657	2,418	6.88
Cash and cash equivalents.....	8,318		
Factored accounts receivable.....	1,207		
Other assets, less allowance for credit losses.....	8,608		
Total assets.....	\$157,790		
Interest-bearing liabilities			
Savings.....	\$8,542	52	2.45
NOW and money market deposit accounts.....	30,383	168	2.20
Consumer CDs and IRAs.....	23,813	246	4.10
Negotiated CDs, public funds and other time deposits.....	3,717	32	3.36
Foreign time deposits.....	4,031	39	3.80
Borrowed funds and trading account liabilities (4) (6).....	44,188	421	3.74
Long-term debt and obligations under capital leases.....	8,233	134	6.52
Total interest-bearing liabilities.....	122,907	1,092	3.53
Noninterest-bearing sources			
Noninterest-bearing deposits.....	19,852		
Other liabilities.....	5,362		
Shareholders' equity.....	9,669		
Total liabilities and shareholders' equity.....	\$157,790		
Net interest spread.....			3.35
Impact of noninterest-bearing sources.....			.42
Net interest income/yield on earning assets.....		\$1,326	3.77%

Management's Discussion and Analysis 53

1993 COMPARED TO 1992

The following discussion and analysis provides a comparison of the Corporation's results of operations for the years ended December 31, 1993 and 1992, and its financial condition as of December 31, 1993 and 1992. This discussion should be read in conjunction with the consolidated financial statements and related notes on pages 58 through 77.

OVERVIEW

In 1993, earnings totaled \$1.5 billion, or \$5.78 per common share, compared to 1992 earnings of \$1.1 billion, or \$4.60 per common share. Return on average common equity was 15.00 percent, excluding the impact of adopting a new income tax accounting standard in 1993, compared to 15.83 percent the previous year. The Corporation's results for 1993 reflected strong earnings in most operating units and improved credit quality. See Note 2 regarding information about acquisitions occurring in 1993 that affect comparability to 1992.

CUSTOMER GROUP REVIEW

The General Bank earned \$740 million in 1993 compared to \$660 million in 1992. The return on equity for the General Bank increased from 15 percent in 1992 to 16 percent in 1993. The efficiency ratio decreased from 68.64 percent in 1992 to 68.08 percent in 1993.

The Institutional Group earned \$492 million, an increase of \$347 million from the previous year. Return on equity for the Institutional Group rose from 5 percent in 1992 to 16 percent in 1993. The group's efficiency ratio declined to 47.90 percent in 1993, from 52.96 percent in the prior year.

Financial Services, which consists of NationsCredit and Greyrock Capital Group, was formed in 1993. For the year, net income totaled \$35 million and return on equity was 13 percent. The group had an efficiency ratio of 61.62 percent in 1993.

NET INTEREST INCOME

Taxable-equivalent net interest income in 1993 was \$4.7 billion, representing an increase of \$533 million, or 13 percent, from the \$4.2 billion reported in 1992. This increase was attributable to higher earning asset levels, particularly loan levels.

The net interest yield declined 14 basis points to 3.96 percent in 1993 from 4.10 percent in 1992. The yield on average earning assets declined 64 basis points between the years, to 7.06 percent in 1993 from 7.70 percent in 1992. Excluding the impact of the Corporation's primary government securities dealer, the yield on average earning assets declined 53 basis points. The replacement at lower yields of a substantial portion of the Corporation's maturing investment securities was the largest contributor to the 53-basis point decline. The cost of interest-bearing liabilities fell 59 basis points, to 3.53 percent in 1993 from 4.12 percent in 1992, contributing significantly to the improvement in net interest income. A lower interest rate environment in 1993, coupled with a change in the mix among deposits, contributed to a decrease in rates paid on customer deposits.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was \$430 million in 1993, compared to \$715 million in the prior year. Net charge-offs declined \$454 million to \$412 million in 1993. On December 31, 1993, the allowance for credit losses was \$2.2 billion, or 2.36 percent of loans, leases and factored accounts receivable, compared to \$1.5 billion, or 2.00 percent, at the end of 1992, and covered 193 percent of nonperforming loans, compared to 103 percent the previous year.

SECURITIES GAINS

Gains from the sales of securities were \$84 million in 1993, compared to \$249 million in 1992. The 1992 gains followed balance sheet management strategies to reposition the components and the estimated average maturity of the securities portfolios at a time when the portfolios contained substantial net appreciation.

NONINTEREST INCOME

Noninterest income totaled \$2.1 billion in 1993, an increase of \$188 million, or 10 percent, from \$1.9 billion in 1992. After adjusting for acquisitions, divestitures and the 1992 gain on the sale of a mortgage servicing unit, noninterest income increased \$185 million, or 11 percent, in 1993. Growth in most major categories of noninterest income during 1993 was partially offset by declines in mortgage servicing and related fees, brokerage income and asset management fees, all reflecting divestitures.

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OTHER REAL ESTATE OWNED EXPENSE

OREO expense declined \$105 million to \$78 million in 1993 from \$183 million in 1992, consistent with the improvement in asset quality. The decline in 1993 was largely due to lower write-downs associated with real estate values subsequent to foreclosure in the Institutional Group's Real Estate Banking Group and lower net costs associated with management of a reduced level of foreclosed properties compared to the previous year.

RESTRUCTURING EXPENSE

Restructuring expense of \$30 million in 1993, associated with the acquisition of MNC Financial Inc., represented the costs of employee severance and real estate dispositions.

NONINTEREST EXPENSE

Noninterest expense of \$4.3 billion in 1993 increased eight percent from \$4.0 billion in 1992. Excluding acquisitions, noninterest expense increased \$132 million or four percent, to \$3.9 billion in 1993.

INCOME TAXES

The Corporation's income tax expense for 1993 was \$690 million, for an effective tax rate of 34.7 percent of pretax income. Tax expense for 1992 was \$251 million, or 18.0 percent of pretax income. The lower effective rate in 1992 was primarily attributable to \$265 million in tax benefits resulting from utilization of financial operating loss carryforwards. As a result of adopting a change in method of accounting for income taxes, the Corporation recorded its remaining unrecognized benefits of \$200 million in 1993. As such, the 1993 effective rate more closely approximated the statutory rate of 35 percent.

Management's Discussion and Analysis 55

Report of Management

The management of NationsBank Corporation is responsible for the preparation, integrity and objectivity of the consolidated financial statements of the Corporation. The consolidated financial statements and notes have been prepared by the Corporation in accordance with generally accepted accounting principles and, in the judgment of management, present fairly the Corporation's financial position and results of operations. The financial information contained elsewhere in this report is consistent with that in the financial statements. The financial statements and other financial information in this report include amounts that are based on management's best estimates and judgments and give due consideration to materiality.

The Corporation maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

The Internal Audit Division of the Corporation reviews, evaluates, monitors and makes recommendations on both administrative and accounting control, which acts as an integral, but independent, part of the system of internal controls.

The Corporation's independent accountants were engaged to perform an audit of the consolidated financial statements. This audit provides an objective review of management's responsibility to report operating results and financial condition. Working with the Corporation's internal auditors, they review and make tests as appropriate of the data included in the financial statements.

The Board of Directors discharges its responsibility for the Corporation's financial statements through its Audit Committee. The Audit Committee meets periodically with the independent accountants, internal auditors and management. Both the independent accountants and internal auditors have direct access to the Audit Committee to discuss the scope and results of their work, the adequacy of internal accounting controls and the quality of financial reporting.

/s/ Hugh L. McColl Jr.

/s/ James H. Hance Jr.

Hugh L. McColl Jr.
Chairman

James H. Hance Jr.
Vice Chairman and
Chief Financial Officer

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Report of Independent Accountants

To the Board of Directors and
Shareholders of NationsBank Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of NationsBank Corporation and its subsidiaries at December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 1 to the consolidated financial statements, the Corporation changed its methods of accounting for income taxes, postretirement benefits other than pensions and certain investments in debt securities in 1993.

/s/ Price Waterhouse LLP

Charlotte, North Carolina
January 13, 1995

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(Dollars in Millions)

	December 31	
	1994	1993
<hr/>		
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents.....	\$ 9,582	\$ 7,649
Time deposits placed and other short-term investments.....	2,159	1,479
Securities		
Held for investment, at cost (market value - \$17,101 and \$13,604).....	17,800	13,584
Available for sale.....	8,025	15,470
<hr/>		
Total securities.....	25,825	29,054
<hr/>		
Loans held for sale.....	318	1,697
Trading account assets.....	9,941	10,610
Federal funds sold.....	960	691
Securities purchased under agreements to resell.....	10,152	6,353
<hr/>		
Loans and leases, net of unearned income.....	102,367	91,006
Factored accounts receivable.....	1,004	1,001
<hr/>		
Loans, leases and factored accounts receivable, net of unearned income.....	103,371	92,007
<hr/>		
Allowance for credit losses.....	(2,186)	(2,169)
Premises, equipment and lease rights, net.....	2,439	2,259
Customers' acceptance liability.....	684	708
Interest receivable.....	1,408	1,117
Goodwill.....	1,047	812
Core deposit and other intangibles.....	665	555
Other assets.....	3,239	4,864
<hr/>		
	\$169,604	\$157,686
=====		
LIABILITIES		
Deposits		
Noninterest-bearing.....	\$ 21,380	\$ 20,723
Savings.....	9,037	8,784
NOW and money market deposit accounts.....	29,752	30,881
Time.....	27,698	26,691
Foreign time.....	12,603	4,034
<hr/>		
Total deposits.....	100,470	91,113
<hr/>		
Federal funds purchased.....	3,993	7,135
Securities sold under agreements to repurchase.....	21,977	21,236
Commercial paper.....	2,519	2,056
Other short-term borrowings.....	5,640	5,522
Trading account liabilities.....	11,426	8,299
Liability to factoring clients.....	586	534
Acceptances outstanding.....	684	708
Accrued expenses and other liabilities.....	2,810	2,752
Long-term debt and obligations under capital leases.....	8,488	8,352
<hr/>		
Total liabilities.....	158,593	147,707
<hr/>		
Contingent liabilities and other financial commitments (Notes 9 and 11)		
SHAREHOLDERS' EQUITY		
Preferred stock: authorized - 45,000,000 shares		
ESOP Convertible, Series C: issued - 2,606,657 and 2,703,440 shares.....	111	115
Series CC: issued - none and 752,600 shares.....	-	38
Series DD: issued - none and 1,107,600 shares.....	-	55
Common stock: authorized - 800,000,000 and 500,000,000 shares;		
issued - 276,451,552 and 270,904,656 shares.....	4,740	4,594
Retained earnings.....	6,451	5,247
Other, including loan to ESOP trust.....	(291)	(70)
<hr/>		
Total shareholders' equity.....	11,011	9,979
<hr/>		
	\$169,604	\$157,686
=====		

</TABLE>

See accompanying notes to consolidated financial statements.

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NationsBank Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in Millions)

	Year Ended December 31		
	1994	1993	1992
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income.....	\$ 1,690	\$ 1,501	\$ 1,145
Reconciliation of net income to net cash provided by operating activities			
Provision for credit losses.....	310	430	715
(Gains) losses on sales of securities.....	13	(84)	(249)
Gain on sale of mortgage servicing unit.....	-	-	(55)
Depreciation and premises improvements amortization.....	265	242	228
Amortization of intangibles.....	141	110	111
Deferred income tax expense.....	235	210	14
Effect of change in method of accounting for income taxes.....	-	(200)	-
Net change in trading instruments.....	3,796	707	(783)
Net (increase) decrease in interest receivable.....	(282)	(93)	88
Net increase in interest payable.....	299	93	81
Net (increase) decrease in loans held for sale.....	1,379	(406)	(651)
Net increase in liability to factoring clients.....	52	52	5
Other operating activities.....	1,220	(425)	(71)
Net cash provided by operating activities.....	9,118	2,137	578
INVESTING ACTIVITIES			
Proceeds from maturities of securities held for investment.....	5,864	9,182	5,154
Purchases of securities held for investment.....	(10,293)	(10,493)	(12,234)
Proceeds from sales and maturities of securities available for sale.....	23,762	18,295	27,981
Purchases of securities available for sale.....	(16,055)	(15,805)	(20,202)
Net increase in federal funds sold and securities purchased under agreements to resell.....	(3,805)	(410)	(1,963)
Net (increase) decrease in time deposits placed and other short-term investments.....	(670)	816	(407)
Net originations of loans and leases.....	(12,656)	(12,473)	(8,702)
Net purchases of premises and equipment.....	(327)	(65)	(287)
Purchases of loans and leases.....	(2,936)	(3,830)	(2,373)
Proceeds from sales and securitizations of loans.....	4,126	8,682	6,182
Purchases of mortgage servicing rights.....	(124)	(40)	(5)
Purchases of factored accounts receivable.....	(7,612)	(7,343)	(6,676)
Collections of factored accounts receivable.....	7,577	7,229	6,559
Proceeds from sales of other real estate owned.....	369	261	352
Acquisitions of subsidiaries, net of cash.....	3,778	(4,606)	(21)
Net cash used in investing activities.....	(9,002)	(10,600)	(6,642)
FINANCING ACTIVITIES			
Net increase (decrease) in deposits.....	4,261	(1,581)	(5,348)
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase.....	(2,562)	4,503	8,671
Net increase in other borrowed funds.....	491	1,958	2,884
Proceeds from issuance of long-term debt.....	1,198	4,125	349
Retirement of long-term debt.....	(1,017)	(405)	(128)
Preferred stock repurchased and redeemed.....	(94)	-	(10)
Proceeds from issuance of common stock.....	267	197	544
Cash dividends paid.....	(527)	(433)	(395)
Common stock repurchased.....	(180)	-	-
Other financing activities.....	(20)	(23)	13
Net cash provided by financing activities.....	1,817	8,341	6,580
Net increase (decrease) in cash and cash equivalents.....	1,933	(122)	516
Cash and cash equivalents at beginning of year.....	7,649	7,771	7,255
Cash and cash equivalents at end of year.....	\$ 9,582	\$ 7,649	\$ 7,771
Supplemental cash flow disclosure			
Cash paid for interest.....	\$ 5,020	\$ 3,477	\$ 3,601
Cash paid for income taxes.....	718	360	88

Loans transferred to other real estate owned amounted to \$207, \$251 and \$403

in 1994, 1993 and 1992, respectively.

See accompanying notes to consolidated financial statements.

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NationsBank Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Dollars in Millions, Shares in Thousands)

Total Share- holders' Equity	Preferred Stock	Common Stock		Retained Earnings	Loan to ESOP		<C> <C>
		Shares	Amount		Trust	Other	

<S> BALANCE ON DECEMBER 31, 1991..... 6,518	<C> \$373	<C> 231,246	<C> \$2,836	<C> \$3,429	<C> \$(107)	<C> \$ (13)	<C> \$
Net income..... 1,145				1,145			
Cash dividends							
Common..... (371)				(371)			
Preferred..... (24)				(24)			
Redemption and conversion of Series B preferred stock..... (10)	(250)	6,734	240				
Issuance of common stock..... 353		8,050	353				
Common stock issued under dividend reinvestment and employee plans..... 181		6,569	259			(78)	
Common stock issued upon exercise of warrants..... 10		303	10				
Other..... 12	(4)	88	4		9	3	

BALANCE ON DECEMBER 31, 1992..... 7,814	119	252,990	3,702	4,179	(98)	(88)	
Net income..... 1,501				1,501			
Cash dividends							
Common..... (423)				(423)			
Preferred..... (10)				(10)			
Issued in MNC acquisition Series CC and DD preferred stock..... 93	93						
Common stock..... 701		13,608	701				
Common stock issued under dividend reinvestment and employee plans..... 197		4,213	187				10
Valuation reserve for securities available for sale and marketable equity securities... 104							104
Other..... 2	(4)	94	4		10	(8)	

BALANCE ON DECEMBER 31, 1993..... 9,979	208	270,905	4,594	5,247	(88)	18	
Net income..... 1,690				1,690			
Cash dividends							
Common..... (517)				(517)			
Preferred..... (10)				(10)			
Preferred stock repurchased and redeemed..... (94)	(93)		(1)				
Common stock issued under dividend reinvestment and employee plans..... 267		5,351	254				13
Common stock issued in acquisitions..... 105		3,510	64	41			
Common stock repurchased..... (180)		(3,524)	(180)				
Net change in valuation reserve for securities available for sale and							

marketable equity securities.....						(240)
(240)						
Other.....	(4)	210	9		12	(6)
11						

BALANCE ON DECEMBER 31, 1994.....	\$ 111	276,452	\$4,740	\$6,451	\$ (76)	\$ (215)
\$11,011						

</TABLE>

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements 61

NationsBank Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NationsBank Corporation (the Corporation) is a multi-bank holding company organized under the laws of North Carolina in 1968 and registered under the Bank Holding Company Act of 1956, as amended. The Corporation provides financial products and services, both domestically and internationally.

The accounting and reporting policies of NationsBank Corporation and its subsidiaries conform with generally accepted accounting principles. Certain prior year amounts have been reclassified to conform to current year classifications. A description of the significant accounting policies is presented below.

NOTE 1 -- ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The consolidated financial statements include the accounts of NationsBank Corporation and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Results of operations of companies purchased are included from the dates of acquisition. Prior year financial statements are restated to include accounts of companies acquired and accounted for as poolings of interests. Assets held in an agency or fiduciary capacity are not included in the consolidated financial statements.

CASH AND CASH EQUIVALENTS

Cash on hand, cash items in the process of collection and amounts due from correspondent banks and the Federal Reserve Bank are included in cash and cash equivalents.

SECURITIES

Securities are classified based on management's intention at the time of purchase. Securities which management has the intent and ability to hold to maturity are classified as held for investment and reported at amortized cost. All other securities are classified as available for sale and carried at fair value with net unrealized gains and losses included in shareholders' equity on an after-tax basis. In addition, marketable equity securities are carried at fair value with net unrealized gains and losses included in shareholders' equity net of tax.

Realized gains and losses from the sales of securities are determined using the specific identification method.

The Corporation adopted Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115), on December 31, 1993 (Note 3).

LOANS HELD FOR SALE

Loans held for sale include mortgage and other loans and are carried at the lower of aggregate cost or market value.

TRADING INSTRUMENTS

Instruments utilized in trading activities include both securities and derivatives and are stated at market value. Quoted market prices are generally used as a basis to determine the market values of trading instruments. If quoted market prices are not available, market values are estimated on the basis of dealer quotes, pricing models, or quoted prices for instruments with similar characteristics. Realized and unrealized gains and losses are recognized as noninterest income.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is available to absorb losses inherent in the credit extension process. The entire allowance is available to absorb losses related to the loan and lease portfolio and other extensions of credit, including off-balance sheet credit exposures. Credit exposures deemed to be

uncollectible are charged against the allowance for credit losses. Recoveries of previously charged-off amounts are credited to the allowance for credit losses.

The adequacy of the allowance for credit losses is reviewed regularly by management. Additions to the allowance for credit losses are made by charges to the provision for credit losses. On a quarterly basis, a comprehensive review of the adequacy of the allowance for credit losses is performed. This assessment is made in the context of historical losses, as well as existing economic conditions.

In 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan" (SFAS 114), which was amended in 1994 by Statement of Financial Accounting Standards No. 118, "Accounting by Creditors for Impairment of a Loan-Income Recognition and Disclosure" (SFAS 118). These standards address the accounting for certain loans when it is probable that all amounts due pursuant to the contractual terms of the loan will not be collected. Individually identified impaired loans are measured based on the present value of payments expected to be received, using the historical effective loan rate as the discount rate. Loans that are to be foreclosed or that are solely dependent on the collateral for repayment may alternatively be measured based on the fair value of the collateral for such loans. Measurement may also be based on observable market prices. If the recorded investment in the loan exceeds the measure of fair value, a valuation allowance is established as a component of the allowance for credit losses. The Corporation adopted SFAS 114 and SFAS 118 effective January 1, 1995. Adoption of the standards did not have a material impact on the Corporation's financial position or results of operations.

LOANS

Loans are reported at their outstanding principal balances net of any charge-offs, unamortized deferred fees and costs on originated loans or premiums or discounts on purchased loans.

Loan origination fees and certain direct origination costs are deferred and recognized as adjustments to income over the lives of the related loans.

Discounts and premiums are amortized to income using methods that approximate the interest method.

NONPERFORMING LOANS

Commercial loans and leases that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, are generally classified as nonperforming loans unless well secured and in the process of collection. Loans whose contractual terms have been restructured in a manner which grants a concession to a borrower experiencing financial difficulties, are classified as nonperforming until such time as the loan is expected to be collected in full and the borrower has demonstrated sustained performance in

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accordance with the restructured terms. Generally, loans which are past due 180 days or more as to principal or interest are classified as nonperforming regardless of collateral or collection status. Generally, interest accrued but not collected is reversed when a loan or lease is classified as nonperforming.

Interest collections on nonperforming loans and leases for which the ultimate collectibility of principal is uncertain are applied as principal reductions. Otherwise, such collections are credited to income when received.

Consumer loans, including credit card loans, that are past due 90 days or more are not generally classified as nonperforming assets. Generally, consumer loans are liquidated or charged off soon after becoming 90 days past due or 180 days past due for credit card loans. Income is generally recognized on past-due consumer and credit card loans until the loan is charged off.

OTHER REAL ESTATE OWNED

Other real estate owned includes both formally foreclosed and in-substance foreclosed property and premises no longer used for business operations.

Other real estate owned is carried at the lower of (1) the recorded amount of the loan or lease for which the foreclosed property previously served as collateral, or (2) the fair value of the property minus estimated costs to sell. Prior to foreclosure, the recorded amount of the loan or lease is written down, if necessary, to the fair value, minus estimated costs to sell, of the real estate to be acquired by charging the allowance for credit losses.

Subsequent to foreclosure, gains or losses on the sale of and losses on the periodic revaluation of other real estate owned are credited or charged to expense. Net costs of maintaining and operating foreclosed properties are expensed as incurred.

PREMISES AND EQUIPMENT

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized principally using the straight-line method over the estimated useful lives of the assets.

INCOME TAXES

There are two components of income tax provision, current and deferred.

Current income tax provisions approximate taxes to be paid or refunded for the applicable period.

Balance sheet amounts of deferred taxes are recognized on the temporary differences between the bases of assets and liabilities as measured by tax laws and their bases as reported in the financial statements. Deferred tax expense or benefit is then recognized for the change in deferred tax liabilities or assets between periods.

Recognition of deferred tax balance sheet amounts is based on management's belief that it is more likely than not that the tax benefit associated with certain temporary differences, tax operating loss carryforwards, and tax credits will be realized. A valuation allowance is recorded for those deferred tax items for which it is more likely than not that realization will not occur.

During the first quarter of 1993, the Corporation adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). The Corporation had previously recorded income tax expense following Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes" (SFAS 96).

RETIREMENT BENEFITS

The Corporation has established qualified retirement plans covering full-time, salaried employees and certain part-time employees. Pension expense under these plans is accrued each year. The costs are charged to current operations and consist of several components of net pension cost based on various actuarial assumptions regarding future experience under the plans.

In addition, the Corporation and its subsidiaries have established unfunded supplemental benefit plans providing any benefits that could not be paid from a qualified retirement plan because of Internal Revenue Code restrictions and supplemental executive retirement plans for selected officers of the Corporation and its subsidiaries. These plans are nonqualified and, therefore, in general, a participant's or beneficiary's claim to benefits is as a general creditor.

The Corporation and its subsidiaries have established several postretirement medical benefit plans which are not funded.

The Corporation adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefit Other Than Pensions" (SFAS 106), during the first quarter of 1993. Retiree benefits, including health and life insurance, are accrued under SFAS 106 compared to the Corporation's prior accounting method of recognizing expense as these benefits were paid.

RISK MANAGEMENT INSTRUMENTS

Revenues or expenses associated with interest rate swap contracts used in asset and liability management are accounted for on the accrual basis and recognized as an adjustment to income or expense on the underlying instruments. Gains and losses associated with futures and forward contracts used as effective hedges of existing risk positions or anticipated transactions are deferred as an adjustment to the carrying value of the related asset or liability and recognized in net interest income over the remaining term of the related asset or liability.

EARNINGS PER COMMON SHARE

Earnings per common share is computed by dividing net income, reduced by dividends on preferred stock, by the weighted average number of common shares outstanding for each period presented.

PURCHASE METHOD OF ACCOUNTING

Net assets of companies acquired in purchase transactions are recorded at fair value at the date of acquisition. Identified intangibles are amortized on an accelerated or straight-line basis over the period benefited. Goodwill is amortized on a straight-line basis over 25 years.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

Foreign currency assets and liabilities of the foreign branches and subsidiaries are translated into U.S. dollars using month-end spot rates of exchange. Income and expense amounts are translated based on the spot rate in effect at the date on which the individual transactions are recorded.

NOTE 2 -- ACQUISITION ACTIVITY

On October 1, 1993, the Corporation completed the acquisition of MNC Financial Inc. (MNC), a bank holding company headquartered in Baltimore, Maryland, with total assets of approximately \$16.5 billion. The acquisition was accounted for as a purchase. On an unaudited pro forma basis, combined interest and other income and net income is \$11.4 billion and \$1.6 billion, respectively,

for 1993. On an unaudited pro forma basis, the reduction in earnings per common share and fully diluted earnings per common share is \$.03 and \$.02, respectively, for 1993.

On December 1, 1993, the Corporation established Greyrock Capital Group Inc. (previously named Nations Financial Capital Corporation) upon completion of its acquisition of a substantial amount of the assets and the ongoing business of U S WEST Financial Services Inc., a corporate finance subsidiary of U S WEST Inc. The Corporation acquired approximately \$2.0 billion in net receivables.

On July 2, 1993, the Corporation, through a banking subsidiary, completed its acquisition of substantially all the assets and certain of the liabilities of Chicago Research & Trading Group Ltd. (CRT) and certain of its subsidiaries, an options market-making and trading firm and a primary government securities dealer. Total assets at the date of purchase were approximately \$12 billion and consisted primarily of trading account assets and securities purchased under agreements to resell.

On February 1, 1993, the Corporation, through a subsidiary, acquired substantially all of the assets and assumed certain of the liabilities of Chrysler First Inc., the non-automotive finance subsidiary of Chrysler Financial Corporation. Finance receivables of approximately \$3.7 billion, including \$1.5 billion which were securitized, were acquired. NationsCredit was formed as a result of this purchase.

During 1994, the Corporation acquired several smaller banking organizations. Aggregate acquired loans and assumed deposits were \$654 million and \$5.1 billion, respectively. Additionally, in 1994, several mortgage banking operations, including mortgage servicing rights, were acquired. Aggregate acquired mortgage servicing rights approximated \$8.6 billion, bringing the Corporation's total servicing portfolio to approximately \$39 billion on December 31, 1994.

<TABLE>
<CAPTION>

NOTE 3 -- SECURITIES

The book and market values of securities held for investment and securities available for sale on December 31 were (dollars in millions):

SECURITIES HELD FOR INVESTMENT	U.S. Treasury Securities and Agency Debentures	Other Taxable Securities	Total Taxable	Tax-Exempt Securities
Total				

<S>	<C>	<C>	<C>	<C>
<C>				
1994				

Book value.....	\$ 17,580	\$ 79	\$ 17,659	\$141
\$17,800				
Gross unrealized gains.....	1	-	1	1
2				
Gross unrealized losses.....	(697)	(1)	(698)	(3)
(701)				

Market value.....	\$ 16,884	\$ 78	\$ 16,962	\$139
\$17,101				
=====				
1993				

Book value.....	\$ 13,110	\$446	\$ 13,556	\$28
\$13,584				
Gross unrealized gains.....	35	15	50	2
52				
Gross unrealized losses.....	(30)	(2)	(32)	-
(32)				

Market value.....	\$ 13,115	\$459	\$ 13,574	\$30
\$13,604				
=====				
1992				

Book value.....	\$ 22,352	\$486	\$ 22,838	\$517
\$23,355				
Gross unrealized gains.....	360	5	365	36
401				
Gross unrealized losses.....	(6)	(1)	(7)	(1)
(8)				

Market value.....	\$ 22,706	\$490	\$ 23,196	\$552
\$23,748				

Book value of securities held for investment										
U.S. Treasury securities and agency debentures.....	\$4,927	4.32%	\$12,506	5.72%	\$116	5.96%	\$ 31	7.39%	\$17,580	
5.33%										
Other taxable securities.....	10	5.54	57	6.22	9	6.53	3	6.40	79	
6.17										

Total taxable.....	4,937	4.32	12,563	5.72	125	6.00	34	7.30	17,659	
5.33										
Tax-exempt securities.....	56	5.57	44	8.23	37	10.94	4	10.42	141	
7.94										

Total.....	\$4,993	4.34	\$12,607	5.73	\$162	7.13	\$ 38	7.65	\$17,800	
5.35										
=====										
Market value of securities held for investment.....	\$4,893		\$12,015		\$156		\$ 37		\$17,101	

Market value of securities available for sale										
U.S. Treasury securities and agency debentures.....	\$2,791	4.23%	\$ 4,630	5.55%	\$ 34	7.05%	\$ -	-%	\$ 7,455	
5.08%										
Other taxable securities.....	-	-	25	8.02	11	7.32	214	6.00	250	
6.25										

Total taxable.....	2,791	4.23	4,655	5.56	45	7.12	214	6.00	7,705	
5.12										
Tax-exempt securities.....	111	13.27	112	11.69	37	11.29	60	11.83	320	
12.21										

Total.....	\$2,902	4.57	\$ 4,767	5.71	\$ 82	9.02	\$274	7.29	\$ 8,025	
5.40										
=====										
Cost of securities available for sale..	\$2,908		\$ 5,024		\$ 84		\$273		\$ 8,289	

</TABLE>

There were no investments in obligations of states and political subdivisions that were payable from and secured by the same source of revenue or taxing authority and that exceeded 10 percent of consolidated shareholders' equity on December 31, 1994 or 1993.

The income tax benefit attributable to securities transactions was \$5 million for 1994, compared to income tax expense of \$29 million and \$87 million for 1993 and 1992, respectively.

Securities are pledged or assigned to secure borrowed funds, government and trust deposits and for other purposes. The book and market values of pledged securities were \$23.1 billion and \$22.4 billion, respectively, on December 31, 1994, compared to \$24.0 billion and \$24.1 billion, respectively, on December 31, 1993.

On December 31, 1993, the Corporation adopted SFAS 115 related to accounting for investments in debt and equity securities. Upon adoption, in light of the MNC acquisition, the restrictive criteria on sales out of the held for investment portfolio imposed by SFAS 115 and the uncertainty regarding regulatory capital treatment of securities appreciation and depreciation, the Corporation transferred approximately \$14.6 billion from securities held for investment to securities available for sale. Along with marketable equity securities, the securities available for sale portfolio was marked to market value resulting in net unrealized gains of approximately \$164 million which are included in shareholders' equity at \$104 million net of tax.

On December 31, 1994, the valuation reserve for securities available for sale and marketable equity securities reduced shareholders' equity by \$136 million, reflecting \$264 million of pretax depreciation on securities available for sale, offset by \$48 million of pretax appreciation on marketable equity securities.

year ended December 31, 1994, of the components of trading account assets and liabilities were (dollars in millions):

<TABLE>
<CAPTION>

	1994	1993	1994 Average

<S>	<C>	<C>	<C>
Securities owned			
U.S. Treasury securities.....	\$ 5,968	\$ 8,084	\$ 7,713
Securities of other U.S. Government agencies and corporations.....	1,185	885	1,322
Certificates of deposit, bankers' acceptances and commercial paper.....	371	703	409
Corporate debt.....	581	194	722
Other securities.....	259	165	285

Total securities owned.....	8,364	10,031	10,451
Derivatives-dealer positions.....	1,577	579	1,158

Total trading account assets.....	\$ 9,941	\$10,610	\$11,609
=====			
Short sales			
U.S. Treasury securities.....	\$ 9,352	\$ 7,542	\$ 9,840
Securities of other U.S. Government agencies and corporations.....	182	224	550
Corporate debt.....	278	-	134
Other securities.....	-	2	2

Total short sales.....	9,812	7,768	10,526
Derivatives-dealer positions.....	1,614	531	1,063

Total trading account liabilities.....	\$11,426	\$ 8,299	\$11,589
=====			

</TABLE>

A discussion of the Corporation's trading activities is presented beginning on page 49, including TABLE 21. An analysis of the revenues associated with the Corporation's trading activities is presented in the table in the noninterest income section on page 33.

The net change in the unrealized gain or loss on trading securities held on December 31, 1994, included in noninterest income for 1994, was a loss of \$3 million.

Derivatives-dealer positions presented in the table above represent the market values of interest rate, foreign exchange and commodity products including swap, futures, forward and option contracts associated with the Corporation's trading derivatives activities.

A swap contract is an agreement between two parties to exchange cash flows based on specified underlying notional amounts and indices. A futures or forward contract is an agreement to buy or sell a quantity of a financial instrument or commodity at a predetermined future date and rate or price. An option contract is an agreement that conveys to the purchaser the right, but not the obligation, to buy or sell a quantity of a financial instrument or commodity at a predetermined rate or price at a time in the future.

These agreements can be transacted on an organized exchange or directly between parties.

<TABLE>
<CAPTION>

NOTE 5 -- LOANS, LEASES AND FACTORED ACCOUNTS RECEIVABLE

Loans, leases and factored accounts receivable on December 31 were (dollars in millions):

	1994	1993

<S>	<C>	<C>
LOANS		
Commercial.....	\$ 44,804	\$40,940
Real estate commercial.....	7,350	8,246
Real estate construction.....	2,981	3,256

Total commercial.....	55,135	52,442

Residential mortgage.....	17,311	12,801
Home equity.....	2,644	2,565
Credit card.....	4,756	3,728
Other consumer.....	18,209	17,063

Total consumer.....	42,920	36,157

Foreign.....	1,984	978
Factored accounts receivable.....	1,004	1,001
Total loans and factored accounts receivable.....	101,043	90,578
Less unearned income.....	(552)	(553)
Loans and factored accounts receivable, net of unearned income.....	100,491	90,025
LEASES		
Lease receivables.....	3,056	2,127
Estimated residual value.....	934	557
Less unearned income.....	(1,110)	(702)
Leases, net of unearned income.....	2,880	1,982
Loans, leases and factored accounts receivable, net of unearned income.....	\$103,371	\$92,007

</TABLE>

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Transactions in the allowance for credit losses were (dollars in millions):

	1994	1993
1992		

<S>	<C>	<C>
<C>		
Balance on January 1.....	\$2,169	\$1,454
\$1,605		

Loans, leases and factored accounts receivable charged off.....	(533)	(609)
(1,026)		
Recoveries of loans, leases and factored accounts receivable previously charged off.....	217	197
160		

Net charge-offs.....	(316)	(412)
(866)		
Provision for credit losses.....	310	430
715		
Allowance applicable to loans of purchased companies.....	23	697
-		

Balance on December 31.....	\$2,186	\$2,169
\$1,454		

</TABLE>

Loans to directors and executive officers of the Corporation on December 31, 1994, were \$142 million and \$180 million on January 1 and December 31, 1994, respectively. An analysis of activity for 1994 with respect to such aggregate loans is as follows (dollars in millions):

Balance January 1	New Loans	Payments	Balance December 31
\$142	\$166	\$128	\$180

Loans to immediate family members of directors and executive officers of the Corporation totaled \$10 million and \$17 million on January 1 and December 31, 1994, respectively.

Loans to directors and executive officers who were solely directors and/or executive officers of the Corporation's significant subsidiaries, excluding the aggregate loan amount of any loans to members of their immediate families, amounted to \$505 million on December 31, 1994.

Extensions of credit to such persons have been made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time in comparable transactions with others and did not involve more than normal risk of collectibility or present other unfavorable features.

On December 31, 1994, 1993 and 1992, nonperforming loans totaled \$801 million, \$1.1 billion and \$1.4 billion, respectively.

The net amount of interest recorded during each year on loans that were nonperforming or restructured on December 31 was \$31 million, \$34 million and \$31 million in 1994, 1993 and 1992, respectively. If these loans had been accruing interest at their originally contracted rates, related income would have been \$96 million in 1994, \$80 million in 1993 and \$105 million in 1992.

Other real estate owned amounted to \$337 million, \$661 million and \$587 million on December 31, 1994, 1993 and 1992, respectively. The cost of carrying other real estate owned amounted to \$24 million, \$18 million and \$25 million in 1994, 1993 and 1992, respectively.

<TABLE>
<CAPTION>

NOTE 6 -- PREMISES, EQUIPMENT AND LEASE RIGHTS, NET

Premises, equipment and lease rights, net on December 31 were (dollars in millions):

	1994	1993
<S>	<C>	<C>
Land and land improvements.....	\$ 387	\$ 318
Buildings.....	1,465	1,408
Capitalized leased premises.....	50	55
Leasehold improvements.....	508	525
Furniture and equipment.....	1,782	1,690
Construction in process.....	82	63
	-----	-----
	4,274	4,059
Less accumulated depreciation and amortization.....	(1,835)	(1,800)
	-----	-----
	\$ 2,439	\$ 2,259
	=====	=====

</TABLE>

Provisions for depreciation and amortization charged to noninterest expense were \$265 million, \$242 million and \$228 million for 1994, 1993 and 1992, respectively.

On December 31, 1994, the minimum future noncancelable operating lease payments for premises and equipment are \$236 million, \$199 million, \$166 million, \$144 million and \$112 million for each of the succeeding years 1995 through 1999, respectively. Rental expense, excluding executory costs, charged to operating expenses during 1994, 1993 and 1992 was approximately \$343 million, \$287 million and \$272 million, respectively.

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NOTE 7 -- SHORT-TERM BORROWINGS AND LONG-TERM DEBT

The Corporation's banking subsidiaries in North Carolina, Georgia and Texas jointly maintain a program to offer from time to time up to \$6 billion in short-term bank notes with fixed or floating rates and maturities from 30 days to one year from date of issue. As of December 31, 1994 and 1993, short-term bank notes outstanding were \$4.5 billion and \$2.2 billion, respectively.

On September 30, 1994, the Corporation renegotiated its commercial paper back-up lines establishing a single committed, \$1.5 billion, three-year credit facility. As of December 31, 1994, the facility was unused. On December 31, 1993, established and unused bank lines of credit amounted to \$1.0 billion. In both years, these lines were supported by fees paid directly by the Corporation to unaffiliated banks.

Long-term debt on December 31 is summarized as follows (dollars in millions):

<TABLE>
<CAPTION>

	1994	1993
<S>	<C>	<C>
SENIOR DEBT		
Parent company		
Floating rate notes, due 1994.....	\$ -	\$ 50
5 3/8 percent notes, due 1995.....	400	399
11.70 percent notes, due 1995.....	75	75
4 3/4 percent notes, due 1996.....	399	399
8 1/2 percent notes, due 1996.....	150	150
Floating rate medium-term notes at spreads over LIBOR, due 1995 through 1999.....	1,438	683
5 1/8 percent notes, due 1998.....	300	299
6 5/8 percent notes, due 1998.....	399	399
5.51 percent ESOP secured notes, due 1996 through 1999.....	125	125
4.36 to 8.20 percent medium-term notes, due 1995 through 2000.....	482	477
5 3/8 percent notes, due 2000.....	397	396
9 1/4 percent unsecured notes, due 2006.....	124	124
Other senior notes.....	101	190
	-----	-----
	4,390	3,766

Banking and nonbanking subsidiaries		
Floating rate municipal financing, repurchased 1994.....	-	120
Floating rate collateralized financing, due 1994 through 1996.....	477	919
Other senior notes.....	80	100
	557	1,139
Total senior debt.....	4,947	4,905
SUBORDINATED DEBT		
Parent company		
Floating rate notes, repurchased 1994.....	-	299
9 3/8 percent notes, due 1997.....	82	84
9 3/4 percent capital notes, due 1999.....	100	99
10 1/2 percent notes, due 1999.....	299	299
9 1/8 percent notes, due 2001.....	299	299
8 1/8 percent notes, due 2002.....	349	349
6 1/2 percent notes, due 2003.....	600	600
6.20 percent medium-term notes, due 2003.....	75	75
7 3/4 percent notes, due 2004.....	299	-
6 7/8 percent notes, due 2005.....	398	398
9 3/8 percent notes, due 2009.....	397	397
10.20 percent notes, due 2015.....	200	200
8.57 percent medium-term notes, due 2024, putable 2004.....	100	-
Other subordinated notes.....	10	12
	3,208	3,111
Banking and nonbanking subsidiaries		
9 1/2 percent notes, due 2004.....	301	301
Other subordinated notes.....	8	8
	309	309
Total subordinated debt.....	3,517	3,420
Total long-term debt.....	8,464	8,325
Obligations under capital leases.....	24	27
Total long-term debt and obligations under capital leases.....	\$8,488	\$8,352

</TABLE>

Under its \$1.1 billion of remaining shelf capacity, in December 1994, the Corporation initiated a program to issue from time to time up to \$1 billion in aggregate principal amount of certain medium-term notes, which may be senior debt securities, subordinated debt, or any combination thereof. As of February 28, 1995, approximately \$800 million of senior debt notes have been issued under this program.

As of February 28, 1995, \$3 billion of corporate debt securities, and preferred and common stock was available for issuance under a shelf registration filed February 1, 1995.

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The floating rate collateralized financing consists of \$247 million in consumer loan financing and \$230 million in homes financing. Consumer loan financing consists of revolving credit and closed-end asset-backed certificates collateralized by a pool of credit lines and loans with a book value of \$430 million at December 31, 1994. Homes financing consists of home equity and second mortgage asset-backed certificates collateralized by a pool of second mortgages and home equity loans with a book value of \$427 million on December 31, 1994. The components of collateralized financing bear interest at floating rates based on factors of LIBOR. On December 31, 1994, the rates on both the consumer financing and homes financing were 6.40 percent.

The indentures covering the parent company's senior long-term debt include provisions that limit funded debt, long-term lease commitments, issuance of subsidiary preferred stock, creation of liens upon the property of the Corporation and the payment of dividends. Under the most restrictive of the provisions, approximately \$2.1 billion was available for payment of dividends on December 31, 1994.

The floating rate collateralized financing obligations may be redeemed at any time at the option of the Corporation. The 10 1/2-percent subordinated notes, due 1999, are redeemable beginning in 1996.

The principal maturities for the next five years of long-term debt outstanding on December 31, 1994, were (dollars in millions):

<TABLE>	
<S>	<C>
1995.....	\$1,256
1996.....	1,395
1997.....	309
1998.....	892
1999.....	970
</TABLE>	

NOTE 8 -- SHAREHOLDERS' EQUITY

The Corporation has authorized 45 million shares of preferred stock. As of December 31, 1994, the Corporation had issued 2.6 million shares of ESOP Convertible Preferred Stock, Series C (ESOP Preferred Stock). The ESOP Preferred Stock has a stated and liquidation value of \$42.50 per share, provides for an annual cumulative dividend of \$3.30 per share and is convertible into .84 shares of the Corporation's common stock at an initial conversion price of \$42.50 per .84 shares of the Corporation's common stock. In 1994, 1993 and 1992, ESOP Preferred Stock in the amount of \$4 million was converted into the Corporation's common stock.

In connection with MNC acquisition, Series CC and DD Preferred Stock was issued. During the first quarter of 1994, the Corporation repurchased and redeemed all 753 thousand shares of its Series CC Preferred Stock at a weighted average price of \$51.32 per share and all 1.108 million shares of its Series DD Preferred Stock at a weighted average price of \$49.86 per share. The aggregate redemption price was \$94 million.

In 1992, all 5 million shares of Series B Preferred Stock were converted into the Corporation's common stock or redeemed for cash.

On July 27, 1994, the Board of Directors authorized the Corporation during the next 12 months to purchase from time to time in the open market up to 10 million shares of its common stock representing the number of shares of common stock it intends to issue for its dividend reinvestment and stock purchase plan, its various employee benefit plans and additional shares associated with small acquisitions. On December 31, 1994, 3.5 million shares had been repurchased under this program at a repurchase amount of \$180 million. In addition to the above authorization, on September 28, 1994, the Board authorized the Corporation to purchase up to 20 million shares of its common stock from time to time in open market or privately negotiated transactions.

Other shareholders' equity on December 31 was comprised of the following (dollars in millions):

	1994	1993
Restricted stock award plan deferred compensation.....	\$ (62)	\$ (74)
Net unrealized gains (losses) on available for sale securities and marketable equity securities, net of tax.....	(136)	104
Foreign currency adjustment and other.....	(17)	(12)
	\$ (215)	\$ 18

NOTE 9 -- COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Corporation enters into a number of off-balance sheet commitments. These instruments expose the Corporation to varying degrees of credit and market risk and are subject to the same credit and risk limitation reviews as those recorded on the balance sheet. See the discussion of credit risk policies and procedures and concentrations of credit risk beginning on page 40.

CREDIT EXTENSION COMMITMENTS

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 on December 31 (dollars in millions):

	1994	1993
Commitments to extend credit		
Credit card commitments.....	\$15,921	\$12,808
Other loan commitments.....	58,813	48,521
Standby letters of credit and financial guarantees.....	6,884	6,265
Commercial letters of credit.....	1,282	983

Commitments to extend credit are legally binding, generally have specified rates and maturities and are for specified purposes. The Corporation manages the credit risk on these commitments by subjecting these commitments to normal credit approval and monitoring processes and protecting against deterioration in the borrowers' ability to pay through adverse-change clauses which require borrowers to maintain various credit and liquidity measures. Credit card lines are unsecured commitments which are reviewed at least annually by management. Upon evaluation of the customer's creditworthiness, the Corporation has the right to change or terminate the terms of the credit card line. Of the December 31, 1994 total other loan commitments, \$24.7 billion is scheduled to expire in less than one year, \$24.7 billion in one to five years and \$9.4 billion after five years.

Standby letters of credit (SBLC) and financial guarantees are issued to support the debt obligations of customers. If a SBLC or financial guarantee is drawn upon, the Corporation looks to its customer for payment. SBLCs and financial guarantees are subject to the same approval and collateral policies as other extensions of credit. Of the December 31, 1994 total SBLCs and financial guarantees, \$4.3 billion is scheduled to expire in less than one year, \$2.4 billion in one to five years and \$151 million after five years.

Commercial letters of credit, issued primarily to facilitate customer trade finance activities, are collateralized by the underlying goods being shipped by the customer and are generally short term.

For each of these types of instruments, the Corporation's maximum exposure to credit loss is represented by the contractual amount of these instruments. Many of the commitments are collateralized or are expected to expire without being drawn upon; therefore, the total commitment amounts do not necessarily represent risk of loss or future cash requirements.

DERIVATIVES

Derivative transactions are entered into by the Corporation to meet the financing needs of its customers, to manage its own interest rate and currency risks, and as part of its trading activities. See TABLES 18 and 19 on pages 45 and 46 and the first eight paragraphs under Interest Rate Risk Management beginning on page 45 regarding the Corporation's use of derivatives for risk management purposes. See TABLE 21 on page 49, the discussion beginning on page 49 and Note 4 regarding the Corporation's derivative-dealer activities.

SECURITIES LENDING

The Corporation executes securities lending transactions on behalf of certain customers. In certain instances, the Corporation indemnifies the customer against certain losses. The Corporation obtains collateral with a market value in excess of the market value of the securities loaned. On December 31, 1994 and 1993, indemnified securities lending transactions totaled \$5.7 billion and \$5.1 billion, respectively. Collateral with a market value of \$5.9 billion and \$5.2 billion on December 31, 1994 and 1993, respectively, was obtained by the Corporation in support of these transactions.

WHEN ISSUED SECURITIES

When issued securities are commitments entered into to purchase or sell securities in the time period between the announcement of a securities offering and the issuance of those securities. On December 31, 1994, the Corporation had commitments to purchase and sell when issued securities of \$2.2 billion and \$2.5 billion, respectively. This compares to commitments to purchase and sell when issued securities of \$1.1 billion and \$866 million, respectively, on December 31, 1993.

LITIGATION

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

=====

NOTE 10 -- REGULATORY REQUIREMENTS AND RESTRICTIONS

The banking subsidiaries are required to maintain average reserve balances with the Federal Reserve Bank based on a percentage of certain deposits. The average of those reserve balances amounted to \$1.4 billion for both 1994 and 1993.

Funds for cash distributions by the Corporation to its shareholders are derived from a variety of sources, including cash and investments. The primary source of such funds, however, is dividends received from its banking subsidiaries. The subsidiary banks can initiate dividend payments in 1995, without prior regulatory approval, of \$1.0 billion plus an additional amount equal to their net profits, as defined by statute, for 1995 up to the date of any such dividend declaration. The amount of dividends that each subsidiary bank may declare in a calendar year without approval by the OCC is the bank's net profits for that year combined with its net retained profits, as defined, for the preceding two years.

Regulations also restrict banking subsidiaries in lending funds to affiliates. On December 31, 1994, the total amount which could be loaned to the Corporation by its banking subsidiaries was approximately \$1.2 billion. On December 31, 1994, no loans to the Corporation from its banking subsidiaries were outstanding.

On December 31, 1994, as a result of the above regulatory restrictions, substantially all of the net assets of the Corporation's banking subsidiaries, in excess of the allowable amounts mentioned above, were restricted from transfer to the Corporation in the form of cash dividends, loans or advances.

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NOTE 11 -- EMPLOYEE BENEFIT PLANS

The Corporation sponsors noncontributory trustee pension plans that cover substantially all officers and employees. The plans provide defined benefits based on an employee's compensation, age at retirement and years of service. It is the policy of the Corporation to fund not less than the minimum funding amount required by the Employee Retirement Income Security Act.

The following table sets forth the plans' estimated status on December 31 (dollars in millions):

	1994	
1993	-----	

<S>	<C>	<C>
Actuarial present value of benefit obligation		
Accumulated benefit obligation, including vested benefits of \$711 and \$755.....	\$ (734)	
\$(781)		
=====		
Projected benefit obligation for service rendered to date.....	\$ (869)	
\$(917)		
Plan assets at fair value, primarily listed stocks, fixed income securities and real estate.....	964	1,046

Plan assets in excess of projected benefit obligation.....	95	129
Unrecognized net loss.....	135	243
Unrecognized net transition asset being amortized.....	(15)	
(18)		
Unrecognized prior service benefit being amortized.....	(34)	
(30)		
Deferred investment (gain) loss.....	126	
(9)		

Prepaid pension cost.....	\$ 307	\$ 315
=====		

Net periodic pension expense (income) for the years ended December 31 included the following components (dollars in millions):

	1994	1993	1992
<S>	<C>	<C>	<C>
Service cost-benefits earned during the period.....	\$ 39	\$ 31	\$ 28
Interest cost on projected benefit obligation.....	72	58	51
Actual return on plan assets.....	22	(101)	(21)
Net amortization and deferral.....	(121)	3	(69)
	-----	-----	-----
Net periodic pension expense (income).....	\$ 12	\$ (9)	\$ (11)
	=====	=====	=====

For December 31, 1994, the weighted average discount rate and rate of increase in future compensation used in determining the actuarial present value of the projected benefit obligation was 8.5 percent and 4.25 percent, respectively. The related expected long-term rate of return on plan assets was 10.0 percent. For December 31, 1993, the weighted average discount rate, rate of increase in future compensation and expected long-term rate of return on plan assets was 7.75 percent, 4.0 percent and 10.0 percent, respectively.

HEALTH AND LIFE BENEFIT PLANS

In addition to providing retirement benefits, the Corporation provides health care and life insurance benefits for active and retired employees. Substantially all of the Corporation's employees, including certain employees

in foreign countries, may become eligible for postretirement benefits if they reach early retirement age while employed by the Corporation and they have the required number of years of service. Under the Corporation's current plan, eligible retirees are entitled to a fixed dollar amount for each year of service. Additionally, certain current retirees are eligible for different benefits attributable to prior plans.

All of the Corporation's accrued postretirement benefit liability was unfunded at year-end 1994. The "projected unit credit" actuarial method was used to determine the normal cost and actuarial liability.

A reconciliation of the estimated status of the postretirement benefit obligation on December 31 is as follows (dollars in millions):

	1994	1993
<S>	<C>	<C>
Accumulated postretirement benefit obligation		
Retirees.....	\$ (128)	\$ (158)
Fully eligible active participants.....	(3)	(2)
Other active plan participants.....	(47)	(39)
	(178)	(199)
Unamortized transition obligation.....	125	135
Unrecognized net loss (gain).....	(9)	7
	\$ (62)	\$ (57)

</TABLE>

Net periodic postretirement benefit cost for the years ended December 31 included the following (dollars in millions):

	1994	1993
<S>	<C>	<C>
Service cost.....	\$ 3	\$ 2
Interest cost on accumulated postretirement benefit obligation.....	14	15
Amortization of transition obligation over 20 years.....	7	7
Amortization of gains.....	(6)	-
	\$18	\$24

</TABLE>

The health care cost trend rates used in determining the accumulated postretirement benefit obligation were 7.0 percent for pre-65 benefits and 5.75 percent for post-65 benefits. A one-percent change in the average health care cost trend rates would increase the accumulated postretirement benefit obligation by 5.1 percent and the aggregate of the service cost

Notes to Consolidated Financial Statements 71

and interest cost components of net periodic postretirement benefit cost by 3.9 percent. The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8.50 percent in 1994 and 7.75 percent in 1993.

SAVINGS AND PROFIT SHARING PLANS

In addition to the retirement plans, the Corporation maintains several defined contribution savings and profit sharing plans, one of which features a leveraged employee stock ownership (ESOP) provision.

For 1994, 1993 and 1992, the Corporation contributed approximately \$41 million, \$35 million and \$34 million, respectively, in cash which was utilized primarily to purchase the Corporation's common stock under the terms of these plans.

Under the terms of the ESOP provision, payments to the plan for dividends on the ESOP Preferred Stock were \$9 million for 1994, 1993 and 1992. Interest incurred to service the ESOP debt amounted to \$5 million for 1994, 1993 and 1992.

STOCK OPTION AND AWARD PLANS

Under the 1992 Associates Stock Option Plan, on July 1, 1992, eligible full-time and part-time employees received a one-time award of a predetermined number of stock options entitling them to purchase shares of the Corporation's common stock at the closing market price of \$48 3/8 per share. The options are exercisable until June 30, 1997.

Additional options under a former plan and restricted stock and stock options assumed in connection with various acquisitions remain outstanding.

No further options or rights will be granted under such plans.

Under the Corporation's current Restricted Stock Award Plan, key employees are awarded shares of the Corporation's common stock subject to certain vesting requirements. Generally, vesting occurs in five equal annual installments and the related deferred compensation is expensed over the same period.

During 1994, the Board of Directors approved the Key Employee Stock Plan, subject to shareholder approval at the 1995 Annual Meeting. The Key Employee Stock Plan will replace the current Restricted Stock Award Plan and is anticipated to provide for different types of awards including stock options, restricted stock and performance shares.

The following table summarizes activity under the option and award plans for 1994 and the status on December 31, 1994:

Employee Stock Option Plans	Outstanding Options		Exercisable Options	
	Shares	Average Option Price	Shares	Average Option Price
<S>	<C>	<C>	<C>	<C>
Balance on December 31, 1993.....	8,589,996	\$40.88	8,262,677	\$41.67
Shares due to acquisition.....	19,596	29.51	6,996	22.20
Became exercisable.....	-	-	327,319	20.98
Less				
Exercised.....	(1,785,281)	38.94	(1,785,281)	38.94
Expired or canceled.....	(453,560)	50.87	(453,560)	50.87
Balance on December 31, 1994.....	6,370,751	40.68	6,358,151	40.69

<CAPTION>

Restricted Stock Award Plan	Shares	Average Grant Price
<S>	<C>	<C>
Outstanding unvested grants on December 31, 1993....	2,150,570	\$44.57
Additional stock grants.....	287,000	51.88
Less		
Shares vested.....	(594,358)	44.06
Shares canceled.....	(26,360)	46.88
Outstanding unvested grants on December 31, 1994....	1,816,852	45.86

</TABLE>

NOTE 12 -- NONINTEREST INCOME AND EXPENSE

The significant components of noninterest income and expense for the years ended December 31 are presented below (dollars in millions):

	1994	1993	1992
<S>	<C>	<C>	<C>
NONINTEREST INCOME			
Trust fees.....	\$ 435	\$371	\$331
Service charges on deposit accounts.....	797	681	600
Mortgage servicing and related fees.....	86	77	105
Fees on factored accounts receivable.....	74	74	69
Other nondeposit-related service fees.....	276	212	144
Credit card income.....	280	198	199
Trading account profits and fees.....	273	152	71
Other income.....	376	336	394
	\$2,597	\$2,101	\$1,913

</TABLE>

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<TABLE>
<CAPTION>

	1994	1993	1992
<S>	<C>	<C>	<C>
NONINTEREST EXPENSE			
Personnel.....	\$2,311	\$1,903	\$1,807
Occupancy, net.....	487	434	435
Equipment.....	364	317	291
Marketing.....	161	138	105
Professional fees.....	171	168	182
Amortization of intangibles.....	141	110	111
Credit card.....	44	49	41

Private label credit card.....	27	37	43
FDIC insurance.....	211	205	189
Processing.....	235	190	139
Telecommunications.....	137	122	109
Postage and courier.....	126	120	111
Other general operating.....	388	370	281
General administrative and miscellaneous.....	139	130	122
	-----	-----	-----
	\$4,942	\$4,293	\$3,966
	=====	=====	=====

</TABLE>

NOTE 13 -- INCOME TAXES

The components of income tax expense for the years ended December 31 were (dollars in millions):

	1994	1993	1992
	-----	-----	-----
<S>	<C>	<C>	<C>
Current portion--expense			
Federal.....	\$559	\$419	\$222
State.....	54	54	13
Foreign.....	17	7	2
	-----	-----	-----
	630	480	237
Deferred portion--expense			
Federal.....	223	218	11
State.....	12	(11)	4
Foreign.....	-	3	(1)
	-----	-----	-----
	235	210	14
	-----	-----	-----
Total tax expense.....	\$865	\$690	\$251
	=====	=====	=====

</TABLE>

The Corporation's current income tax expense of \$630 million, \$480 million and \$237 million for 1994, 1993 and 1992, respectively, includes amounts computed under the regular and alternative minimum tax (AMT) systems and approximates the amounts payable for those years.

Deferred expense represents the change in the deferred tax asset or liability.

A reconciliation of the expected federal tax expense, based on the federal statutory rate of 35 percent for 1994 and 1993 and 34 percent for 1992, to the actual consolidated tax expense for the years ended December 31 is as follows (dollars in millions):

	1994	1993	1992
	-----	-----	-----
<S>	<C>	<C>	<C>
Expected federal tax expense.....	\$894	\$697	\$475
Increase (decrease) in taxes resulting from			
Tax-exempt income.....	(34)	(33)	(38)
Net utilization of operating loss carryforwards for financial reporting purposes.....	-	-	(265)
State tax expense, net of federal benefit.....	50	30	17
Tax rate change on beginning net deferred tax assets.....	-	(6)	-
Other.....	(45)	2	62
	-----	-----	-----
Total tax expense.....	\$865	\$690	\$251
	=====	=====	=====

</TABLE>

Notes to Consolidated Financial Statements 73

Significant components of the Corporation's deferred tax (liabilities) and assets on December 31 are as follows (dollars in millions):

	1994	1993
	-----	-----
<S>	<C>	<C>
Deferred tax liabilities		
Equipment lease financing.....	\$ (596)	\$ (475)
Depreciation.....	(66)	(75)
Securities available for sale.....	-	(58)
Intangibles.....	(53)	(69)
Employee retirement benefits.....	(33)	(57)
Other, net.....	(205)	(76)
	-----	-----

Gross deferred tax liabilities.....	(953)	(810)
Deferred tax assets		
Securities available for sale.....	80	-
Federal net operating loss carryforwards.....	17	8
Allowance for credit losses.....	730	731
Other real estate owned.....	66	73
Loan fees and expenses.....	37	55
AMT credit carryforwards.....	-	58
Other, net.....	181	132
Gross deferred tax assets.....	1,111	1,057
Valuation allowance.....	(60)	(77)
Deferred tax assets, net of valuation allowance.....	1,051	980
Net deferred tax assets.....	\$ 98	\$ 170

</TABLE>

The Corporation's \$98-million net deferred tax assets include a valuation allowance of \$60 million representing primarily state net operating loss carryforwards for which realization is uncertain. The net change in the valuation allowance for deferred tax assets was a decrease of \$17 million, due to the realization of certain state deferred tax assets.

During the first quarter of 1993, the Corporation adopted SFAS 109, which superseded SFAS 96. SFAS 109 allows for the recognition of deferred tax assets with respect to previously unrecognized operating loss and alternative minimum tax (AMT) credit carryforwards. The cumulative benefit of adopting the new accounting principle was \$200 million.

NOTE 14 -- FAIR VALUES OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" (SFAS 107), requires the disclosure of the estimated fair values of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Quoted market prices, if available, are utilized as estimates of the fair values of financial instruments. Because no quoted market prices exist for a significant part of the Corporation's financial instruments, the fair values of such instruments have been derived based on management's assumptions with respect to future economic conditions, the amount and timing of future cash flows and estimated discount rates. The estimation methods for individual classifications of financial instruments are more fully described below. Different assumptions could significantly affect these estimates. Accordingly, the net realizable values could be materially different from the estimates presented below.

In addition, the estimates are only indicative of individual financial instruments' values and should not be considered an indication of the fair value of the combined Corporation. The provisions of SFAS 107 do not require the disclosure of nonfinancial instruments, including intangible assets. The value of the Corporation's intangibles such as franchise, credit card and trust relationships, and mortgage servicing rights, is significant.

SHORT-TERM FINANCIAL INSTRUMENTS

The carrying value of short-term financial instruments, including cash and cash equivalents, federal funds sold and purchased, resell and repurchase agreements, and commercial paper and short-term borrowings, approximate the fair value. These financial instruments generally expose the Corporation to limited credit risk and have no stated maturities, or have an average maturity of less than 30 days and carry interest rates which approximate market.

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FINANCIAL INSTRUMENTS TRADED IN THE SECONDARY MARKET WITH QUOTED MARKET PRICES OR DEALER QUOTES

Securities held for investment, securities available for sale, loans held for sale, trading account instruments, and long-term debt which are actively traded in the secondary market have been valued using quoted market prices.

LOANS

Fair values were estimated for groups of similar loans based upon type of loan, credit quality and maturity. The fair value of fixed-rate loans was estimated by discounting estimated cash flows using corporate bond rates adjusted by credit risk and servicing costs for commercial and real estate commercial and construction loans; and for consumer loans, the Corporation's December 31 origination rate for similar loans. Contractual cash flows for consumer loans were adjusted for prepayments using published industry data. For variable-rate loans, the carrying amount was considered to approximate fair value. Where credit deterioration has occurred, cash flows for fixed- and variable-rate loans have been reduced to incorporate estimated losses. Where quoted market prices were available, primarily for certain residential

mortgage loans, such market prices were utilized as estimates for fair values.

DEPOSITS

The fair value for fixed-rate deposits with stated maturities was calculated by discounting the difference between the cash flows on a contractual basis and current market rates for instruments with similar maturities. For variable-rate deposits, the carrying amount was considered to approximate fair value.

The book and fair values of financial instruments on December 31 were (dollars in millions):

	1994		1993	
	BOOK	FAIR	Book	
	VALUE	VALUE	Value	
<hr/>				
<S>	<C>	<C>	<C>	<C>
FINANCIAL ASSETS				
Cash and cash equivalents.....	\$ 9,582	\$ 9,582	\$ 7,649	\$ 7,649
Time deposits placed and other short-term investments.....	2,159	2,159	1,479	1,479
Securities held for investment.....	17,800	17,101	13,584	13,604
Securities available for sale.....	8,025	8,025	15,470	15,470
Loans held for sale.....	318	318	1,697	1,697
Trading account assets.....	9,941	9,941	10,610	10,610
Federal funds sold and securities purchased under agreements to resell.....	11,112	11,112	7,044	7,044
Loans, net of unearned income				
Commercial and foreign.....	46,649	46,375	41,786	41,812
Real estate commercial and construction.....	10,330	10,227	11,495	11,072
Residential mortgage.....	17,244	16,251	12,689	12,898
Credit card.....	4,753	4,782	3,728	3,839
Other consumer and home equity.....	20,511	20,328	19,326	19,413
Allowance for credit losses.....	(2,186)	-	(2,169)	-
FINANCIAL LIABILITIES				
Deposits				
Noninterest-bearing.....	21,380	21,380	20,723	20,723
Savings.....	9,037	9,037	8,784	8,784
NOW and money market deposit accounts.....	29,752	29,752	30,881	30,881
Consumer CDs.....	19,369	19,001	17,850	17,970
Other time deposits.....	20,932	20,721	12,875	13,014
Federal funds purchased and securities sold under agreements to repurchase.....	25,970	25,970	28,371	28,371
Commercial paper.....	2,519	2,519	2,056	2,056
Other short-term borrowings.....	5,640	5,640	5,522	5,522
Trading account liabilities.....	11,426	11,426	8,299	8,299
Long-term debt.....	8,464	8,199	8,325	8,774

OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

For a presentation of the fair value of the Corporation's derivative-dealer positions, see Note 4. The fair value of the Corporation's asset and liability management and other interest rate swaps is presented in TABLE 19 on page 46.

The fair value of liabilities on binding commitments to lend is based on the net present value of cash flow streams using fee rates currently charged for similar agreements versus original contractual fee rates, taking into account the creditworthiness of the borrowers. The fair value was a liability of \$92 million and \$111 million on December 31, 1994 and 1993, respectively.

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NOTE 15 -- PARENT COMPANY FINANCIAL INFORMATION

The following tables present consolidated parent company financial information:

NationsBank Corporation (Parent Company)
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Dollars in Millions)

	Year Ended December 31	
	1994	1993
1992		

<S>	<C>	<C>	<C>
Income			
Dividends from consolidated			
Subsidiary banks and bank holding companies.....	\$1,864	\$ 894	\$
481			
Other subsidiaries.....	5	-	
40			
Interest from consolidated subsidiaries.....	355	172	
85			
Other income.....	501	533	
688			
	2,725	1,599	
1,294			
Expenses			
Interest on borrowed funds.....	582	389	
255			
Noninterest expense.....	442	453	
645			
	1,024	842	
900			
Earnings			
Income before equity in undistributed earnings of consolidated subsidiaries and taxes.....	1,701	757	
394			
Equity in undistributed earnings of consolidated			
Subsidiary banks and bank holding companies.....	(247)	742	
588			
Other subsidiaries.....	140	73	
27			
	(107)	815	
615			
Income before income taxes and effect of change in method			
of accounting for income taxes.....	1,594	1,572	
1,009			
Income tax benefit.....	(96)	(56)	
(136)			
Income before effect of change in method of accounting for income taxes.....	1,690	1,628	
1,145			
Effect of change in method of accounting for income taxes.....	-	(127)	
-			
Net income.....	\$1,690	\$1,501	
\$1,145			
Net income available to common shareholders.....	\$1,680	\$1,491	
\$1,121			

</TABLE>

NationsBank Corporation (Parent Company)
CONDENSED CONSOLIDATED BALANCE SHEET
(Dollars in Millions)

<TABLE>
<CAPTION>

	December 31	
	1994	1993
<S>	<C>	<C>
Assets		
Cash held at subsidiary banks.....	\$ 4	\$ 11
Temporary investments.....	583	312
Receivables from consolidated		
Subsidiary banks and bank holding companies.....	1,187	1,176
Other subsidiaries.....	7,407	6,002
Investment in consolidated		
Subsidiary banks and bank holding companies.....	10,739	10,696
Other subsidiaries.....	1,173	1,249
Other assets.....	616	562

	\$21,709	\$20,008

Liabilities and Shareholders' Equity		
Commercial paper and other notes payable.....	\$ 2,426	\$ 2,282
Accrued expenses and other liabilities.....	674	870
Long-term debt.....	7,598	6,877
Shareholders' equity.....	11,011	9,979
	\$21,709	\$20,008
	=====	

</TABLE>

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NationsBank Corporation (Parent Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in Millions)

<TABLE>
<CAPTION>

	Year Ended December 31		
	1994	1993	

1992			

<S>	<C>	<C>	<C>
Operating Activities			
Net income.....	\$ 1,690	\$ 1,501	\$
1,145			
Reconciliation of net income to net cash provided by operating activities			
Gain on sale of mortgage servicing unit.....	-	-	
(55)			
Equity in undistributed earnings of consolidated subsidiaries.....	107	(815)	
(615)			
Effect of change in method of accounting for income taxes.....	-	127	
-			
Other operating activities.....	142	113	
(23)			

Net cash provided by operating activities.....	1,939	926	
452			

Investing Activities			
Net (increase) decrease in temporary investments.....	(271)	(134)	
356			
Net increase in receivables from consolidated subsidiaries.....	(1,416)	(231)	
(895)			
Additional capital investment in subsidiaries.....	(764)	(1,428)	
(140)			
(Acquisitions) sales of subsidiaries, net of cash.....	101	(4,220)	
(21)			

Net cash used in investing activities.....	(2,350)	(6,013)	
(700)			

Financing Activities			
Net increase (decrease) in commercial paper and other notes payable.....	144	1,332	
(124)			
Proceeds from issuance of long-term debt.....	1,159	4,125	
349			
Retirement of long-term debt.....	(438)	(174)	
(115)			
Preferred stock repurchased and redeemed.....	(94)	-	
(10)			
Proceeds from issuance of common stock.....	267	197	
544			
Common stock repurchased.....	(180)	-	
-			
Cash dividends paid.....	(527)	(433)	
(395)			
Other financing activities.....	73	30	
12			

Net cash provided by financing activities.....	404	5,077	
261			

Net increase (decrease) in cash.....	(7)	(10)	
13			
Cash at beginning of year.....	11	21	
8			

Cash at end of year.....	\$ 4	\$ 11	\$

=====
</TABLE>

Notes to Consolidated Financial Statements 77

NationsBank Corporation and Subsidiaries
SIX-YEAR CONSOLIDATED STATISTICAL SUMMARY
<TABLE>
<CAPTION>

	1994	1993	1992	1991	1990	1989
--						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
TAXABLE-EQUIVALENT YIELDS EARNED						
Loans and leases, net of unearned income						
Commercial.....	7.56%	6.96%	7.08%	8.70%	10.44%	11.76%
Real estate commercial.....	8.18	7.59	7.78	9.13	10.49	11.08
Real estate construction.....	8.49	7.50	7.17	8.82	10.84	11.96
Total commercial.....	7.71	7.09	7.20	8.78	10.50	11.69
Residential mortgage.....	7.62	8.27	9.33	10.47	9.55	11.06
Home equity.....	7.99	7.14	7.05	9.53	11.18	11.80
Credit card.....	12.84	13.62	14.45	15.22	15.78	16.45
Other consumer.....	9.45	9.56	10.60	11.37	12.66	11.64
Total consumer.....	8.99	9.51	10.50	11.47	11.81	12.00
Foreign.....	6.10	5.49	6.63	8.47	13.28	11.38
Lease financing.....	7.50	7.96	8.25	10.89	9.53	9.08
Total loans and leases, net.....	8.20	8.06	8.49	9.83	11.00	11.75
Securities						
Held for investment.....	5.06	5.54	6.84	8.61	9.15	9.29
Available for sale.....	5.20	4.80	5.77	-	-	-
Total securities.....	5.12	5.51	6.76	8.61	9.15	9.29
Loans held for sale.....	6.63	6.73	7.22	8.74	11.49	12.36
Federal funds sold and securities purchased under agreements to resell.....						
	4.09	3.21	3.77	5.89	8.16	9.20
Time deposits placed and other short-term investments.....	5.12	3.91	5.09	6.89	8.95	9.72
Trading account securities.....	7.32	5.43	4.64	6.99	8.43	9.08
Total earning assets.....	7.16	7.06	7.70	9.25	10.37	11.04
RATES PAID						
Savings.....	2.33	2.38	2.86	4.55	5.15	5.86
NOW and money market deposit accounts.....	2.34	2.24	2.82	4.96	6.02	6.20
Consumer CDs and IRAs.....	4.17	4.52	5.58	7.01	7.94	8.48
Negotiated CDs, public funds and other time deposits.....	4.02	3.97	4.93	7.08	8.13	8.79
Foreign time deposits.....	4.98	4.05	5.52	6.70	8.89	9.63
Borrowed funds and trading account liabilities.....	4.87	3.45	3.33	5.64	7.93	8.99
Long-term debt and obligations under capital leases.....	6.85	7.44	8.92	8.88	9.18	9.84
Special Asset Division net funding allocation.....	-	-	-	(6.20)	(7.49)	(8.20)
Total interest-bearing liabilities.....	4.09	3.53	4.12	6.09	7.37	8.00
PROFIT MARGINS						
Net interest spread.....	3.07	3.53	3.58	3.16	3.00	3.04
Net interest yield.....	3.58	3.96	4.10	3.82	3.75	4.03
YEAR-END DATA (Dollars in millions)						
Loans, leases and factored accounts						
receivable, net of unearned income.....	\$103,371	\$92,007	\$72,714	\$69,108	\$70,891	\$66,360
Securities held for investment.....	17,800	13,584	23,355	16,275	25,530	25,278
Securities available for sale.....	8,025	15,470	1,374	8,904	-	-
Loans held for sale.....	318	1,697	1,236	585	315	357
Time deposits placed and other short-term investments.....	2,159	1,479	1,994	1,622	1,289	3,499
Total earning assets.....	151,722	140,890	103,872	96,491	98,754	96,052
Total assets (1).....	169,604	157,686	118,059	100,319	112,791	110,246
Noninterest-bearing deposits.....	21,380	20,723	17,702	16,356	16,850	16,112
Domestic savings and time deposits.....	66,487	66,356	62,988	70,359	70,091	66,790
Foreign time deposits.....	12,603	4,034	2,037	1,360	2,124	2,478
Total savings and time deposits.....	79,090	70,390	65,025	71,719	72,215	69,268
Total deposits.....	100,470	91,113	82,727	88,075	89,065	85,380
Borrowed funds and trading account liabilities.....	45,555	44,248	21,957	9,846	15,474	17,870
Long-term debt and obligations under capital leases.....	8,488	8,352	3,066	2,876	2,766	2,517
Total shareholders' equity.....	11,011	9,979	7,814	6,518	6,283	6,003

(1) Excludes assets of NationsBank of Texas Special Asset Division in 1991, 1990 and 1989.

(2) Includes FDIC's interest in earnings of NationsBank of Texas in 1989.

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<TABLE>
<CAPTION>

	1994	1993	1992	1991	1990
1989					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
EARNINGS RATIOS					
Return on average					

Total assets (1) (2).....	1.02%	.97%	1.00%	.17%	.52%
1.06%					
Earning assets (1) (2).....	1.14	1.09	1.12	.20	.59
1.07					
Common shareholders' equity.....	16.10	15.00	15.83	2.70	9.56
18.85					
EARNINGS ANALYSIS (Taxable-Equivalent)					
Noninterest income as a percentage of net					
interest income.....	48.96	44.48	45.65	44.22	42.56
39.23					
Noninterest expense, excluding restructuring,					
as a percentage of net interest income.....	93.16	90.90	94.64	97.62	92.10
89.44					
Efficiency ratio: noninterest expense, excluding					
restructuring, divided by the sum of net interest					
income and noninterest income.....	62.54	62.91	64.98	67.69	64.60
64.24					
Overhead ratio: noninterest expense, excluding					
restructuring, less noninterest income					
divided by net interest income.....	44.20	46.42	48.99	53.40	49.54
50.21					
Net income as a percentage of net					
interest income.....	31.86	31.79	27.33	5.12	15.77
26.48					
ASSET QUALITY					
For the year					
Net charge-offs as a percentage of average					
loans, leases and factored accounts receivable.....	.33	.51	1.25	1.86	.88
.48					
Net charge-offs as a percentage of the					
provision for credit losses.....	101.79	95.76	121.15	82.70	59.24
74.38					
At year end					
Allowance for credit losses as a percentage of net					
loans, leases and factored accounts receivable.....	2.11	2.36	2.00	2.32	1.86
1.32					
Allowance for credit losses as a percentage of					
nonperforming loans.....	273.07	193.38	103.11	81.82	100.46
151.67					
Nonperforming assets as a percentage of net					
loans, leases, factored accounts receivable,					
and other real estate owned.....	1.10	1.92	2.72	4.01	2.32
1.08					
Nonperforming assets as a percentage of					
total assets (1).....	.67	1.13	1.69	2.54	1.46
.65					
Nonperforming assets (in millions).....					
\$716	\$1,138	\$1,783	\$1,997	\$2,804	\$1,651
RISK-BASED CAPITAL RATIOS					
Tier 1.....	7.43%	7.41%	7.54%	6.38%	5.79%
--					
Total.....	11.47	11.73	11.52	10.30	9.58
--					
Common shareholders' equity as a					
percentage of total assets at year end (1).....	6.47%	6.25%	6.60%	5.67%	5.23%
5.10%					
Dividend payout ratio (per common share).....					
30.66	30.78	28.38	33.07	215.36	61.54
Shareholders' equity per common share					
Average.....	\$37.99	\$33.36	\$29.05	\$27.97	\$27.31
\$24.97					
At year end.....	39.70	36.39	30.80	27.03	27.30
26.41					
OTHER STATISTICS					
Number of full-time equivalent employees.....					
57,069	61,484	57,742	50,828	57,177	58,449
Rate of increase (decrease) in average					
Total loans and leases, net of unearned income.....	20.29%	15.83%	(1.70)%	1.82%	8.36%
38.71%					
Earning assets.....					
44.26	24.50	16.59	(.84)	2.42	12.42
Total assets (1).....					
43.10	23.75	16.82	(.64)	1.85	12.19
Total deposits.....					
51.37	12.30	.97	(5.59)	3.44	8.99
Total shareholders' equity.....					
23.01	21.19	18.73	10.31	6.16	18.15
COMMON STOCK INFORMATION					
Market price per share					
High for the year.....	\$57 3/8	\$58	\$53 3/8	\$42 3/4	\$47 1/4
Low for the year.....	43 3/8	44 1/2	39 5/8	21 1/2	16 7/8
Close at the end of the year.....	45 1/8	49	51 3/8	40 5/8	22 7/8
1/4					
Daily average trading volume.....					
303,599	753,515	666,591	727,578	397,054	405,087
Number of shareholders of record.....					
	105,774	108,435	89,371	102,209	30,824

29,064
</TABLE>

SUBSIDIARIES OF NATIONSBANK CORPORATION AND ITS SUBSIDIARIES AT 12/31/94
 (100% Owned by NationsBank Corporation Unless Otherwise Noted)

American Security Insurance Corporation
 ASB Capital Management, Inc.
 Atlantic Credit Corporation
 Atlantic Equity Corporation
 Carolina Mountain Holding Company
 Equitable Bancorporation Overseas Finance N.V.
 Export Funding Corporation
 Fayette Insurance Corporation
 MAR, Inc.
 MN Credit Corporation
 MN World Trade Corporation
 MNC Affiliates Group, Inc.
 MNC American Corporation (1)
 MNC Credit Corp (1)
 A/M Properties, Inc. (2)
 American Financial Service Group, Inc. (LEASEFIRST) (2)
 Maryland National Realty Investors, Inc. (2)
 Maryland National Leasing Services Corporation (2)
 MNC Canadian Real Property, Inc. (2)
 MNC Capital Corporation (2)
 Nations Financial Holdings Corporation
 Greyrock Capital Group Inc. (3)
 ALS II, Inc. (3A)
 ALS Superior, Inc. (3A)
 American Acceptance Corporation (3A)
 Cape Canterbury, Ltd. (3A)
 Central Texas Small Business Investment Corporation (3A)
 Portfolio Acceptance Corp. (3A)
 Canterbury Indiana Holdings, Inc. (3AA)
 SunStar Acceptance Corporation (3A)
 USW SIS I, Inc. (3A)
 USW SIS II, Inc. (3A)
 USWFS/Oxford 1991-A Limited Partnership (3AB)
 USWFS/Oxford 1991-B Limited Partnership (3AB)
 USWFS/Oxford 1992-A Limited Partnership (3AC)
 USWFS/Oxford Fixed Rate, L.P. (3AB)
 NationsCredit Corporation (3)
 NationsCredit Acceptance Corporation (3B)
 NationsCredit Commercial Corporation (3B)
 Ariens Credit Corporation (3BB)
 Fisher Credit Services Inc. (3BB)
 Gravely Credit Corporation (3BB)
 Komatsu Forklift Credit Corporation (3BB)
 Korg Acceptance Corporation (3BB)
 Mercury Marine Acceptance Corporation (3BB)
 Music America Finance Corporation (3BB)
 NationsCredit Commercial Corporation Ltd. (3BB)
 NIMAC Finance Corp. (3BB)
 Roth Financial Services Company (3BB)
 1
 Sea Ray Credit Corporation (3BB)
 Trek Financial Services, Inc. (3BB)
 Winnebago Acceptance Corporation (3BB)
 NationsCredit Consumer Discount Company (3B)
 NationsCredit Finance Group Inc. (3B)
 NationsCredit Financial Acceptance Corporation (3B)
 NationsCredit Financial Services Corporation (3B)
 NationsCredit Financial Services Corporation of Alabama (3B)
 NationsCredit Financial Services Corporation of America (3B)
 NationsCredit Financial Services Corporation of Florida (3B)
 NationsCredit Mortgage Corporation of Florida (3BC)
 NationsCredit Financial Services Corporation of Nevada (3B)
 NationsCredit Financial Services Corporation of Virginia (3B)
 NationsCredit Home Equity Corporation of Kentucky (3B)
 NationsCredit Home Equity Corporation of Virginia (3B)
 NationsCredit Insurance Agency, Inc. (3B)
 NationsCredit Insurance Corporation (3B)
 NationsBanc Business Credit, Inc.
 NationsBanc Capital Markets, Inc.
 NationsBanc Leasing Corporation
 McCormick Realty Limited Partnership (4)
 NationsBanc Mortgage Capital Corporation
 NB Holdings Corporation
 Consolidated Bank, N.A. (55)
 Mid-Atlantic Life Insurance Company (5)
 NationsBank, N.A. (5)
 303 International M Corp. (5A)
 1268 M Corp. (5A)
 7514 A Corp. (5A)

Amberwood A Corp. (5A)
American Security (Louisiana) Ltd. (5A)
AS Land II, Inc. (5A)
ASB Ames Plaza, Inc. (5A)
ASB Realty, Inc. (5A)
 Westmarket A Corp. (5AA)
ASB Southside, Inc. (5A)
ASB Southwest Corporation (5A)
ASB-Stevensville Corp. (5A)
Ashburn A Corp. (5A)
Baltic M Corp. (5A)
Baltin Yachting M Corp. (5A)
Beaumeade M Corp. (5A)
Bright Seat M Corp. (5A)
Campus Hills M Corp. (5A)
Caradoc Estates, Inc. (5A)
Carlin M Springs Corp. (5A)
CC Plaza M Corp. (5A)
Central Leasing Corporation (5A)
Chalmers M Corp. (5A)
Chesapeake M Corp. (5A)
Coleman M Corp. (5A)
Courtcom M Corp. (5A)
CSB Insurance Agency (5A)
Daventry A Corp. (5A)
DC Bancorp Investment Company (5A)

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Devon A Corp. (5A)
Dulaney Valley Corporation (5A)
Elwin Company, Inc. (5A)
Englewood M Corp. (5A)
Equitable Financial Corporation (5A)
Equitable of Washington, Inc. (5A)
FCOP, Inc. (5A)
Federal Properties I, Inc. (5A)
Festival VM Corp. (5A)
Field A Corp. (5A)
Fifty West Corp. (5A)
Forrest-Marbury Corp. (5A)
Fountain Square Corporation of Maryland (5A)
Glen M Corp. (5A)
Hallmark - Renaissance M Corp. (5A)
Harper Farm M Corp. (5A)
HICO Park M Corp. (5A)
Hunt A Corp. (5A)
Logan Circle A Corp. (5A)
Madison Park A Corp. (5A)
Manab Properties, Inc. (5A)
Mar A Lowe Corp. (5A)
Marco Properties, Inc. (5A)
 Breckinridge Development, Inc. (5AB)
 Greenburgh Marco, Inc. (5AC)
 Recap, Inc. (5AC)
 Rehold, Inc. (5AC)
 Reprise, Inc. (5AC)
 Woodside Corporation (5AC)
Maryland National Community Development Corporation (5A)
 Greensides Elderly Limited Partnership (5AD)
 The Maryland National/Enterprise Equity Fund Limited Partnership (5AD)
 Montgomery Homes Limited Partnership III (5AD)
 Montgomery Homes Limited Partnership IV (5AD)
 Neighborhood Rental Limited Partnership II (5AE)
 The Newington Limited Partnership (5AE)
 Rosedale Terrace Limited Partnership (5AE)
 St. Wenceslaus Limited Partnership (5AE)
Maryland National Financial Services Corporation (5A)
Maryland National Financial Corporation (5A)
Maryland Nationalease Corporation (5A)
Melwood M Corp. (5A)
Metropo M Corp. (5A)
Metropolitan Commercial Properties Corporation (5A)
Metropolitan Commercial Properties Corporation VIII (5A)
Metropolitan Commercial Properties Corporation X (5A)
Metropolitan Commercial Properties Corporation XIII (5A)
Mirror Ridge A Corp. (5A)
MNB Tarrymore, Inc. (5A)
MNB University, Inc. (5A)
MNC Consumer Discount Company (5A)
 MNC National Direct Mail Services Corp. (5AF)
MNC International Bank (5A)
MNC Investment Bank, Ltd. (5A)
NationsBank Trust Company, N.A. (5A)

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Nor Dan M Corp. (5A)
 Occoquan M Corp. (5A)
 Palisades A Corp. (5A)
 Pilgrim's Progress (5A)
 Potomac, Inc. II (5A)
 Pratt Management Company (5A)
 Quality A Corp. (5A)
 Rabbit Road M Corp. (5A)
 Rannoch M Corp. (5A)
 Ritchie Court M Corporation (5A)
 Rive Gauche A Corp. (5A)
 SCRC Carrolltowne, Inc. (5A)
 SCRC Process Service Corp. (5A)
 Service-Wright Corporation (5A)
 Shockey M Corp. (5A)
 SOB-A Corp. (5A)
 SOP M Corp. (5A)
 Sorrento M Corp. (5A)
 South Charles Realty Corp (5A)
 South Point Shopping Center, Inc. (5A)
 Spotted Horse Holdings, Inc. (5A)
 Stevens Pier A Corp. (5A)
 Storage A Corp. (5A)
 Suburban Trust Data Services, Inc. (5A)
 Sully A Corp. (5A)
 Sunset Hill Corporation (5A)
 Sweitzer M Corp. (5A)
 Sykesville M Corp. (5A)
 Three Ponds M Corp. (5A)
 Vernon M Corp. (5A)
 Virgrun A Corp. (5A)
 Wales B Corp. (5A)
 Washington View, Inc. (5A)
 Washington View (H) Corporation (5AG)
 Washington View (NH) Corporation (5AG)
 Wellington Land Co., Inc. (5A)
 Westfields M Corp. (5A)
 Wickliffe A Corp. (5A)
 Windemere M Corp. (5A)
 Woods M Corp. (5A)
 NationsBank of Delaware, N.A. (5)
 Terminal Management Systems, Inc. (5B)
 NationsBank of Florida, N.A. (5)
 First Land Sales, Inc. (5C)
 NationsBank of Georgia, N.A. (5)
 NationsBanc Commercial Corporation (5D)
 NationsBanc Leasing Corporation of North Carolina (5D)
 DFF Funding I, Inc. (5DD)
 DFF Funding II, Inc. (5DD)
 DFF Funding III, Inc. (5DD)
 DFF Funding IV, Inc. (5DD)
 The Ocumulgee Corporation (5D)
 NationsBank of Kentucky, N.A. (5)
 NationsBank of North Carolina, N.A. (5)
 BNC Realty Company (5E)

Floresville Company Ltd. (5EA)
 Multi-State Properties, Inc. (5E)
 NationsBanc Charlotte Center, Inc. (5E)
 NationsBanc-CRT Holdings I, Inc. (5E)
 NationsBanc-CRT Options, L. P. (5EB)
 NationsBanc-CRT Holdings II, Inc. (5E)
 NationsBanc Dealer Leasing, Inc. (5E)
 NationsBanc Discount Brokerage, Inc. (5E)
 NationsBanc Enterprise, Inc. (5E)
 NationsSecurities (5EC)
 NationsBanc Lease Investments, Inc. (5E)
 NationsBanc SBIC Corporation (5E)
 NationsBanc Venture Corporation (5E)
 NationsBank Europe Limited (5E)
 Carolina Leasing Ltd. (5ED)
 Demandand Supply Company Ltd. (5ED)
 Friary Nominees Ltd. (5ED)
 NationsBank Panmure Investment Management Limited (5ED)
 Commonwealth Securities Limited (5EE)
 NCNB (Export Finance) Ltd. (5ED)
 Panmure Gordon & Co. Limited (5ED)
 NationsBank Securities Services Ltd. (5EF)
 Panmure Gordon Financial Futures Limited (5EF)
 Parish Nominees Limited (5EF)
 Rectory Nominees Limited (5EF)
 St. Michael Nominees Limited (5EF)

Panmure Gordon Investments Limited (5ED)
NationsBank International (5E)
NB Partner Corp. (5E)
NCNB Community Development Corporation (5EG)
Gateway Hotel Enterprises, Inc. (5EH)
Trico Investment, Inc. (5EH)
NationsBank Overseas Corporation (5E)
AF Funding (1993), Inc. (5F)
Kill Devil Hills Finance Limited Partnership (5FA)
Air France/NationsBank (Grantor Trust) (5FB)
Wrightbrothers Ltd. (5FC)
AF Funding II (1993), Inc. (5F)
Kill Devil Hills II Limited Partnership (5FD)
Air France/KDHF II (NGHGI) (Grantor Trust) (5FE)
Florita Finance Ltd. (5FF)
Binfield Ltd. (5F)
Carolina Investments Limited (5F)
Cathay Pacific\NationsBank Trust I (Grantor Trust) (5F)
Wanda Finance Ltd. (5FG)
Clenston Ltd. (5F)
Friary Leasing Limited (5F)
Hatteras Finance Ltd. (5F)
InterFirst Leasing Ltd. (London) (5FH)
Japan Airlines/NCNB 1993-1 (Grantor Trust) (5F)
First in Flight Finance Ltd. (5FI)
Nations-CRT Asia, Inc. (5F)
Nations-CRT Hong Kong, Limited (5F)
Nations-CRT International, Inc. (5F)
Nations-CRT International (5FJ)

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Nations . CRT Japan, Inc. (5F)
Nations-CRT Overseas, Inc. (5F)
Nations-CRT Overseas Inc. & Co. (5FK)
Nations-CRT U.K. & Co. (5F)
NationsBank International Trust (Jersey) Limited (5FZ)
NCNB Lease Atlantic, Inc. (5F)
NCNB Lease Finance III (5FL)
Blue Ridge Finance Ltd. (5FM)
NCNB Lease Finance (5F)
Wingtip Finance Limited (5FN)
NCNB Lease Finance IV (5F)
Sandhills Finance Ltd. (5FO)
NCNB Lease Finance V (5F)
Piedmont Finance Ltd. (5FP)
NCNB Lease Finance VI (5F)
Kitty Hawk Finance Ltd. (5FQ)
NCNB Lease International, Inc. (5F)
Barnesbury, Ltd. (5FR)
NCNB Lease Offshore, Inc. (5F)
NCNB Lease Finance II (5FS)
Outerbanks Finance Ltd. (5FT)
NCNB Overseas Services, Inc. (5F)
Phaestos FSC, Inc. (5FU)
Republic Dallas Ltd. (U.K.) (5FV)
TransPacific Funding (1993), Inc. (5F)
TransPacific Finance Limited Partnership (5FW)
ANA II (Grantor Trust) (5FX)
Fontana Finance Ltd. (5FY)
NationsBank of South Carolina, N.A. (5)
BT Building Corporation (5G)
Central City General (5GG)
Carolina Pacific, Inc. (5G)
NationsBank of Tennessee, N.A. (5)
Commerce Place Company (5H)
Commerce Trading Corporation (5H)
NationsBank Texas Bancorporation, Inc. (5)
NationsBank of Texas, N.A. (5I)
APL, Inc. (5IA)
Austin National Realty Corporation (5IA)
Capitol Information Networks, Inc. (5IA)
DPC, Inc. (5IA)
Westdale Investments, I, Inc. (5IB)
First RepublicBank Advisory Services, Inc. (5IA)
Main Place Funding Corporation (5IA)
NationsBanc Capital Corporation (5IA)
NationsBanc Energy Group Denver, Inc. (5IA)
NationsBanc Mortgage Corporation (5IA)
NCNB Texas TBM, Inc. (5IA)
NationsBanc Services, Inc. (5IC)
Republic National Corporation (5IA)
Tarrant Investment Company, Inc. (5IA)
TBRC, Inc. (5IA)
RepublicBank Insurance Agency, Inc. (5I)

NationsBank of Virginia, N.A. (5)
Seventeenth Commerce Properties Corporation (5J)

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Equitable Leasing Corporation (5J)
First Development Corporation (5J)
First Realty Mortgage Corporation (5J)
NationsBanc Equity Mortgage Corporation (5J)
NationsBanc Leasing Corporation of Virginia (5J)
NationsBank Community Development Corporation of Virginia(5J)
Bancshares Properties, Inc. (5)
Cash Flow, Inc. (5)
C&S Premises, Inc. (5)
DC Bancorp Venture Capital Company (6)
First Mortgage Corporation (5)
NationsBanc Insurance Agency, Inc. (5)
NationsBanc Insurance Company, Inc. (5)
NationsBanc Insurance Inc. (5)
NationsBanc Insurance Services, Inc. (5)
NationsBanc Investment Corporation (5)
NationsBanc Leasing & Finance Corporation (5)
NationsBanc Mortgage Corporation of Georgia (5)
NationsBank Trust Company of New York (5)
On Call, Inc. (5)
Second Land Sales, Inc. (5)
Sovran Capital Management Corporation (5)
Suburban Service Corporation (5)
Three Commercial Place Associates (6A)
NationsBanc-CRT Energy (U.K.), Ltd.
NationsBanc-CRT Services, Inc.
NCNB Corporate Services, Inc.
NCNB Properties, Inc.
TIM, Inc.
Tryon Assurance Company, Ltd.
NationsBank Community Development Corporation (7)
Atlanta Affordable Housing Fund Limited Partnership (7A)
Carlton Court Community Development Corporation (7B)
Historic District Redevelopment Partnership (7C)
Leon Avenue Redevelopment Company (7E)
NationsBank CDC Special Holding Company, Inc. (7B)
Southern Oaks Condominium Partners, Ltd. (7D)
Terry Street Redevelopment Limited Liability Company (7F)
NationsBank Housing Fund Investment Corporation (8)
Nations Housing Fund Limited Partnership (8A)

1 MNC Affiliates Group, Inc. owns 100% of this entity.
2 MNC Credit Corp owns 100% of this entity.
3 Nations Financial Holdings Corporation owns 100% of this entity.
3A Greyrock Capital Group Inc. owns 100% of this entity.
3AA Portfolio Acceptance Corp. owns 100% of this entity.
3AB Greyrock Capital Group Inc. owns 62.5% of this entity.
3AC Greyrock Capital Group Inc. owns 67.33% of this entity.
3B NationsCredit Corporation owns 100% of this entity.
3BB NationsCredit Commercial Corporation owns 100% of this entity.
3BC NationsCredit Financial Services Corporation of Florida owns 100% of this entity.
4 NationsBanc Leasing Corporation owns 100% of this entity.
5 NB Holdings Corporation owns 100% of this entity.
55 NB Holdings Corporation owns 99.9% of this entity.
5A NationsBank, N.A. owns 100% of this entity.

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5AA ASB Realty owns 100% of this entity.
5AB Marco Properties, Inc. owns 75% of this entity.
5AC Marco Properties, Inc. owns 100% of this entity.
5AD Maryland National Community Development Corporation owns 99% of this entity.
5AE Maryland National Community Development Corporation owns 98.99% of this entity.
5AF MNC Consumer Discount Company owns 100% of this entity.
5AG Washington View, Inc. owns 69% of this entity.
5B NationsBank of Delaware owns 100% of this entity.
5C NationsBank of Florida, N.A. owns 100% of this entity.
5D NationsBank of Georgia, N.A. owns 100% of this entity.
5DD NationsBanc Leasing Corporation of North Carolina owns 100% of this entity.
5E NationsBank of North Carolina, N.A. owns 100% of this entity.
5EA NationsBank of North Carolina, N.A. holds 100% of this entity in trust.
5E NationsBanc-CRT Holdings I, Inc. has a 99% general partnership interest and NationsBanc-CRT Holdings II, Inc. has a 1% limited partnership interest in this limited partnership.
5EC NationsBanc Enterprise, Inc. owns 50% of this general partnership, and NationsBanc Discount Brokerage, Inc. owns 50%.
5ED NationsBank Europe Limited owns 100% of this entity.

5EE NationsBank Panmure Investment Management Limited owns 100% of this entity.

5EF Panmure Gordon & Co. Limited owns 100% of this entity.

5EG NationsBank of North Carolina, N.A. is the sole member of this non-profit corporation.

5EH NNCNB Community Development Corporation owns 100% of this entity.

5F NationsBank Overseas Corporation owns 100% of this entity.

5FA AF Funding (1993), Inc. holds a 1% general partnership and a 49% limited partnership interest in this entity.

5FB Kill Devil Hills Finance Limited Partnership owns 100% of this entity.

5FC Air France/NationsBank (Grantor Trust) owns 100% of this entity.

5FD AF Funding II (1993), Inc. holds a 1% general partnership and a 34% limited partnership interest in this entity.

5FE Kill Devil Hills II Limited Partnership owns 100% of this entity.

5FF Air France/KDHF II (NGHGI) (Grantor Trust) owns 100% of this entity.

5FG Cathay Pacific/NationsBank Trust I (Grantor Trust) owns 100% of this entity.

5FH NationsBank Overseas Corporation owns 99.5% of this entity.

5FI Japan Airlines/NCNB 1993-1 (Grantor Trust) owns 100% of this entity.

5FJ Nations-CRT U.K. & Co. and Nations-CRT International, Inc., respectively, have 1% and 99% general partnership interests in this entity.

5FK Nations-CRT U.K. & Co. and Nations-CRT Overseas, Inc., respectively, have 1% and 99% general partnership interests in this entity.

5FL NNCNB Lease Atlantic, Inc. owns 100% of this entity.

5FM NNCNB Lease Finance III owns 100% of this entity.

5FN NNCNB Lease Finance owns 100% of this entity.

5FO NNCNB Lease Finance IV owns 100% of this entity.

5FP NNCNB Lease Finance V owns 100% of this entity.

5FQ NNCNB Lease Finance VI owns 100% of this entity.

5FR NNCNB Lease International, Inc. owns 99.9% of this entity.

5FS NNCNB Lease Offshore, Inc. owns 100% of this entity.

5FT NNCNB Lease Finance II owns 100% of this entity.

5FU NationsBank Overseas Corporation owns 50% of this entity.

5FV NationsBank Overseas Corporation owns 98% of this entity.

5FW TransPacific Funding (1993), Inc. holds a 1% general partnership and a 65% limited partnership interest in this entity.

5FX TransPacific Finance Limited Partnership owns 100% of this entity.

5FY ANA II (Grantor Trust) owns 100% of this entity.

5FZ NationsBank Overseas Corporation and NationsBank, N.A. (Carolinas) own 99.33% and .67%, respectively, of this entity.

5G NationsBank of South Carolina, N.A. owns 100% of this entity.

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5GG BT Building Corporation has a 19% general partnership interest and a 43% limited partnership interest in this partnership.

5H NationsBank of Tennessee, N.A. owns 100% of this entity.

5I NationsBank Texas Bancorporation, Inc. owns 100% of this entity.

5IA NationsBank of Texas, N.A. owns 100% of this entity.

5IB DPC, Inc. owns 100% of this entity.

5IC NNCNB Texas TBM, Inc. owns 100% of this entity.

5J NationsBank of Virginia, N.A. owns 100% of this entity.

6 NB Holdings Corporation owns 66.66% of this entity.

6A NB Holdings Corporation owns 70% of this entity.

7 NationsBank of Florida, N.A.; NationsBank of Georgia, N.A.; NationsBank of North Carolina, N.A.; NationsBank of South Carolina, N.A.; and NationsBank of Texas, N.A. own, respectively, 4.67%, 33.33%, 28.67%, 8.33% and 25% of this entity.

7A NationsBank Community Development Corporation has a 95.4% general partnership interest in this entity.

7B NationsBank Community Development Corporation owns 100% of this entity.

7C NationsBank Community Development Corporation has a 94.8% interest in this entity.

7D NationsBank Community Development Corporation has a 50.26% interest in this entity.

7E NationsBank Community Development Corporation owns 80% of this entity.

7F NationsBank Community Development Corporation owns 98% of this entity.

8 NationsBank of Florida, N.A.; NationsBank of Georgia, N.A.; NationsBank of North Carolina, N.A. and NationsBank of Texas, N.A., each, owns 25% of the voting stock of this entity.

8A NationsBank Housing Fund Investment Corporation has a 99% limited partnership interest in this entity.

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CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (Nos. 33-44826, 33-49881 and 33-57533); the Prospectuses constituting part of the Registration Statements on Form S-4 (Nos. 33-43125 and Post-Effective Amendment No. 1 thereto, and 33-55145 and Post-Effective Amendment No. 1 thereto); and the Prospectuses constituting part of the Registration Statements on Form S-8 (Nos. 2-91958; 2-73761; 2-80406 and Post-Effective Amendment Nos. 1, 2, 3 and 4 thereto; 33-43125 and Post-Effective Amendment No. 1 thereto, originally filed on Form S-4 (No. 33-43125); 33-55145 and Post-Effective Amendment No. 1 thereto, originally filed on Form S-4 (No. 33-55145); 33-45279 and 33-48883) of NationsBank Corporation of our report dated January 13, 1995, which appears on page 57 of the 1994 Annual Report to Shareholders of NationsBank Corporation, which is incorporated by reference in NationsBank Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

(signature appears here)

PRICE WATERHOUSE LLP
Charlotte, North Carolina
March 30, 1995

NATIONSBANK CORPORATION
BOARD OF DIRECTORS
RESOLUTION
MARCH 22, 1995

RESOLVED, that the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994 (the "10-K Report"), be, and it hereby is, authorized and approved substantially in the form presented to and considered at this meeting, with such changes in form or content or attachment of exhibits as the signing officers shall approve, their approval to be conclusively evidenced by their signature thereof;

RESOLVED FURTHER, that the proper officers of the Corporation be, and they hereby are, authorized and empowered on behalf of the Corporation to execute the 10-K Report and file it with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and with such other governmental agencies or instrumentalities as such officers deem necessary or desirable, and to make, execute and file any amendment or amendments to the 10-K Report, as they may deem necessary or appropriate;

RESOLVED FURTHER, that J.W. Kiser and Charles M. Berger be, and each of them with full power to act without the other hereby is, authorized and empowered to sign the aforesaid 10-K Report and any amendment or amendments thereto on behalf of and as attorneys for NationsBank Corporation and on behalf of and as attorneys for any of the following, to wit: the Principal Executive Officer, the Principal Financial Officer, the Principal Accounting Officer, and any other officer of NationsBank Corporation.

RESOLVED FURTHER, that the officers of NationsBank Corporation be, and they hereby are, authorized and directed to do all things necessary, appropriate or convenient to carry into effect, the foregoing resolutions.

CERTIFICATE OF SECRETARY

I, ALLISON L. GILLIAM, Assistant Secretary of NationsBank Corporation, a corporation duly organized and existing under the laws of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by a majority of the entire Board of Directors of said Corporation at a meeting of said Board of Directors held on March 22, 1995, at which meeting a quorum was present and acted throughout and that said resolution is in full force and effect and has not been amended or rescinded as of the date hereof.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said corporation this 22nd day of March, 1995.
(SEAL)

ALLISON L. GILLIAM
ASSISTANT SECRETARY

NATIONSBANK CORPORATION
BOARD OF DIRECTORS
RESOLUTION
MARCH 22, 1995

RESOLVED, that the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994 (the "10-K Report"), be, and it hereby is, authorized and approved substantially in the form presented to and considered at this meeting, with such changes in form or content or attachment of exhibits as the signing officers shall approve, their approval to be conclusively evidenced by their signature thereof;

RESOLVED FURTHER, that the proper officers of the Corporation be, and they hereby are, authorized and empowered on behalf of the Corporation to execute the 10-K Report and file it with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and with such other governmental agencies or instrumentalities as such officers deem necessary or desirable, and to make, execute and file any amendment or amendments to the 10-K Report, as they may deem necessary or appropriate;

RESOLVED FURTHER, that J.W. Kiser and Charles M. Berger be, and each of them with full power to act without the other hereby is, authorized and empowered to sign the aforesaid 10-K Report and any amendment or amendments thereto on behalf of and as attorneys for NationsBank Corporation and on behalf of and as attorneys for any of the following, to wit: the Principal Executive Officer, the Principal Financial Officer, the Principal Accounting Officer, and any other officer of NationsBank Corporation.

RESOLVED FURTHER, that the officers of NationsBank Corporation be, and they hereby are, authorized and directed to do all things necessary, appropriate or convenient to carry into effect, the foregoing resolutions.

CERTIFICATE OF SECRETARY

I, ALLISON L. GILLIAM, Assistant Secretary of NationsBank Corporation, a corporation duly organized and existing under the laws of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by a majority of the entire Board of Directors of said Corporation at a meeting of said Board of Directors held on March 22, 1995, at which meeting a quorum was present and acted throughout and that said resolution is in full force and effect and has not been amended or rescinded as of the date hereof.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said corporation this 22nd day of March, 1995.
(SEAL)

ALLISON L. GILLIAM
ASSISTANT SECRETARY

<TABLE> <S> <C>

<ARTICLE> 9

<LEGEND>

The schedule contains summary information extracted from the December 31, 1994, Form 8-K for NationsBank Corporation and is qualified in its entirety by reference to such financial statements.

<MULTIPLIER> 1,000,000

<S>	<C>
<PERIOD-TYPE>	12-MOS
<FISCAL-YEAR-END>	DEC-31-1994
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<CASH>	9,582
<INT-BEARING-DEPOSITS>	2,159
<FED-FUNDS-SOLD>	11,112
<TRADING-ASSETS>	9,941
<INVESTMENTS-HELD-FOR-SALE>	8,025
<INVESTMENTS-CARRYING>	17,800
<INVESTMENTS-MARKET>	17,101
<LOANS>	103,371
<ALLOWANCE>	(2,186)
<TOTAL-ASSETS>	169,604
<DEPOSITS>	100,470
<SHORT-TERM>	45,555
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<COMMON>	4,740
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<INTEREST-LOAN>	7,577
<INTEREST-INVEST>	1,378
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<INTEREST-TOTAL>	10,529
<INTEREST-DEPOSIT>	2,415
<INTEREST-EXPENSE>	5,318
<INTEREST-INCOME-NET>	5,211
<LOAN-LOSSES>	310
<SECURITIES-GAINS>	(13)
<EXPENSE-OTHER>	4,930
<INCOME-PRETAX>	2,555
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<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	1,690
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<EPS-DILUTED>	6.06
<YIELD-ACTUAL>	3.58
<LOANS-NON>	801
<LOANS-PAST>	146
<LOANS-TROUBLED>	177
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<ALLOWANCE-OPEN>	2,169
<CHARGE-OFFS>	533
<RECOVERIES>	217
<ALLOWANCE-CLOSE>	2,186
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<ALLOWANCE-UNALLOCATED>	1,015

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