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

(Mark One)

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

For the quarterly period ended September 30, 1996

OR

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

For the transition period from   to

Commission file number 1-6523

NationsBank Corporation
(Exact name of registrant as specified in its charter)

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

NationsBank Corporate Center, Charlotte, North Carolina 28255
(Address of principal executive offices and zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

On October 31, 1996, there were 287,440,645 shares of NationsBank Corporation Common Stock outstanding.

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NATIONSBANK CORPORATION

SEPTEMBER 30, 1996 FORM 10-Q

INDEX
<TABLE>
<CAPTION>

Page

<S> <C>

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statement of Income for the Three Months and Nine Months Ended September 30, 1996 and 1995.. 4

Consolidated Balance Sheet on September 30, 1996 and December 31, 1995..............................5

Consolidated Statement of Cash Flows for the Nine Months Ended

September 30, 1996 and 1995....6

Consolidated Statement of Changes in Shareholders' Equity for the Nine Months Ended September 30, 1996 and 1995....7

Notes to Consolidated Financial Statements....8

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition....13

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K....36

Signature....37

Index to Exhibits....38

</TABLE>

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NationsBank Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF INCOME
(Dollars in Millions Except Per-Share Information)

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	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
INCOME FROM EARNING ASSETS				
Interest and fees on loans	$ 2,521	$ 2,392	$ 7,634	$ 6,879
Lease financing income	78	58	219	159
Interest and dividends on securities				
Held for investment	44	202	151	668
Available for sale	268	181	920	449
Interest and fees on loans held for sale	20	8	64	12
Interest on time deposits placed and other short-term investments	20	32	55	114
Federal funds sold	6	11	19	39
Securities purchased under agreements to resell	153	240	485	727
Trading account securities	313	274	891	812
Total income from earning assets	3,423	3,398	10,438	9,859
INTEREST EXPENSE				
Deposits	822	830	2,528	2,455
Borrowed funds	499	691	1,700	2,068
Trading account liabilities	163	240	501	711
Long-term debt	344	246	970	591
Total interest expense	1,828	2,007	5,699	5,825
NET INTEREST INCOME	1,595	1,391	4,739	4,034
PROVISION FOR CREDIT LOSSES	145	100	455	240
NET CREDIT INCOME	1,450	1,291	4,284	3,794
GAINS ON SALES OF SECURITIES	26	3	34	8
NONINTEREST INCOME	886	776	2,688	2,232
OTHER REAL ESTATE OWNED EXPENSE	6	7	13	10
MERGER-RELATED CHARGE	--	--	118	--
OTHER NONINTEREST EXPENSE	1,400	1,245	4,199	3,821
INCOME BEFORE INCOME TAXES	956	818	2,676	2,203
INCOME TAX EXPENSE	331	288	933	763
NET INCOME	$ 625	$ 530	$ 1,743	$ 1,440
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 622	$ 528	$ 1,732	$ 1,434
PER-SHARE INFORMATION				
Earnings per common share	$ 2.12	$ 1.95	$ 5.82	$ 5.26
Fully diluted earnings per common share	$ 2.09	$ 1.93	$ 5.73	$ 5.19
Dividends per common share	$ .58	$ .50	$ 1.74	$ 1.50

AVERAGE COMMON SHARES ISSUED (IN THOUSANDS)	292,633	270,306	297,772	272,790

</TABLE>

See accompanying notes to consolidated financial statements.

NationsBank Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEET
(Dollars in Millions)

<TABLE>
<CAPTION>

<S>	SEPTEMBER 30 1996 <C>	December 31 1995 <C>
ASSETS		
Cash and cash equivalents	$ 8,866	$ 8,448
Time deposits placed and other short-term investments	1,553	1,296
Securities		
Held for investment, at cost (market value - $3,025 and $4,432)	3,035	4,432
Available for sale	13,334	19,415
Total securities	16,369	23,847
Loans held for sale	1,135	1,663
Federal funds sold	63	111
Securities purchased under agreements to resell	7,626	6,119
Trading account assets	19,709	18,867
Loans and leases, net of unearned income	120,829	116,042
Factored accounts receivable	1,249	991
Loans, leases and factored accounts receivable, net of unearned income	122,078	117,033
Allowance for credit losses	(2,319)	(2,163)
Premises, equipment and lease rights, net	2,752	2,508
Customers' acceptance liability	990	918
Interest receivable	1,216	1,597
Mortgage servicing rights	944	707
Goodwill	1,576	1,139
Core deposit and other intangibles	426	375
Other assets	4,687	4,833
	$ 187,671	$ 187,298
LIABILITIES		
Deposits		
Noninterest-bearing	$ 25,990	$ 23,414
Savings	8,757	8,257
NOW and money market deposit accounts	30,520	28,160
Time	33,778	27,971
Foreign time	9,087	12,889
Total deposits	108,132	100,691
Federal funds purchased	2,370	5,940
Securities sold under agreements to repurchase	18,210	23,034
Trading account liabilities	12,686	15,177
Commercial paper	2,881	2,773
Other short-term borrowings	2,542	4,143
Liability to factoring clients	694	580
Acceptances outstanding	990	918
Accrued expenses and other liabilities	3,828	3,466
Long-term debt	22,034	17,775
Total liabilities	174,367	174,497
Contingent liabilities and other financial commitments (Note 5)		
SHAREHOLDERS' EQUITY		
Preferred stock: authorized - 45,000,000 shares; issued - 5,280,406 and 2,473,081 shares .	174	105
Common stock: authorized - 800,000,000 shares; issued - 288,111,941 and 274,268,773 shares	3,956	4,655
Retained earnings	9,235	7,826
Other, including loan to ESOP trust	(61)	215
Total shareholders' equity	13,304	12,801

	$ 187,671	$ 187,298

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

NationsBank Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in Millions)	NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995
OPERATING ACTIVITIES		
Net income	$ 1,743	$ 1,440
Reconciliation of net income to net cash provided (used) by operating activities		
Provision for credit losses	455	240
Gains on sales of securities	(34)	(8)
Depreciation and premises improvements amortization	231	209
Amortization of intangibles	91	90
Deferred income tax expense	128	119
Net change in trading instruments	(3,365)	(6,251)
Net (increase) decrease in interest receivable	471	(324)
Net increase (decrease) in interest payable	(480)	362
Net (increase) decrease in loans held for sale	529	(136)
Net increase in liability to factoring clients	115	133
Other operating activities	1,484	67
Net cash provided (used) by operating activities	1,368	(4,059)
INVESTING ACTIVITIES		
Proceeds from maturities of securities held for investment	1,398	4,662
Purchases of securities held for investment	(5)	(540)
Proceeds from sales and maturities of securities available for sale	23,142	22,464
Purchases of securities available for sale	(8,831)	(23,873)
Net (increase) decrease in federal funds sold and securities purchased under agreements to resell	(1,153)	4,292
Net (increase) decrease in time deposits placed and other short-term investments	(275)	194
Net collections (originations) of loans and leases	42	(9,331)
Purchases of loans and leases	(10,356)	(4,151)
Proceeds from sales and securitizations of loans and leases	10,647	2,066
Purchases and originations of mortgage servicing rights	(332)	(580)
Purchases of factored accounts receivable	(5,802)	(5,996)
Collections of factored accounts receivable	5,525	5,722
Net purchases of premises and equipment	(305)	(232)
Proceeds from sales of other real estate owned	112	143
Sales (acquisitions) of business activities, net of cash	442	

		(667)
Net cash provided (used) by investing activities	14,249	(5,827)
FINANCING ACTIVITIES		
Net decrease in deposits	(4,986)	(2,043)
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	(9,399)	3,613
Net decrease in other short-term borrowings and commercial paper	(2,371)	(364)
Proceeds from issuance of long-term debt	6,163	8,268
Retirement of long-term debt	(2,807)	(1,000)
Proceeds from issuance of common stock	74	184
Cash dividends paid	(529)	(415)
Common stock repurchased	(1,345)	(522)
Other financing activities	1	(30)
Net cash provided (used) by financing activities	(15,199)	7,691
Net increase (decrease) in cash and cash equivalents	418	(2,195)
Cash and cash equivalents on January 1	8,448	9,582
Cash and cash equivalents on September 30	$ 8,866	$ 7,387

</TABLE>

Loans transferred to other real estate owned amounted to $101 and $73 for the nine months ended September 30, 1996 and 1995, respectively.

See accompanying notes to consolidated financial statements.

NationsBank Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY

(Dollars in Millions, Shares in Thousands)

<TABLE>
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	Preferred Stock	Common Stock Shares	Common Stock Amount	Retained Earnings	Loan to ESOP Trust
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE ON DECEMBER 31, 1994	$ 111	276,452	$ 4,740	$ 6,451	$ (76)
Net income				1,440	
Cash dividends					
Common				(409)	
Preferred				(6)	
Common stock issued under dividend reinvestment and employee plans		3,750	166		
Common stock repurchased		(9,733)	(522)		
Net change in unrealized gains/(losses) on securities available for sale and marketable equity securities					
Other	(4)	75	4		6
BALANCE ON SEPTEMBER 30, 1995	$ 107	270,544	$ 4,388	$ 7,476	$ (70)

BALANCE ON DECEMBER 31, 1995	$ 105	274,269	$ 4,655	$ 7,826	$ (63)
Net income				1,743	
Cash dividends					
Common				(518)	
Preferred				(11)	
Common stock issued under dividend reinvestment and employee plans		1,444	54		
Stock issued in acquisitions	73	27,718	586	192	
Common stock repurchased		(15,398)	(1,345)		
Net change in unrealized gains/(losses) on securities available for sale and marketable equity securities					
Other	(4)	79	6	3	7
BALANCE ON SEPTEMBER 30, 1996	$ 174	288,112	$ 3,956	$ 9,235	$ (56)

<CAPTION>

<S>	Other <C>	Total Shareholders' Equity <C>
BALANCE ON DECEMBER 31, 1994	$ (215)	$ 11,011
Net income		1,440
Cash dividends		
Common		(409)
Preferred		(6)
Common stock issued under dividend reinvestment and employee plans	18	184
Common stock repurchased		(522)
Net change in unrealized gains/(losses) on securities available for sale and marketable equity securities	241	241
Other	(4)	2
BALANCE ON SEPTEMBER 30, 1995	$ 40	$ 11,941
BALANCE ON DECEMBER 31, 1995	$ 278	$ 12,801
Net income		1,743
Cash dividends		
Common		(518)
Preferred		(11)
Common stock issued under dividend reinvestment and employee plans	20	74
Stock issued in acquisitions	2	853
Common stock repurchased		(1,345)
Net change in unrealized gains/(losses) on securities available for sale and marketable equity securities	(306)	(306)
Other	1	13
BALANCE ON SEPTEMBER 30, 1996	$ (5)	$ 13,304

</TABLE>

See accompanying notes to consolidated financial statements.

NATIONSBANK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING POLICIES

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

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

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

In June 1996, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (SFAS 125), which provides accounting and disclosure guidance for certain asset transfers and liabilities extinguishments, such as servicing of financial assets, securitizations, repurchase agreements, factoring arrangements, loan syndications and securities lending. SFAS 125 is effective for transfers and servicing of financial assets and extinguishments occurring subsequent to December 31, 1996. The Corporation does not expect the adoption of this standard to have a material impact on its results of operations or financial condition.

NOTE 2 - MERGER-RELATED ACTIVITY

On August 13, 1996, the Corporation completed the acquisition of TAC Bancshares, Inc. (TAC) and its subsidiary, Chase Federal Bank FSB (Chase Federal), headquartered in Miami, Florida, for approximately $280 million, in the aggregate, paid in cash. On the date of acquisition, TAC and Chase Federal had total assets and total deposits of $2.8 billion and $2.0 billion, respectively. These acquisitions were accounted for as purchases.

On August 31, 1996, the Corporation acquired aggregate deposits of approximately $970 million from Bluebonnet Savings Bank, FSB (Bluebonnet). The purchase price for this acquisition was approximately $46 million, paid in cash. This acquisition was accounted for as a purchase.

On August 29, 1996, the Corporation entered into an agreement to acquire Boatmen's Bancshares, Inc. (Boatmen's), headquartered in St. Louis, Missouri. Each outstanding share of Boatmen's common stock will be converted into .6525 shares of Corporation common stock or, at the election of each holder of Boatmen's common stock, an amount in cash as specified in the acquisition agreement. At least 60 percent of the aggregate purchase price paid to Boatmen's shareholders will be in shares of the Corporation's common stock and the balance will be paid in cash. On September 30, 1996, Boatmen's had approximately 158 million shares of common stock outstanding. Boatmen's total assets and deposits on September 30, 1996 were $40.7 billion and $30.6 billion, respectively. Appropriate matters relating to this merger, which will be accounted for as a purchase, are subject to approval by the Corporation's and Boatmen's shareholders and various regulatory agencies. The acquisition is expected to close during January 1997.

The Corporation currently intends to consummate the acquisition of First Federal Savings Bank of Brunswick, Georgia (Brunswick) in the first half of 1997 and will issue approximately 1.3 million shares of its common stock. On September 30, 1996, Brunswick had total assets and deposits of $259 million and $218 million, respectively.

NOTE 3 - TRADING ACCOUNT ASSETS AND LIABILITIES

The fair values of the components of trading account assets and liabilities on September 30, 1996 and December 31, 1995 and the average fair values for the nine months ended September 30, 1996 were (dollars in millions):

<TABLE>
<CAPTION>

	September 30 1996	December 31 1995	Average for The Nine Months Ended September 30, 1996
Securities owned			
<S>	<C>	<C>	<C>
U.S. Treasury securities	$10,095	$10,364	$13,025
Securities of other U.S. Government agencies and corporations	1,123	1,508	1,649
Certificates of deposit, bankers' acceptances and commercial paper	423	555	589
Corporate debentures	1,282	1,443	1,448
Foreign sovereign instruments	2,023	576	825
Other securities	733	402	808
Total securities owned	15,679	14,848	18,344
Derivatives-dealer positions	4,030	4,019	3,974
Total trading account assets	$19,709	$18,867	$22,318
Short sales			
U.S. Treasury securities	$ 8,567	$11,066	$ 9,536
Corporate debentures	495	683	560
Other securities	254	33	317
Total short sales	9,316	11,782	10,413
Derivatives-dealer positions	3,370	3,395	3,199
Total trading account liabilities	$12,686	$15,177	$13,612

=======   =======   =======

</TABLE>

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

NOTE 4 - DEBT

In the third quarter of 1996, the Corporation issued $2.4 billion in long term debt, including $1.4 billion of senior notes and $1.0 billion of subordinated notes, with maturities ranging from 1999 to 2016. Of the $2.4 billion issued, $1.7 billion bear interest at fixed rates and $700 million bear interest at floating rates.

Of debt issued in the three months ending September 30, 1996, $205 million of fixed rate debt was swapped to floating rates at spreads over LIBOR.

Under the bank note program jointly maintained by NationsBank, N.A., NationsBank, N.A. (South) and NationsBank of Texas, N.A., bank notes may be offered from time to time up to $9.0 billion with fixed or floating rates and maturities from 30 days to 15 years from date of issue.

On September 30, 1996, there were short-term bank notes outstanding of $1.3 billion. In addition, NationsBank of Texas, N.A. and NationsBank, N.A. together had outstanding bank notes of $3.1 billion on September 30, 1996 that were classified as long-term debt. On September 30, 1996 and December 31, 1995, the Corporation had unused commercial paper back-up lines of credit totaling $1.5 billion which will expire in 1997. These lines were supported by fees paid directly by the Corporation to unaffiliated banks. From October 1, 1996 through November 8, 1996, the Corporation issued an additional $271 million in long term debt, with maturities ranging from 1999 to 2011, of which $145 million bear interest at floating rates and $126 million bear interest at fixed rates.

As of November 8, 1996, the Corporation had approximately $2.3 billion of capacity available under its existing shelf registration statements and $3.2 billion available under the Euro medium-term note program.

On October 9, 1996, the Corporation filed a shelf registration statement to offer up to an aggregate of $3 billion in senior or subordinated debt or equity securities.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

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

	SEPTEMBER 30 1996	December 31 1995
Commitments to extend credit		
Credit card commitments	$23,501	$21,033
Other loan commitments	78,379	66,638
Standby letters of credit and		
financial guarantees	9,279	8,356
Commercial letters of credit	885	986

On September 30, 1996 and December 31, 1995, indemnified securities lending transactions totaled $7.9 billion and $2.6 billion, respectively. Collateral, with a market value of $8.1 billion and $2.7 billion for the respective periods, was obtained by the Corporation in support of these transactions.

On September 30, 1996, the Corporation had commitments to purchase and sell when-issued securities of $5.1 billion and $5.3 billion, respectively. This compares to commitments to purchase and sell when-issued securities of $4.4 billion and $4.3 billion, respectively, on December 31, 1995.

See TABLES 12 and 13 and the accompanying discussion in Item 2 regarding the Corporation's derivatives used for risk management purposes. See TABLE 14 and the accompanying discussion in Item 2 regarding the Corporation's derivative trading activities.

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

NOTE 6 - LOANS, LEASES AND FACTORED ACCOUNTS RECEIVABLE

The composition of loans, leases and factored accounts receivable on September 30, 1996 and December 31, 1995 was as follows (dollars in millions):

<TABLE>
<CAPTION>

	September 30, 1996		December 31, 1995	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Domestic				
Commercial	$ 50,142	41.0 %	$ 47,989	41.0 %
Real estate commercial	5,449	4.5	6,183	5.3
Real estate construction	3,183	2.6	2,976	2.5
Total commercial	58,774	48.1	57,148	48.8
Residential mortgage	28,090	23.0	24,026	20.6
Credit card	6,253	5.1	6,532	5.6
Other consumer	20,420	16.8	22,287	19.0
Total consumer	54,763	44.9	52,845	45.2
Lease financing	3,933	3.2	3,264	2.8
Factored accounts receivable.......	1,249	1.0	991	.8
	118,719	97.2	114,248	97.6
Foreign	3,359	2.8	2,785	2.4
Total loans, leases and factored accounts receivable, net of unearned income	$122,078	100.0%	$117,033	100.0 %

</TABLE>

On September 30, 1996, the recorded investment in certain loans that were considered to be impaired was $614 million, all of which was classified as nonperforming. Impaired loans on September 30, 1996 were comprised of commercial loans of $413 million, real estate commercial loans of $165 million and real estate construction loans of $36 million. Of these impaired loans, $428 million had a valuation allowance of $59 million and $186 million did not have a valuation allowance primarily due to the application of interest payments against book balances or write-downs previously made with respect to these loans.

On September 30, 1996 and December 31, 1995, nonperforming loans, including certain loans which are considered to be impaired, totaled $984 million and $706 million, respectively. Other real estate owned amounted to $151 million and $147 million on September 30, 1996 and December 31, 1995, respectively.

NOTE 7 - MERGER-RELATED CHARGE

During the first quarter of 1996, primarily in connection with the acquisition of Bank South Corporation, the Corporation recorded a pre-tax merger-related charge of $118 million. The charge consisted of $34 million of severance costs, $28 million for facilities consolidations and branch closures, $11 million related to cancellations of contractual obligations, and other merger-related expenses. Of the $118 million accrued charge, approximately $55 million remained at September 30, 1996 and is expected to be used within twelve months of the acquisition.

The following table summarizes the activity in the merger-related reserve for the nine-month period ended September 30, 1996 (dollars in millions):

	Nine Months Ended September 30, 1996
Balance at beginning of period	$-
Establishment of reserve	118
Cash payments	(74)
Non-cash additions	11
Balance on September 30, 1996	$ 55

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

EARNINGS REVIEW

A comparison of selected operating results for the three- and nine-month periods ended September 30, 1996 and 1995 is presented in TABLE 1.

The Corporation experienced an 18-percent increase in net income to $625 million in the third quarter of 1996 over the same quarter of 1995. Earnings per common share were $2.12 and $1.95 for the third quarters of 1996 and 1995, respectively.

Operating net income totaled $1.8 billion in the first nine months of 1996, an increase of 26 percent over the same period of 1995. Earnings per common share based on operating net income were $6.07 and $5.26 for the first nine months of 1996 and 1995, respectively. Including a one-time merger-related charge of $118 million ($77 million, net of tax), net income and earnings per common share were $1.7 billion and $5.82, respectively, for the first nine months of 1996.

Key performance highlights for the first nine months of 1996 were:

* Operating return on average common shareholders' equity rose to 18.36 percent in the first nine months of 1996 compared to 17.02 percent in the first nine months of 1995. Including the merger-related charge, the return on average common shareholders' equity was 17.58 percent.

* Taxable-equivalent net interest income increased 17 percent to $4.8 billion in the first nine months of 1996 over the same period in 1995 due to the impact of acquisitions, higher spreads in the securities portfolio, growth in average consumer loans and an increase in noninterest- bearing deposits.

* Noninterest income increased 20 percent to $2.7 billion in the first nine months of 1996 over the first nine months of 1995, driven primarily by higher deposit account service charges, investment banking fees and mortgage servicing and mortgage-related fees.

* Revenue growth continued to outpace expense growth in the first nine months of 1996, improving the efficiency ratio to 55.97 percent compared to 60.14 percent in the first nine months of 1995.

* Excluding the impact of acquisitions, other noninterest expense increased four percent during the first nine months of 1996 compared to the first nine months of 1995. Including the impact of acquisitions, other noninterest expense increased 10 percent.

* Provision for credit losses increased to $455 million for the first nine months of 1996 compared to $240 million for the same period of 1995, reflecting growth in commercial and consumer lending as well as the continuation of a return to more normalized levels of credit losses following periods of unusually low credit losses. Nonperforming assets increased to $1.1 billion on September 30, 1996 compared to $853 million at the end of 1995, due in part to acquisitions.

BUSINESS UNIT OPERATIONS

The Corporation provides a diversified range of banking and certain nonbanking financial services and products through its various subsidiaries. The Corporation manages its business activities through three major Business Units: the GENERAL BANK, GLOBAL FINANCE and FINANCIAL SERVICES. The Business Units are managed with a focus on numerous performance objectives including return on equity, operating efficiency and net income. TABLE 2 summarizes key performance measures for each of the Business Units.

TABLE 1
SELECTED OPERATING RESULTS
(Dollars in Millions Except Per-Share Information)

<TABLE>
<CAPTION>

THREE MONTHS NINE

	ENDED SEPTEMBER 30		ENDED	MONTHS SEPTEMBER 30
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Income Statement				
Income from earning assets	$ 3,423	$ 3,398	$ 10,438	$ 9,859
Interest expense	1,828	2,007	5,699	5,825
Net interest income (taxable-equivalent)	1,616	1,420	4,811	4,122
Net interest income	1,595	1,391	4,739	4,034
Provision for credit losses	145	100	455	240
Gains on sales of securities	26	3	34	8
Noninterest income	886	776	2,688	2,232
Other real estate owned expense	6	7	13	10
Merger-related charge	-	-	118	-
Other noninterest expense	1,400	1,245	4,199	3,821
Income before income taxes	956	818	2,676	2,203
Income tax expense	331	288	933	763
Net income	625	530	1,743	1,440
Net income applicable to common shareholders	622	528	1,732	1,434
Net income (excluding merger-related charge)	625	530	1,820	1,440
Average common shares issued (in thousands)	292,633	270,306	297,772	272,790
Per common share				
Earnings	$ 2.12	$ 1.95	$ 5.82	$ 5.26
Earnings (excluding merger-related charge)	2.12	1.95	6.07	5.26
Cash dividends paid	.58	.50	1.74	1.50
Common shareholders' equity (period-end)	45.77	44.00	45.77	44.00
Balance sheet (period-end)				
Total assets	187,671	182,138	187,671	182,138
Total loans, leases and factored accounts receivable, net of unearned income	122,078	114,601	122,078	114,601
Total deposits	108,132	97,870	108,132	97,870
Long-term debt	22,034	15,741	22,034	15,741
Common shareholders' equity	13,186	11,904	13,186	11,904
Total shareholders' equity	13,304	11,941	13,304	11,941
Performance ratios				
Return on average assets	1.26%	1.10%	1.15%	1.03%
Return on average assets (excluding merger-related charge)	1.26	1.10	1.20	1.03
Return on average common shareholders' equity (1)	19.00	18.29	17.58	17.02
Return on average common shareholders' equity (excluding merger-related charge) (1)	19.00	18.29	18.36	17.02
Risk-based capital ratios				
Tier 1	7.05	7.16	7.05	7.16
Total	12.05	11.23	12.05	11.23
Leverage capital ratio	6.30	5.96	6.30	5.96
Total equity to total assets	7.09	6.56	7.09	6.56
Market price per share of common stock				
Close at the end of the period	$ 86 7/8	$ 67 1/4	$ 86 7/8	$ 67 1/4
High for the period	94 1/8	68 7/8	94 1/8	68 7/8
Low for the period	76 3/8	53 3/4	64 3/8	44 5/8

</TABLE>

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

marketable equity securities.

- --

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

The GENERAL BANK includes the BANKING GROUP, which contains the retail banking network and is the service provider for the consumer sector as well as small and medium-size companies. Within the GENERAL BANK, specialized services, such as the origination and servicing of home mortgage loans, the issuance and servicing of credit cards, indirect lending, dealer finance and certain insurance services, are provided throughout the Corporation's franchise, and on a nationwide basis for certain products, through the FINANCIAL PRODUCTS GROUP. The GENERAL BANK also contains the ASSET MANAGEMENT GROUP which includes INVESTING AND INVESTMENT MANAGEMENT, which provides retirement services for defined benefit and defined contribution plans, full-service and discount brokerage services, and investment advisory services including advising the Nations Fund family of mutual funds, and the PRIVATE CLIENT GROUP, which offers banking, fiduciary and investment management services.

The GENERAL BANK earned $1.2 billion in the first nine months of 1996, an increase of 41 percent over the same period in 1995. The BANKING GROUP'S 7-percent average loan growth net of acquisitions and the growth in deposit service fee income accounted for most of the GENERAL BANK'S increased earnings over the same period last year. The GENERAL BANK'S return on equity rose 373 basis points to 23 percent in the first nine months of 1996 compared to the first nine months of 1995. Taxable-equivalent net interest income in the GENERAL BANK increased $622 million reflecting the impact of acquisitions, broad-based loan growth and deposit cost containment efforts. Acquisitions accounted for over half of the net interest income growth. Excluding the impact of acquisitions and securitizations, loan growth of $8 billion was primarily driven by growth in consumer loans.

Noninterest income rose 25 percent in the first nine months of 1996 to $1.9 billion led by increases in deposit service fee income, increased mortgage-related activity and acquisition-related mortgage servicing fees, a gain related to the change in control of Gartmore plc, the Corporation's partner in the Gartmore Global Partners joint venture (formerly called NationsGartmore Investment Management), and a gain on the sale of certain consumer loans. Noninterest expense increased 11 percent, compared to the total revenue growth of 23 percent. Acquisition-related and other increases in personnel and higher general operating expense partly offset by reduced deposit insurance expense accounted for most of the growth year over year. Excluding acquisitions, noninterest expense increased only 3 percent. Strong revenue growth offset by a moderate increase in operating expense led to the improvement in the efficiency ratio, down to 58.1 percent compared to 64.6 percent in the same period in 1995.

GLOBAL FINANCE provides comprehensive corporate and investment banking, as well as trading and distribution services to domestic and international customers through its CORPORATE FINANCE, SPECIALIZED LENDING and CAPITAL MARKETS units. The group serves as a principal lender and investor as well as an advisor, arranger and underwriter and manages treasury and trade transactions for clients and customers. Loan origination and syndication, asset-backed lending, leasing, factoring, project finance and mergers and acquisitions are representative of the services provided. The CAPITAL MARKETS group underwrites, trades and distributes a wide range of securities (including bank-eligible securities and, to a limited extent, bank-ineligible securities as authorized by the Board of Governors of the Federal Reserve System). The group trades and distributes financial futures, forward settlement contracts, option contracts, swap agreements and other derivative products in certain interest rate, foreign exchange, commodity and equity markets and spot and forward foreign exchange contracts through two principal units, NATIONSBANC - CRT (CRT) and NATIONSBANC CAPITAL MARKETS, INC. (NCMI).

GLOBAL FINANCE earned $449 million in the first nine months of 1996 compared to $472 million in the first nine months of 1995. Taxable-equivalent net interest income for the first nine months of 1996 was $898 million compared to $901 million in the first nine months of 1995 reflecting narrower commercial loan spreads resulting from increased competitive pressure on commercial loan pricing and the Corporation's efforts to reduce commercial real estate outstandings.

Noninterest income in the first nine months increased 5 percent over the same period last year driven by strong investment banking fees which increased $105 million to $248 million and a gain on the sale of Panmure Gordon, the Corporation's British brokerage firm. Noninterest expense for the period rose 4 percent leading to a 54.1-percent efficiency ratio compared to 53.3 percent year-to-date 1995.

FINANCIAL SERVICES is primarily comprised of a holding company, NATIONSCREDIT CORPORATION, which includes NATIONSCREDIT CONSUMER CORPORATION, primarily a consumer finance operation, and NATIONSCREDIT COMMERCIAL

CORPORATION, primarily a commercial finance operation. NATIONSCREDIT CONSUMER CORPORATION provides personal, mortgage and automobile loans to consumers and retail finance programs to dealers. NATIONSCREDIT COMMERCIAL CORPORATION consists of seven divisions that specialize in one or more of the following commercial financing areas: equipment loans and leasing; loans for debt restructuring, mergers and acquisitions and working capital; real estate, golf/recreational and health care financing; and inventory financing to manufacturers, distributors and dealers.

FINANCIAL SERVICES' earnings of $121 million in the first nine months of 1996 increased 36 percent over the same period in 1995. Taxable-equivalent net interest income increased $48 million resulting from 13 percent growth in average loans and leases. The increase in provision for credit losses was driven mainly by loan growth, but also by higher consumer loss rates. The net interest yield of 7.22 percent decreased 3 basis points from 1995. Noninterest income doubled to $91 million in the first nine months in 1996, reflecting increased warrant gains and higher loan prepayment fees. Noninterest expense increased $49 million, or 27 percent, driven by office consolidation costs and higher personnel expense associated with the expansion of consumer finance operations. The return on equity was 14 percent in the first nine months of 1996.

TABLE 2
BUSINESS UNIT SUMMARY
For the Nine Months Ended September 30
(Dollars in Millions)

<TABLE>
<CAPTION>

	General Bank		Global Finance		Financial Services	
	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent)	$ 3,444	$ 2,822	$ 898	$ 901	$ 430	$ 382
Noninterest income	1,872	1,496	726	690	91	46
Total revenue	5,316	4,318	1,624	1,591	521	428
Provision for credit losses	313	154	40	--	102	86
Gains on sale of securities	23	--	--	--	--	--
Other real estate owned expense (income)	11	5	(4)	(5)	7	10
Noninterest expense	3,086	2,790	878	848	232	183
Income before income taxes	1,929	1,369	710	748	180	149
Income tax expense	710	506	261	276	59	60
Net income (1)	$ 1,219	$ 863	$ 449	$ 472	$ 121	$ 89
Net interest yield (4)	4.73 %	4.54 %	3.15 % (2)	3.61 % (2)	7.22 %	7.25 %
Return on equity	23 %	19 %	16 %	16 %	14 %	13 %
Efficiency ratio	58.1 %	64.6 %	54.1 %	53.3 %	44.5 %	42.8 %
Average (3)(4)						
Total loans and leases, net of unearned income	$ 79,372	$ 67,175	$ 35,984	$ 34,115	$ 7,935	$ 7,043
Total deposits	87,650	77,314	8,342	7,089	--	--
Total assets	103,898	88,743	78,550	71,177	8,451	7,532
Period end (3)(4)						
Total loans and leases, net of unearned income	76,752	72,069	36,447	34,530	8,207	7,473
Total deposits	89,015	76,866	9,312	6,643	--	--

</TABLE>

(1) Business Unit results are presented on a fully allocated basis but do not include $45 million net expense for 1996 and $16 million net income for 1995, which represents earnings associated with unassigned capital, gains on sales of securities, merger-related charges and other corporate activities.

(2) Global Finance's net interest yield excludes the impact of trading-related activities. Including trading related activities, the net interest yield was 1.78 percent and 1.99 percent for the first nine months of 1996 and 1995, respectively.

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

(4) 1995 average and period end balances and net interest yield have been restated to reflect current organizational structure.

TABLE 3
QUARTERLY TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

<TABLE>
<CAPTION>

<S> <C> <C> <C> <C> <C> <C>

	Third Quarter 1996			Second Quarter 1996		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)	$48,920	$1,011	8.23 %	$49,983	$1,000	8.04 %
Real estate commercial	5,921	138	9.25	6,288	141	9.07
Real estate construction	3,195	74	9.15	3,229	71	8.83
Total commercial	58,036	1,223	8.38	59,500	1,212	8.19
Residential mortgage	27,990	545	7.77	27,728	542	7.82
Credit card	5,903	169	11.38	6,057	173	11.45
Other consumer	22,026	544	9.84	23,441	578	9.93
Total consumer	55,919	1,258	8.97	57,226	1,293	9.07
Foreign	2,813	46	6.59	2,746	45	6.56
Lease financing	4,429	85	7.60	4,254	80	7.59
Total loans and leases, net	121,197	2,612	8.58	123,726	2,630	8.54
Securities						
Held for investment	3,173	46	5.73	3,731	51	5.45
Available for sale (3)	16,388	273	6.66	18,328	303	6.64
Total securities	19,561	319	6.51	22,059	354	6.44
Loans held for sale	1,025	20	7.87	1,156	19	6.49
Time deposits placed and other short-term investments	1,430	20	5.74	1,263	17	5.28
Federal funds sold	361	6	6.39	397	5	5.75
Securities purchased under agreements to resell	11,828	153	5.14	12,075	149	4.99
Trading account securities (4)	18,897	314	6.60	17,912	292	6.53
Total earning assets (5)	174,299	3,444	7.87	178,588	3,466	7.80
Cash and cash equivalents	7,597			7,928		
Factored accounts receivable	1,150			1,124		
Other assets, less allowance for credit losses	14,877			15,156		

Total assets	$197,923			$202,796		
Interest-bearing liabilities						
Savings	$8,798	48	2.15	$9,336	52	2.27
NOW and money market deposit accounts	30,485	189	2.49	30,155	191	2.52
Consumer CDs and IRAs (6)	30,092	394	5.21	29,698	389	5.28
Negotiated CDs, public funds and other time deposits	3,314	46	5.50	3,331	46	5.53
Foreign time deposits	10,836	145	5.31	12,867	170	5.34
Federal funds purchased	3,631	49	5.39	4,433	59	5.37
Securities sold under agreements to repurchase (6)	26,309	355	5.36	28,924	391	5.44
Commercial paper	3,129	44	5.59	3,064	42	5.49
Other short-term borrowings (6)	2,999	51	6.76	3,968	58	5.80
Trading account liabilities (4)	9,848	163	6.57	8,912	147	6.63
Long-term debt (7)	21,067	344	6.53	19,730	310	6.30
Total interest-bearing liabilities	150,508	1,828	4.84	154,418	1,855	4.83
Noninterest-bearing sources						
Noninterest-bearing deposits	24,190			24,601		
Other liabilities	10,092			10,225		
Shareholders' equity	13,133			13,552		
Total liabilities and shareholders' equity	$197,923			$202,796		
Net interest spread			3.03			2.97
Impact of noninterest-bearing sources			.66			.65
Net interest income/yield on earning assets		$1,616	3.69 %		$1,611	3.62 %

</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 swaps converting variable-rate commercial loans to fixed rate. Interest rate swaps increased (decreased) interest income $11, $3 and ($19) in the third, second and first quarters of 1996, respectively, and ($34) and ($49) in the fourth and third quarters of 1995, respectively.

(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.

(4) The fair values of derivatives-dealer positions are reported in other assets and liabilities, respectively.

(5) Interest income includes taxable-equivalent adjustments of $21, $24 and $27 in the third, second and first quarters of 1996, respectively, and $25 and $29 in the fourth and third quarters of 1995, respectively.

(6) Securities sold under agreements to repurchase, other short-term borrowings and consumer CDs interest expense includes net interest rate swap expense related to swaps fixing the cost of certain of these liabilities. Interest rate swaps increased interest expense $16, $26 and $21 in the third, second and first quarters of 1996, respectively, and $12 and $4 in the fourth and third quarters of 1995, respectively.

(7) Long-term debt interest expense includes net interest rate swap expense related to swaps primarily converting the cost of certain fixed-rate debt to variable rate. Interest rate swaps decreased interest expense $3, $2 and $3 in the third, second and first quarters of 1996, respectively.

<TABLE>
<CAPTION>

First Quarter 1996			Fourth Quarter 1995			Third Quarter 1995		
Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$49,319	$987	8.05 %	$47,077	$971	8.18 %	$46,574	$953	8.12 %
6,774	149	8.82	6,649	157	9.39	7,116	168	9.38
3,154	69	8.85	3,016	72	9.44	3,091	75	9.63
59,247	1,205	8.18	56,742	1,200	8.39	56,781	1,196	8.36
27,352	534	7.83	23,573	459	7.78	21,581	420	7.78
6,590	206	12.59	5,709	182	12.69	5,014	164	12.94
23,850	593	9.99	22,852	581	10.09	22,638	583	10.19
57,792	1,333	9.26	52,134	1,222	9.33	49,233	1,167	9.41
2,392	45	7.54	2,100	40	7.65	2,034	40	7.73
3,851	72	7.46	3,628	68	7.48	3,407	65	7.65
123,282	2,655	8.65	114,604	2,530	8.77	111,455	2,468	8.79
4,292	60	5.62	12,945	186	5.72	14,101	205	5.77
22,997	365	6.37	10,689	174	6.45	11,891	188	6.28
27,289	425	6.25	23,634	360	6.05	25,992	393	6.01
1,331	25	7.55	644	12	7.34	424	8	7.36
1,056	18	6.90	1,634	28	6.77	2,031	32	6.32
525	8	5.89	534	8	6.02	747	11	6.14
13,870	183	5.29	12,088	163	5.36	14,740	240	6.45
18,213	286	6.33	16,196	285	6.99	13,063	275	8.37
185,566	3,600	7.80	169,334	3,386	7.95	168,452	3,427	8.08
7,998			7,500			7,449		
1,010			1,221			1,201		
14,043			13,638			13,399		
$208,617			$191,693			$190,501		
$9,361	55	2.35	$8,287	49	2.34	$8,455	51	2.37
29,692	192	2.61	27,233	185	2.71	27,160	183	2.67
29,469	397	5.42	24,682	339	5.44	24,786	335	5.36
3,273	44	5.42	2,946	42	5.74	2,830	41	5.72
11,902	170	5.73	13,546	211	6.18	13,921	220	6.27

6,817	92	5.41	5,599	81	5.78	6,109	90	5.84
33,705	455	5.43	30,136	440	5.79	30,179	465	6.11
2,821	39	5.62	2,871	43	5.89	2,803	43	6.10
4,455	65	5.89	4,550	78	6.72	5,833	93	6.30
12,485	191	6.16	11,125	185	6.60	11,891	240	8.03
18,885	316	6.68	17,276	295	6.83	14,127	246	6.98
162,865	2,016	4.97	148,251	1,948	5.22	148,094	2,007	5.38
23,209			21,908			21,519		
9,399			9,631			9,401		
13,144			11,903			11,487		
$208,617			$191,693			$190,501		
		2.83			2.73			2.70
		.60			.65			.65
	$1,584	3.43 %		$1,438	3.38 %		$1,420	3.35 %

</TABLE>

TABLE 4
NINE MONTH TAXABLE-EQUIVALENT DATA
(Dollars in Millions)

<TABLE>
<CAPTION>

	Nine Months Ended September 30					
	1996			1995		
	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates	Average Balance Sheet Amounts	Income or Expense	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets						
Loans and leases, net of unearned income (1)						
Commercial (2)	$49,406	$2,998	8.11 %	$46,116	$2,826	8.19 %
Real estate commercial	6,326	428	9.04	7,379	512	9.27
Real estate construction	3,193	214	8.94	3,136	230	9.82
Total commercial	58,925	3,640	8.25	56,631	3,568	8.42
Residential mortgage	27,691	1,621	7.81	19,548	1,141	7.79
Credit card	6,182	548	11.84	4,779	459	12.82
Other consumer	23,102	1,715	9.92	21,631	1,628	10.06
Total consumer	56,975	3,884	9.10	45,958	3,228	9.38

Foreign	2,651	136	6.86	2,014	117	7.74
Lease financing	4,178	237	7.55	3,160	181	7.64
Total loans and leases, net	122,729	7,897	8.59	107,763	7,094	8.80
Securities						
Held for investment	3,730	157	5.60	16,389	678	5.53
Available for sale (3)	19,227	941	6.53	10,132	468	6.18
Total securities	22,957	1,098	6.38	26,521	1,146	5.78
Loans held for sale	1,170	64	7.30	214	12	7.64
Time deposits placed and other short-term investments	1,250	55	5.91	2,212	114	6.89
Federal funds sold	427	19	5.99	854	39	6.11
Securities purchased under agreements to resell	12,588	485	5.15	15,160	727	6.41
Trading account securities (4)	18,344	892	6.49	13,495	815	8.07
Total earning assets (5)	179,465	10,510	7.82	166,219	9,947	8.00
Cash and cash equivalents	7,840			7,928		
Factored accounts receivable	1,095			1,144		
Other assets, less allowance for credit losses	14,693			12,196		
Total assets	$203,093			$187,487		
Interest-bearing liabilities						
Savings	$9,164	155	2.26	$8,673	155	2.39
NOW and money market deposit accounts	30,111	572	2.54	27,777	555	2.67
Consumer CDs and IRAs (6)	29,754	1,180	5.30	24,892	951	5.11
Negotiated CDs, public funds and other time deposits	3,306	136	5.48	3,008	124	5.50
Foreign time deposits	11,865	485	5.46	14,291	670	6.27
Federal funds purchased	4,955	200	5.39	5,407	241	5.95
Securities sold under agreements to repurchase (6)	29,634	1,201	5.41	30,405	1,423	6.26
Commercial paper	3,005	125	5.57	2,781	128	6.18
Other short-term borrowings (6)	3,806	174	6.09	6,072	276	6.07
Trading account liabilities (4)	10,413	501	6.43	12,328	711	7.71
Long-term debt (7)	19,898	970	6.50	11,094	591	7.10
Total interest-bearing liabilities	155,911	5,699	4.88	146,728	5,825	5.31
Noninterest-bearing sources						
Noninterest-bearing deposits	24,000			20,866		
Other liabilities	9,906			8,594		
Shareholders' equity	13,276			11,299		
Total liabilities and shareholders' equity	$203,093			$187,487		
Net interest spread			2.94			2.69
Impact of noninterest-bearing sources			.64			.62
Net interest income/yield on earning assets		$4,811	3.58 %		$4,122	3.31 %

</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 swaps converting variable-rate commercial loans to fixed rate. Interest rate swaps decreased interest income $5 and $175 in 1996 and 1995, respectively.

(3) The average balance sheet amounts and yields on securities available for sale are based on the average of historical amortized cost balances.

(4) The fair values of derivatives-dealer positions are reported in other assets and liabilities, respectively.

(5) Interest income includes taxable-equivalent adjustments of $72 and $88 in 1996 and 1995, respectively.

(6) Securities sold under agreements to repurchase, other short-term borrowings and consumer CDs interest expense includes net interest rate swap expense related to swaps fixing the cost of certain of these liabilities. Interest rate swaps increased interest expense $63 and $14 in 1996 and 1995, respectively.

(7) Long-term debt interest expense includes net interest rate swap expense related to swaps primarily converting the cost of certain fixed-rate debt to variable rate. Interest rate swaps increased (decreased) interest expense ($8) and $2 in 1996 and 1995, respectively.

RESULTS OF OPERATIONS

NET INTEREST INCOME

TABLES 3 and 4 present the Corporation's taxable-equivalent net interest income and average balance sheet levels for the last five quarters and the first nine months of 1996 and 1995, respectively.

Taxable-equivalent net interest income increased $196 million to $1.6 billion in the third quarter of 1996 compared to the third quarter of 1995 and $689 million to $4.8 billion in the first nine months of 1996 compared to the first nine months of 1995. The increase was attributable to acquisitions of several banking operations, higher spreads in the securities portfolio, loan growth and an increase in noninterest-bearing deposits. The increase was partially offset by the impact of securitizations and the use of term debt. Securitizations lowered net interest income by $86 million and $184 million in the third quarter and first nine months of 1996, respectively. Securitizations of loans do not significantly affect the Corporation's earnings. As the Corporation's role changes from that of a lender to that of a servicer, net credit income, including provision for credit losses, related to such loans is reflected as noninterest income.

Of the $563-million increase in interest income for the first nine months of 1996 compared to the same period in 1995, $779 million was due to higher average earning assets, and was partially offset by a $216-million decrease relating to lower yields on average earning assets, primarily loans and leases, due to changes in the interest rate environment. Interest expense decreased $126 million with $478 million resulting primarily from the impact of lower rates on average interest-bearing liabilities partially offset by the $352-million impact of higher levels of average interest-bearing liabilities.

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

The net interest yield was 3.69 percent in the third quarter of 1996 and 3.58 percent in the first nine months of 1996 compared to 3.35 percent and 3.31 percent in the comparable periods of 1995. The increase in the net interest yield reflected the sale of treasury securities and the reinvestment of cash from the sale of low-yielding securities into higher-spread products when compared to 1995.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $145 million in the third quarter of 1996 compared to $100 million in the third quarter of 1995, reflecting the industry-wide trend towards higher losses compared to lower levels in prior periods. Net charge-offs in the third quarter of 1996 increased to $135 million from $99 million in the comparable 1995 period due to increases of $17 million in total commercial net charge-offs, $16 million in other consumer net charge-offs and $6 million in credit card net charge-offs.

The provision for credit losses of $455 million for the first nine months of 1996 represented an increase of $215 million over the same period in 1995. The increase was attributed primarily to an increase in commercial and real estate commercial net charge-offs of $62 million and $19 million, respectively, as well as increases of $57 million in other consumer net charge-offs and $36 million in credit card net charge-offs. Management expects the higher level of charge-offs experienced in the first nine months of 1996 to continue as the Corporation continues its efforts to shift the mix of the loan portfolio to a higher consumer concentration and credit losses continue to return to more normalized levels.

The allowance for credit losses was $2.3 billion on September 30, 1996 and $2.2 billion on December 31, 1995, or 1.90 and 1.85 percent of net loans, leases and factored accounts receivable on September 30, 1996 and December 31, 1995, respectively. The allowance for credit losses was 236 percent of nonperforming loans on September 30, 1996 compared to 306 percent on December 31, 1995. Future economic conditions will continue to impact credit quality and may result in increased net charge-offs and higher provisions for credit losses.

GAINS ON SALES OF SECURITIES

Gains on the sales of securities were $26 million in the third quarter of 1996 compared to $3 million in the third quarter of 1995, primarily reflecting the Corporation's sales of U.S. Treasuries and mortgage-backed securities. Gains on sales of securities for the first nine months of 1996 were $34 million compared to $8 million in the comparable 1995 period.

NONINTEREST INCOME

As presented in TABLE 5, noninterest income increased $110 million and $456 million to $886 million and $2.7 billion in the third quarter and the first nine months of 1996, respectively, compared to the same periods of 1995 reflecting diverse fee generating activities as described below:

(Diamond) Service charges on deposit accounts increased $59 million and $175 million over the third quarter and first nine months of 1995, respectively, attributable to growth in the number of households served, in part due to acquisitions, and higher fees.

(Diamond) Mortgage servicing and other mortgage-related fees grew 43 percent and 72 percent over the third quarter and first nine months of 1995, respectively. The average portfolio of loans serviced increased 35 percent from $64.9 billion in the first nine months of 1995 to $87.8 billion in the first nine months of 1996. Mortgage loan originations through the Corporation's mortgage banking subsidiary decreased $900 million to $3.1 billion in the third quarter of 1996 and increased $1.2 billion to $9.3 billion in the first nine months of 1996 compared to the same periods one year earlier, primarily reflecting changes in the interest rate environment. Origination volume in the third quarter consisted of approximately $1.2 billion of retail loan volume and $1.9 billion of correspondent and wholesale loan volume.

In conducting its mortgage banking activities, the Corporation is exposed to fluctuations in interest rates. Loans originated for sale to third parties expose the Corporation to interest rate risk for the period between loan commitment date and subsequent delivery date. Additionally, the value of the Corporation's mortgage servicing rights is affected by changes in prepayment rates. To manage risks associated with mortgage banking activities, the Corporation enters into various financial instruments including option contracts, forward delivery contracts and certain rate swaps. The contract notional amount of these instruments approximated $6.8 billion on September 30, 1996. Net unrealized losses associated with these contracts were $26 million on September 30, 1996.

(Diamond) Investment banking income totaled $85 million and $250 million in the third quarter and first nine months of 1996, respectively, increases of 70 percent and 74 percent over the comparable periods of 1995, primarily reflecting gains on the sale of stock and increased underwriting volume. The GLOBAL FINANCE syndication group was agent or co-agent on 369 deals totaling $233 billion in the first nine months of 1996, compared to 257 deals totaling $184 billion one year earlier.

(Diamond) Asset management and fiduciary service fees declined $5 million and $16 million in the third quarter and first nine months of 1996, respectively, reflecting the impact of the sale of Corporate Trust. Corporate Trust, which dealt with bond servicing and administration, was sold in December 1995. Excluding the impact of this sale, asset management fees increased five percent in the nine months ended September 30, 1996.

(Diamond) Credit card income increased $12 million and $33 million in the third quarter and first nine months of 1996, respectively, primarily due to increased purchase volume and interchange rates and securitizations of credit card loans, which result in net interest income from securitized credit card loans being removed from net interest income and reflected in noninterest income. Credit card securitizations increased noninterest income by $20 million and $47 million in the third quarter and first nine months of 1996, respectively.

(Diamond) Trading account profits and fees, including foreign exchange income, were $39 million and $189 million in the third quarter and first nine months of 1996, respectively, decreases of $59 million and $54 million compared the same periods in 1995, a reflection of less favorable market conditions during 1996.

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

Three Months Ended Nine Months Ended

September 30   September 30

	1996	1995	1996	1995
Securities trading	$ 31	$ 34	$ 77	$ 97
Interest rate contracts ..	22	53	112	94
Foreign exchange contracts	(16)	10	(25)	16
Other	2	1	25	36
	$ 39	$ 98	$ 189	$ 243

In addition to trading account profits and fees, the CAPITAL MARKETS group also generates investment banking income and brokerage income.

(Diamond) Miscellaneous income totaled $108 million and $330 million in the third quarter and the first nine months of 1996, respectively, increases of $44 million and $100 million over the third quarter and first nine months of 1995, respectively. Miscellaneous income includes certain prepayment fees and other fees such as net gains on sales of miscellaneous investments, business activities, premises, venture capital investments and other similar items.

TABLE 5
NONINTEREST INCOME
(Dollars in Millions)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED SEPTEMBER 30		CHANGE		NINE MONTHS ENDED SEPTEMBER 30		CHANGE	
	1996	1995	Amount	Percent	1996	1995	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Service charges on deposit accounts .	$ 289	$ 230	$ 59	25.7 %	$ 824	$ 649	$ 175	27.0 %
Nondeposit-related service fees								
Safe deposit rent	7	6	1	16.7	22	21	1	4.8
Mortgage servicing and mortgage-related fees	53	37	16	43.2	158	92	66	71.7
Fees on factored accounts receivable	17	19	(2)	(10.5)	48	52	(4)	(7.7)
Investment banking income	85	50	35	70.0	250	144	106	73.6
Other service fees	42	33	9	27.3	127	91	36	39.6
Total nondeposit-related service fees	204	145	59	40.7	605	400	205	51.3
Asset management and fiduciary service fees	103	108	(5)	(4.6)	320	336	(16)	(4.8)
Credit card income								
Merchant discount fees	--	--	--	N/M	6	7	(1)	(14.3)
Annual credit card fees	5	6	(1)	(16.7)	20	18	2	11.1
Other credit card fees	75	62	13	21.0	203	171	32	18.7
Total credit card income ...	80	68	12	17.6	229	196	33	16.8
Other income								
Brokerage income	25	28	(3)	(10.7)	83	77	6	7.8
Trading account profits and fees	39	98	(59)	(60.2)	189	243	(54)	(22.2)
Bankers' acceptances and letters of credit fees	18	18	--	--	51	54	(3)	(5.6)
Insurance commissions and earnings	20	17	3	17.6	57	47	10	21.3
Miscellaneous	108	64	44	68.8	330	230	100	43.5
Total other income	210	225	(15)	(6.7)	710	651	59	9.1
	$ 886	$ 776	$ 110	14.2	$2,688	$2,232	$ 456	20.4

</TABLE>

N/M - NOT MEANINGFUL

NONINTEREST EXPENSE

As presented in TABLE 6, the Corporation's noninterest expense increased 12 percent in the third quarter and 10 percent in the first nine months of 1996 compared to the same periods of 1995 to $1.4 billion and $4.2 billion, respectively. Excluding acquisitions, noninterest expense increased only six percent and four percent in the third quarter and the first nine months of 1996, respectively, compared to the same 1995 periods.

Expenditures in selected areas to generate continued revenue growth, such as enhancing customer sales and optimizing product delivery channels, contributed to the year-over-year increase. These increases were partially offset by lower deposit insurance and expense savings associated with streamlining and consolidating the infrastructure of several GENERAL BANK administrative and support areas as well as modifying certain business activities.

A discussion of the significant components of noninterest expense for the third quarter and first nine months of 1996 compared to the third quarter and the first nine months of 1995 follows:

(Diamond) Personnel expense increased $61 million and $157 million in the third quarter and first nine months of 1996, respectively, over the comparable 1995 periods, primarily due to an increase in personnel and contracted temporary services for the transition and implementation of revenue enhancement projects.

(Diamond) Occupancy expense increased $13 million and $23 million in the third quarter and the first nine months of 1996, respectively, primarily due to the impact of acquisitions.

(Diamond) Equipment expense increased 11 percent and 12 percent in the third quarter and first nine months of 1996, respectively, over the same periods in 1995, reflecting acquisitions and enhancements to computer resources and product delivery systems.

(Diamond) Marketing expense increased $30 million in the first nine months of 1996 compared to the same period of 1995, primarily attributable to the Corporation's sponsorship of the 1996 Olympic Summer Games.

(Diamond) Professional fees increased $20 million and $53 million in the third quarter and first nine months of 1996, respectively, compared to the same periods in 1995. These increases were primarily due to an increase in consulting and technical support fees for projects to enhance revenue growth.

(Diamond) The Corporation's deposit insurance expense decreased $80 million in the first nine months of 1996 compared to the same period of 1995, primarily due to reductions in insurance rates charged by the FDIC beginning June 1, 1995. The $8 million increase in the third quarter of 1996 compared to the third quarter of 1995 reflects a refund received last year.

(Diamond The Corporation's other general operating expenses increased $10 million and $99 million in the third quarter and first nine months of 1996, respectively, compared to the third quarter and first nine months of 1995. Included in the year-to-date expenses are $43 million of pre-tax charges reflecting the estimated losses associated with certain customers' fraudulent commercial transactions.

TABLE 6
NONINTEREST EXPENSE
(Dollars in Millions)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED SEPTEMBER 30		CHANGE		NINE MONTHS ENDED SEPTEMBER 30		CHANGE	
	1996	1995	Amount	Percent	1996	1995	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Personnel	$ 686	$ 625	$ 61	9.8%	$2,032	$1,875	$ 157	8.4 %
Occupancy, net	135	122	13	10.7	389	366	23	6.3
Equipment	112	101	11	10.9	328	292	36	12.3
Marketing	54	49	5	10.2	188	158	30	19.0
Professional fees	62	42	20	47.6	175	122	53	43.4
Amortization of intangibles	33	29	4	13.8	91	90	1	1.1
Credit card	17	14	3	21.4	48	40	8	20.0
Deposit insurance	9	1	8	800.0	23	103	(80)	(77.7)
Data processing	57	51	6	11.8	180	174	6	3.4
Telecommunications	44	37	7	18.9	126	110	16	14.5
Postage and courier	37	34	3	8.8	111	101	10	9.9
Other general operating	107	97	10	10.3	369	270	99	36.7
General administrative and miscellaneous	47	43	4	9.3	139	120	19	15.8
	$1,400	$1,245	$ 155	12.4	$4,199	$3,821	$ 378	9.9

</TABLE>

INCOME TAXES

The Corporation's income tax expense for the third quarter and first nine months of 1996 was $331 million and $933 million, respectively, for an effective rate of 35 percent of pretax income. Tax expense in the third quarter and first nine months of 1995 was $288 million and $763 million, respectively, for an effective rate of 35 percent for both periods.

BALANCE SHEET REVIEW AND LIQUIDITY RISK MANAGEMENT

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

Average market-based funds decreased $6.5 billion in the first nine months of 1996 over the same period of 1995, and comprised a smaller portion of total sources of funds, at 33 percent for the first nine months of 1996 compared to 39 percent during the same period of 1995. Average long-term debt increased $8.8 billion in the first nine months of 1996 over 1995 levels for the comparable period and represented 10 percent of total sources of funds compared to 6 percent during the same period of 1995.

Average customer-based funds increased $10.0 billion in the first nine months of 1996 compared to the first nine months of 1995 primarily due to deposits acquired in recent acquisitions. As a percentage of total sources, average customer-based funds remained relatively constant at 46 percent in the first nine months of 1996 compared to 45 percent in the first nine months of 1995.

Average loans and leases, the Corporation's primary use of funds, increased $15.0 billion during the first nine months of 1996 compared to the same period of 1995 due to the impact of acquisitions and comprised 61 percent of total uses of funds compared to 58 percent during the same period of 1995. The ratio of average loans and leases to average customer-based funds was 131 percent in the first nine months of 1996 compared to 129 percent in the first nine months of 1995.

Cash and cash equivalents were $8.9 billion on September 30, 1996, an increase of $418 million from December 31, 1995. During the first nine months of 1996, net cash provided by operating activities was $1.4 billion, net cash provided by investing activities was $14.2 billion and net cash used in financing activities was $15.2 billion. For further information on cash flows, see the Consolidated Statement of Cash Flows in the consolidated financial statements.

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

SECURITIES

The securities portfolio on September 30, 1996 consisted of securities held for investment totaling $3.0 billion and securities available for sale totaling $13.3 billion compared to $4.4 billion and $19.4 billion, respectively, on December 31, 1995.

On September 30, 1996, the market value of the Corporation's portfolio of securities held for investment reflected net unrealized depreciation of $10 million. On December 31, 1995, the market value of securities held for investment equaled the book value of the portfolio.

The valuation reserve for securities available for sale and marketable equity securities increased shareholders' equity by $20 million on September 30, 1996, reflecting pretax depreciation of $74 million on securities available for sale and appreciation of $103 million on marketable equity securities. The valuation reserve increased shareholders' equity by $323 million on December 31, 1995. The decrease in the valuation reserve was primarily attributable to maturities and sales of securities and the general increase in interest rates when comparing September 30, 1996 to December 31, 1995.

The estimated average maturities of the securities held for investment and securities available for sale portfolios were 1.29 years and 6.38 years, respectively, on September 30, 1996 compared with 1.65 years and 2.96 years, respectively, on December 31, 1995, a reflection of mortgage-backed securities obtained primarily through securitization of residential mortgages, acquisitions and the investment activity which occurred during the first nine months of 1996.

NONPERFORMING ASSETS

As presented in TABLE 7, on September 30, 1996, nonperforming assets were $1.1 billion, or .93 percent of net loans, leases, factored accounts receivable and other real estate owned, compared to $853 million, or .73 percent, on December 31, 1995. Nonperforming loans increased to $984 million on September 30, 1996 from $706 million on December 31, 1995. Approximately half of the increase in nonperforming assets was related to acquisitions while the remainder was attributable to the continuation of a return toward more normal levels of credit quality. The allowance coverage of nonperforming loans was 236 percent on September 30, 1996 compared to 306 percent on December 31, 1995.

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

<CAPTION>

	September 30 1996	June 30 1996	March 31 1996	December 31 1995	September 30 1995
<S>	<C>	<C>	<C>	<C>	<C>
Nonperforming loans					
Commercial	$ 413	$ 388	$ 359	$ 271	$ 412
Real estate commercial	165	119	180	196	176
Real estate construction	36	15	15	16	46
Total commercial	614	522	554	483	634
Residential mortgage	203	174	138	87	81
Other consumer	135	135	136	130	126
Total consumer	338	309	274	217	207
Lease financing	32	23	13	6	7
Total nonperforming loans	984	854	841	706	848
Other real estate owned	151	138	144	147	190
Total nonperforming assets	$1,135	$ 992	$ 985	$853	$ 1,038
Nonperforming assets as a percentage of					
Total assets	.61%	.52%	.51%	.46%	.57%
Loans, leases and factored accounts receivable, net of unearned income, and other real estate owned	.93	.80	.79	.73	.90
Loans past due 90 days or more and not classified as nonperforming	$ 201	$ 153	$ 173	$174	$ 137

</TABLE>

ALLOWANCE FOR CREDIT LOSSES

The Corporation's allowance for credit losses was $2.3 billion on September 30, 1996 compared to $2.2 billion on December 31, 1995. TABLE 8 provides an analysis of the changes in the allowance for credit losses. The provision for credit losses of $145 million in the third quarter of 1996 was $45 million higher than in the third quarter of 1995, primarily as a result of loan growth and higher charge-offs in the commercial and consumer loan portfolios. Total net charge-offs increased $36 million in the current quarter to $135 million, or .44 percent of average loans, leases and factored accounts receivable, versus $99 million, or .35 percent, in the prior year's quarter. The increases were primarily concentrated in total commercial, other consumer, and credit card net charge-offs which increased $17 million, $16 million, and $6 million, respectively. The increase in credit card net charge-offs was partially due to an 18-percent growth in average credit card loans over the third quarter of 1995. Additionally, an increase in the rate of personal bankruptcies in 1996 contributed to higher net charge-offs in the other consumer and credit card portfolios. The net charge-offs of $447 million for the first nine months of 1996 represented an increase of $182 million over the same period in 1995.

Management anticipates that the credit losses experienced in the first nine months of 1996 reflect a move toward more typical loss levels than the lower charges experienced in prior periods and that losses

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Beginning balance	$ 2,292	$ 2,164	$ 2,163	$ 2,186
Loans, leases and factored accounts receivable charged off				
Commercial	(36)	(21)	(120)	(62)
Real estate commercial	(3)	(3)	(32)	(16)

Real estate construction	-	(3)	(3)	(9)
Total commercial	(39)	(27)	(155)	(87)
Residential mortgage	(3)	(2)	(9)	(6)
Credit card	(64)	(49)	(190)	(131)
Other consumer	(84)	(64)	(252)	(182)
Total consumer	(151)	(115)	(451)	(319)
Lease financing	(1)	-	(3)	-
Factored accounts receivable	(3)	(9)	(19)	(19)
Total loans, leases and factored accounts receivable charged off	(194)	(151)	(628)	(425)
Recoveries of loans, leases and factored accounts receivable previously charged off				
Commercial	16	18	52	56
Real estate commercial	4	5	10	13
Real estate construction	-	2	2	9
Total commercial	20	25	64	78
Residential mortgage	1	-	2	1
Credit card	16	7	42	19
Other consumer	20	16	66	53
Total consumer	37	23	110	73
Lease financing	1	-	1	1
Factored accounts receivable	1	4	6	8
Total recoveries of loans, leases and factored accounts receivable previously charged off	59	52	181	160
Net charge-offs	(135)	(99)	(447)	(265)
-				
Provision for credit losses	145	100	455	240
Allowance applicable to loans of purchased companies and other	17	1	148	5
Balance on September 30	$ 2,319	$ 2,166	$ 2,319	$ 2,166
Loans, leases and factored accounts receivable, net of unearned income, outstanding end of period	$ 122,078	$ 114,601	$ 122,078	$ 114,601
Allowance for credit losses as a percentage of loans, leases and factored accounts receivable, net of unearned income, outstanding end of period	1.90%	1.89%	1.90%	1.89%
Average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period	$ 122,347	$ 112,656	$ 123,824	$ 108,907
Net charge-offs as a percentage of average loans, leases and factored accounts receivable, net of unearned income, outstanding during the period	.44%	.35%	.48%	.33%
Allowance for credit losses as a percentage of nonperforming loans	235.64	255.57	235.64	255.57

</TABLE>

at these or higher levels will continue for the near future. Furthermore, future economic conditions also will impact credit quality and may result in increased net charge-offs and higher provisions for credit losses.

Table 9
Real Estate Commercial and Construction
Loans, Other Real Estate Owned and
Other Real Estate Credit Exposures
September 30, 1996
(Dollars in Millions)

<TABLE>
<CAPTION>

	Loans (1)			
	Outstanding	Nonperforming	OREO	Other Credit Exposures (2)

By Geographic Region:

<S>	<C>	<C>	<C>	<C>
Maryland, District of Columbia and Virginia	$1,742	$59	$44	$390
Florida	1,735	30	13	140
North Carolina and South Carolina	1,437	34	16	67
Other states	3,718	78	35	382
	$8,632	$201	$108	$979

By Property Type:

Apartments	$1,512	$13	$-	$309
Shopping centers/retail	1,325	12	3	193
Office buildings	1,255	25	11	17
Residential	1,205	15	9	33
Hotels	684	7	2	62
Land and land development	574	18	49	82
Industrial/warehouse	461	18	3	19
Commercial-other	262	15	10	177
Resorts/golf courses	218	-	-	-
Unsecured	161	3	-	11
Multiple use	104	5	1	6
Other	871	70	20	70
	$8,632	$201	$108	$979

</TABLE>

(1) On September 30, 1996, the Corporation had unfunded binding real estate commercial and construction loan commitments.
(2) Other credit exposures include letters of credit and loans held for sale.

CONCENTRATIONS OF CREDIT RISK

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

Total nonresidential real estate commercial and construction loans were $8.6 billion and $9.2 billion on September 30, 1996 and December 31, 1995, respectively, decreasing 70 basis points from 7.8 percent of net loans, leases and factored accounts receivable on December 31, 1995 to 7.1 percent on September 30, 1996. During the third quarters of 1996 and 1995, the Corporation recorded real estate net recoveries of $1 million. During the first nine months of 1996, the Corporation had real estate net charge-offs of $23 million, or .32 percent of average real estate loans, compared to $3 million, or .04 percent, in the first nine months of 1995. A significant portion of the 1996 net charge-offs were associated with the bulk sale of $110 million of loans in the second quarter of 1996. Nonperforming real estate commercial

and construction loans totaled $201 million and $212 million on September 30, 1996 and December 31, 1995, respectively.

The exposures included in TABLE 9 do not include credit extensions which were made on the general creditworthiness of the borrower, for which real estate was obtained as security or as an abundance of caution, and for which the ultimate repayment of the credit is not dependent on the sale, lease, rental or refinancing of the real estate. Accordingly, the exposures presented do not include commercial loans secured by owner-occupied real estate, except where the borrower is a real estate developer. In addition to the amounts presented in the table, on September 30, 1996, the Corporation had approximately $7.8 billion of commercial loans which were not real estate dependent but for which the Corporation had obtained real estate as secondary repayment security.

Table 10
Selected Industry Credit Exposures
September 30, 1996
(Dollars in Millions)

<TABLE>
<CAPTION>

Loans, Leases and Factored Accounts
Receivable, Net of Unearned Income

Other
Unfunded
Credit

	Outstanding	Nonperforming	Commitments	Exposures (1)
<S>	<C>	<C>	<C>	<C>
Communications	$4,262	$3	$4,757	$353
Health care	3,685	17	3,133	821
Leisure and sports	3,221	21	2,125	344
Textiles and apparel	2,992	50	1,422	366
Retail	2,807	48	3,018	539
Oil and gas	2,749	30	3,586	744
Machinery and equipment, excluding defense..	2,379	4	2,508	288
Food, including agribusiness	2,358	16	2,307	284
Automotive, excluding trucking	2,352	13	2,236	81
Construction	1,506	21	1,169	178
Forest products and paper	1,473	46	2,008	271
Computers and electronics	1,327	15	2,382	151
Utilities	1,156	1	3,046	248
Finance companies	963	1	5,419	85
Banks	961	1	1,533	2,384
Mortgage bankers	803	-	988	46
Brokers and dealers	283	-	1,145	690

</TABLE>

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

OTHER INDUSTRIES - TABLE 10 presents selected industry credit exposures. Commercial loans, factored accounts receivable and lease financing are included in the table. Other credit exposures as represented include loans held for sale, letters of credit, bankers' acceptances and derivatives exposures in a gain position. Commercial loan outstandings were 41 percent of net loans, leases and factored accounts receivable on September 30, 1996 and December 31, 1995, and totaled $50.1 billion and $48.0 billion on September 30, 1996 and December 31, 1995, respectively. Net charge-offs of commercial loans totaled $20 million, or .16 percent of average commercial loans, in the third quarter of 1996 compared to net charge-offs of $3 million, or .03 percent, in the third quarter of 1995. For the first nine months of 1996, the Corporation had commercial net charge-offs of $68 million, or .19 percent of average commercial loans, compared to $6 million or .02 percent for the first nine months of 1995.

CONSUMER - Consumer loan outstandings as a percentage of net loans, leases and factored accounts receivable remained relatively constant at 44.9 percent on September 30, 1996 compared to 45.2 percent on December 31, 1995 and totaled $54.8 billion and $52.8 billion on September 30, 1996 and December 31, 1995, respectively. In addition to the credit card and other consumer loans reported in the financial statements, the Corporation manages credit card and consumer receivables which have been sold.

Total average credit card receivables managed by the CARD SERVICES group were $8.4 billion in the third quarter of 1996 compared to $6.1 billion in the third quarter of 1995. Net charge-off ratios for the managed credit card portfolio were 4.67 percent and 4.36 percent for the third and second quarters of 1996, respectively, and 4.06 percent for the third quarter of 1995.

Total average managed other consumer loans were $24.6 billion for the third quarter of 1996 including the impact of the July 31, 1996 securitization of $2.1 billion of indirect auto loans. The consumer managed portfolio, which includes both on balance sheet receivables and indirect auto loan and consumer finance securitizations, experienced net charge-offs as a percentage of average managed consumer loans of 1.12 percent and .99 percent for the third and second quarters of 1996, respectively, and .83 percent for the third quarter of 1995.

In the first nine months of 1996, net charge-offs as a percentage of average managed consumer loans were 4.29 percent for credit card and 1.06 percent for other consumer loans. This compares to net charge-off ratios on a managed basis of 3.88 percent for credit card loans and .80 percent for other consumer loans for the first nine months of 1995.

See NOTE 6 to the consolidated financial statements for information regarding the distribution of loans on September 30, 1996 and December 31, 1995.

MARKET RISK

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

TABLE 11 represents the Corporation's interest rate gap position on September 30, 1996. Based on contractual maturities or repricing dates (or anticipated dates where no contractual maturity or repricing date exists), interest-sensitive assets and liabilities are placed in maturity categories. The Corporation's near-term cumulative interest rate gap position is a reflection of the strength of the customer-deposit gathering franchise which provides the Corporation with a relatively stable core deposit base. These funds have been deployed in longer-term interest earning assets, primarily loans and securities. A gap analysis is limited in its usefulness as it represents a one-day position, which is continually changing and not necessarily indicative of the Corporation's position at any other time. Additionally, the gap analysis does not consider the many factors accompanying interest rate movements.

On September 30, 1996, the interest rate risk position of the Corporation was relatively neutral as the impact of a gradual parallel 100-basis-point rise or fall in interest rates over the next 12 months was estimated to be less than 1 percent of net income when compared to stable rates.

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

Earnings at risk represents a one-day measurement of pre-tax earnings at risk from movements in market prices using the assumption that positions cannot be rehedged during the period of any prescribed price and volatility change. A 99-percent confidence level is utilized, which indicates that actual trading

profits and losses may deviate from expected levels and exceed estimates approximately one day out of every 100 days of trading activity. Earnings at risk is measured on both a gross and uncorrelated basis. The gross measure assumes that adverse market movements occur simultaneously across all segments of the trading portfolio, an unlikely assumption. On September 30, 1996, the gross estimates for aggregate interest rate, foreign exchange and equity and commodity trading activities were $53 million, $3 million and $4 million, respectively. Alternatively, using a statistical measure which is more likely to capture the effects of market movements, the estimate on September 30, 1996 for aggregate trading activities was $24 million.

Average daily CAPITAL MARKETS-related revenues in the third quarter of 1996 approximated $1 million. During the third quarter of 1996, the Corporation's CAPITAL MARKETS-related activities resulted in positive daily revenues for approximately 75 percent of total trading days. In the third quarter of 1996, the standard deviation of CAPITAL MARKETS-related revenues was $3 million. Using this data, one can conclude that the aggregate Capital Markets activities should not result in exposure of more than $6 million for any one day, assuming 99-percent confidence. Daily earnings at risk will average considerably more than this due to the assumption of no evasive actions as well as the assumption that adverse market movements occur simultaneously across all segments of the trading portfolio.

Table 11
Interest Rate Gap Analysis
September 30, 1996
(Dollars in Millions)

<TABLE>
<CAPTION>

	Interest-Sensitive					Over 12 Months and Noninterest-Sensitive	Total
	30-Day	3-Month	6-Month	12-Month	Total		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Earning assets							
Loans and leases, net of unearned income	$50,211	$11,783	$4,571	$7,917	$74,482	$46,347	$120,829
Securities held for investment	46	135	1,002	556	1,739	1,296	3,035
Securities available for sale	1,713	306	1,421	858	4,298	9,036	13,334
Loans held for sale	1,135	-	-	-	1,135	-	1,135
Time deposits placed and other short-term investments	1,061	464	24	4	1,553	-	1,553
Trading account securities	15,679	-	-	-	15,679	-	15,679
Federal funds sold and securities purchased under agreements to resell	7,689	-	-	-	7,689	-	7,689

Total	77,534	12,688	7,018	9,335	106,575	56,679	163,254
Interest-bearing liabilities							
Savings	8,757	-	-	-	8,757	-	8,757
NOW and money market deposit accounts	30,520	-	-	-	30,520	-	30,520
Consumer CDs and IRAs	4,377	4,707	6,172	6,718	21,974	8,794	30,768
Negotiated CDs, public funds and other time deposits	969	786	511	424	2,690	320	3,010
Foreign time deposits	6,754	1,841	355	137	9,087	-	9,087
Borrowed funds	23,242	1,458	953	350	26,003	-	26,003
Short sales	9,316	-	-	-	9,316	-	9,316
Long-term debt	4,493	6,889	276	331	11,989	10,045	22,034
Total	88,428	15,681	8,267	7,960	120,336	19,159	139,495
Noninterest-bearing, net	-	-	-	-	-	23,759	23,759
Total	88,428	15,681	8,267	7,960	120,336	42,918	$163,254
Interest rate gap	(10,894)	(2,993)	(1,249)	1,375	(13,761)	13,761	
Effect of asset and liability management interest rate swaps, futures and other off-balance sheet items	(11,427)	(14,740)	(391)	1,768	(24,790)	24,790	
Adjusted interest rate gap	$(22,321)	$(17,733)	$(1,640)	$3,143	$(38,551)	$38,551	
Cumulative adjusted interest rate gap	$(22,321)	$(40,054)	$(41,694)	$(38,551)			

</TABLE>

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

	Generic		Index Amortizing	CMO		Total			Total Interest Rate Swaps
	Receive Fixed	Pay Fixed	Receive Fixed	Receive Fixed	Pay Fixed	Receive Fixed	Pay Fixed	Basis	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance on December 31, 1995	$5,963	$9,908	$5,911	$1,964	$75	$13,838	$9,983	$486	$24,307
Additions	20,410	478	295	961	-	21,666	478	860	23,004
Maturities/Other	(3,733)	(8,928)	(2,538)	(706)	(15)	(6,977)	(8,943)	(100)	(16,020)
Balance on September 30, 1996	$22,640	$1,458	$3,668	$2,219	$60	$28,527	$1,518	$1,246	$31,291

</TABLE>

OFF BALANCE SHEET

DERIVATIVES - ASSET AND LIABILITY MANAGEMENT POSITIONS

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

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

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

As presented in the footnotes to TABLE 3, net interest receipts and payments on these contracts have been included in interest income and expense on the underlying instruments. On September 30, 1996, there were no realized deferred gains or losses associated with terminated ALM contracts.

TABLE 12 summarizes the notional amount and the activity of ALM interest rate swap contracts for the nine months ended September 30, 1996. As reflected in the table, the gross notional amount of the Corporation's ALM swap program on September 30, 1996 was $31.3 billion. Excluding basis swaps, the Corporation was receiving fixed on $28.5 billion, primarily converting variable-rate commercial loans to fixed-rate, and receiving variable on $1.5 billion, fixing the cost of certain variable-rate liabilities, primarily market-based funds. On September 30, 1996, the net receive fixed position was $27.0 billion, representing an increase from the net receive fixed position of $3.9 billion on December 31, 1995. The net receive fixed position of ALM interest rate swap contracts was increased from December 31, 1995 to modify the interest rate characteristics of certain variable rate assets, in order to maintain the Corporation's relatively neutral posture to changes in interest rates after the sale and securitization of fixed rate assets during 1996.

The gross notional amount of option products, primarily caps and floors, on September 30, 1996 was $4.9 billion. Such instruments primarily relate to term debt, consumer loans and securities available for sale. On September 30, 1996, the net unrealized appreciation of option products was $1.4 million.

TABLE 13 summarizes the maturities, average pay and receive rates and the market value on September 30, 1996 of the Corporation's ALM contracts. Floating rates represent the last repricing and will change in the future based on movements in one-, three- and six-month LIBOR rates. Maturities for CMO and amortizing swaps are based on interest rates implied by the forward yield curve on September 30, 1996 and may differ from actual maturities depending on future interest rate movements and resultant prepayment patterns.

Table 13
Asset and Liability Management Interest Rate Swaps
September 30, 1996
(Dollars in Millions, Average Maturity in Years)

<TABLE>
<CAPTION>

			Expected Maturity						
	Market Value	Total	1996	1997	1998	1999	2000	After 2000	Average Expected Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Asset Conversion Swaps									
Receive fixed generic	$ (33)								3.41
Notional amount		$19,610	-	$ 500	$ 2,000	$ 5,850	$ 7,060	$ 4,200	
Weighted average receive rate		6.42%	-	4.59%	5.89%	6.44%	6.48%	6.76%	
Weighted average pay rate		5.60							
Receive fixed amortizing	(35)								.94
Notional amount		$ 3,668	$ 593	$ 2,103	$ 834	$ 12	$ 126	-	

Weighted average receive rate		5.07%	5.04%	4.93%	5.12%	6.98%	6.98%	-	
Weighted average pay rate		5.62							
Receive fixed CMO	(27)								2.03
Notional amount		$ 2,219	$ 157	$ 433	$ 481	$ 1,148	-	-	
Weighted average receive rate		5.64%	5.34%	5.13%	5.09%	6.11%	-	-	
Weighted average pay rate		5.47							
Pay fixed generic	(11)								2.93
Notional amount		$ 416	$ 9	$ 15	$ 7	$ 374	$ 1	$ 10	
Weighted average pay rate		7.60%	7.71%	7.75%	7.92%	7.52%	9.78%	9.54%	
Weighted average receive rate		5.53							
Total asset conversion swaps	$ (106)								
Notional amount		$25,913	$ 759	$ 3,051	$3,322	$7,384	$ 7,187	$ 4,210	
Liability Conversion Swaps									
Receive fixed generic	$ (54)								5.70
Notional amount		$ 3,030	-	$ 658	$ 31	$ 34	$ 312	$ 1,995	
Weighted average receive rate		6.86%	-	6.94%	6.35%	9.80%	6.79%	6.81%	
Weighted average pay rate		5.76							
Pay fixed generic	(17)								.63
Notional amount		$ 1,042	$ 17	$ 925	$ 100	-	-	-	
Weighted average pay rate		8.26%	8.51%	8.14%	9.31%	-	-	-	
Weighted average receive rate		5.75							
Pay fixed CMO	1								1.18
Notional amount		$ 60	$ 5	$ 16	$ 39	-	-	-	
Weighted average pay rate		4.44%	4.44%	4.44%	4.44%	-	-	-	
Weighted average receive rate		5.47							
Total liability conversion swaps	$ (70)								
Notional amount		$ 4,132	$ 22	$1,599	$ 170	$ 34	$ 312	$ 1,995	
Total receive fixed swaps	$ (149)								3.23
Notional amount		$28,527	$ 750	$3,694	$ 3,346	$7,044	$ 7,498	$ 6,195	
Weighted average receive rate		6.23%	5.10%	5.26%	5.58%	6.40%	6.50%	6.78%	
Weighted average pay rate		5.61							
Total pay fixed swaps	(27)								1.28
Notional amount		$ 1,518	$ 31	$ 956	$ 146	$ 374	$ 1	$ 10	
Weighted average pay rate		7.93%	7.62%	8.07%	7.94%	7.52%	9.78%	9.54%	
Weighted average receive rate		5.68							
Basis Swaps	-								1.58
Notional amount		$ 1,246	$ -	$ 371	$ 700	$ 150	-	$ 25	
Weighted average receive rate		5.45%							
Weighted average pay rate		5.60							
Total Swaps	$ (176)								
Notional amount		$31,291	$ 781	$5,021	$ 4,192	$7,568	$7,499	$ 6,230	

</TABLE>

On September 30, 1996, in addition to the above interest rate swaps, the Corporation had approximately $1.3 billion notional of receive fixed generic interest rate swaps associated primarily with a credit card securitization. On September 30, 1996, these positions had an unrealized market value of negative $28 million, a weighted average receive rate of 5.25 percent, a pay rate of 5.81 percent and an average maturity of 3.01 years.

The net unrealized depreciation of the ALM swap portfolio on September 30, 1996 was $176 million compared to $75 million on December 31, 1995, reflecting an increase in interest rates when comparing September 30, 1996 to December 31, 1995. The unrealized depreciation in the estimated value of the ALM interest rate swap portfolio should be viewed in the context of the overall balance sheet. The value of any single component of the balance sheet or off-balance sheet positions should not be viewed in isolation.

DERIVATIVES - DEALER POSITIONS

Credit risk associated with derivative positions is measured as the net replacement cost the Corporation could incur should counterparties with contracts in a gain position completely fail to perform under the terms of those contracts and any collateral underlying the contracts proves to be of no value to the Corporation. In managing derivative credit risk, the Corporation considers both the current exposure, which is the replacement cost of contracts on the measurement date, as well as an estimate of the potential change in value of contracts over their remaining lives.

Table 14
Derivatives - Dealer Positions
(Dollars in Millions)

<TABLE>
<CAPTION>

	September 30 1996		December 31 1995	
	Contract/ Notional	Credit Risk Amount (1)	Contract/ Notional	Credit Risk Amount (1)
<S>	<C>	<C>	<C>	<C>
Interest Rate Contracts				
Swaps	$211,053	$1,068	$123,946	$989
Futures and forwards	158,912	475	193,774	37
Written options	317,118	-	233,976	-
Purchased options	288,263	771	236,317	1,310
Foreign Exchange Contracts				
Swaps	1,461	38	1,196	21
Spot, futures and forwards	127,968	884	70,199	532
Written options	72,855	-	42,227	-
Purchased options	72,486	327	44,273	350
Commodity and Other Contracts				
Swaps	775	58	757	141
Futures and forwards	2,706	-	3,231	3
Written options	13,580	-	15,476	-
Purchased options	13,433	496	16,344	600
Total before cross product netting				
Cross product netting		4,117		3,983
Net replacement cost				
		94		183
		$4,023		$3,800

</TABLE>

(1) Represents the net replacement cost the Corporation could incur should counterparties with contracts in a gain position to the Corporation completely fail to perform under the terms of those contracts. Amounts include accrued interest.

TABLE 14 presents the notional or contract amounts on September 30, 1996 and December 31, 1995 and the current credit risk amounts (the net replacement cost of contracts in a gain position on September 30, 1996 and December 31, 1995) of the Corporation's derivatives-dealer positions which are primarily executed in the over-the-counter market. The notional or contract amounts indicate the total volume of transactions and significantly exceed the amount of the Corporation's credit or market risk associated with these instruments. The credit risk amounts presented in TABLE 14 do not consider the value of any collateral, but generally take into consideration the effects of legally enforceable master netting agreements. On September 30, 1996, the credit risk associated with the Corporation's asset and liability management positions was not significant.

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

A portion of the Corporation's derivatives-dealer activity involves exchange-traded instruments. Because exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements, the credit risk to the Corporation is minimal. Of the $4.0 billion current credit risk amount reported in TABLE 14, $651 million relates to exchange-traded instruments. This compares to a total credit risk amount of $3.8 billion on December 31, 1995, which included $791 million related to exchange-traded instruments.

During the first nine months of 1996, there were no credit losses associated with derivative transactions. In addition, on September 30, 1996, there were no nonperforming derivative positions.

CAPITAL

Shareholders' equity totaled $13.3 billion on September 30, 1996 compared to $12.8 billion on December 31, 1995. Net earnings retention of $1.2 billion coupled with the acquisition of Bank South, which resulted in the issuance of 26.3 million shares of common stock and an increase of $685 million in shareholders' equity, were the primary reasons for the increase. The increase was partially offset by the net depreciation of $306 million in the market value of securities available for sale and marketable equity securities and repurchase of 15.4 million shares of common stock for approximately $1.3 billion during the first nine months of 1996. Such repurchases were authorized in July 1996 by the Board of Directors for up to 20 million shares of common stock over a 36-month period.

Presented below are the Corporation's regulatory capital ratios on September 30, 1996 and December 31, 1995:

	September 30 1996	December 31 1995
Risk-Based Capital Ratios		
Tier 1 Capital	7.05 %	7.24 %
Total Capital	12.05	11.58
Leverage Capital Ratio	6.30	6.27

The Corporation's regulatory capital ratios on September 30, 1996 compare favorably with the regulatory minimums of 4 percent for Tier 1, 8 percent for total risk-based capital and the leverage guidelines of 100 to 200 basis points above the minimum ratio of 3 percent.

Table 15
Selected Quarterly Operating Results
(Dollars in Millions Except Per-Share Information)
<TABLE>
<CAPTION>

	1996 Quarters		
	First	Second	Third
<S>	<C>	<C>	<C>
Income Statement			
Income from earning assets	$ 3,573	$ 3,442	$ 3,423
Interest expense	2,016	1,855	1,828
Net interest income (taxable-equivalent)	1,584	1,611	1,616
Net interest income	1,557	1,587	1,595
Provision for credit losses	155	155	145
Gains (losses) on sales of securities	14	(6)	26
Noninterest income	885	917	886
Other real estate owned expense	--	7	6
Merger-related charge	118	--	--
Other noninterest expense	1,394	1,405	1,400
Income before income taxes	789	931	956
Income tax expense	276	326	331
Net income	513	605	625
Net income applicable to common shareholders	509	601	622
Net income (excluding merger-related charge)	590	605	625
Average common shares issued (in thousands)	300,279	300,462	292,633
Per common share			
Earnings	$ 1.70	$ 2.00	$ 2.12
Earnings (excluding merger-related charge)	1.95	2.00	2.12
Cash dividends paid	.58	.58	.58
Common shareholders' equity (period-end)	44.92	46.18	45.77
Balance sheet (period-end)			
Total assets	194,375	192,308	187,671
Total loans, leases and factored accounts receivable, net of unearned income	124,344	123,705	122,078
Total deposits	109,622	108,124	108,132
Long-term debt	18,659	20,527	22,034
Common shareholders' equity	13,444	13,905	13,186
Total shareholders' equity	13,557	14,025	13,304
Performance ratios			
Return on average assets	.99%	1.20%	1.26%
Return on average assets (excluding merger-related charge)	1.14	1.20	1.26

Return on average common shareholders' equity (1)	15.71	18.00	19.00
Return on average common shareholders' equity (excluding merger-related charge) (1)	18.07	18.00	19.00
Risk-based capital ratios			
Tier 1	7.35	7.58	7.05
Total	11.71	11.93	12.05
Leverage capital ratio	6.19	6.64	6.30
Total equity to total assets	6.97	7.29	7.09
Market price per share of common stock			
Close at the end of the period	$80 1/8	$ 82 5/8	$ 86 7/8
High for the period	81 3/8	84 5/8	94 1/8
Low for the period	64 3/8	74 3/4	76 3/8

</TABLE>

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

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit 11 - Earnings Per Common Share Computation

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

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

Exhibit 27 - Financial Data Schedule

b. Reports on Form 8-K

The following reports on Form 8-K were filed by the Corporation during the quarter ended September 30, 1996:

Current Report on Form 8-K dated July 3, 1996, and filed July 5, 1996, Items 5 & 7.

Current Report on Form 8-K dated July 15, 1996, and filed July 31, 1996, Items 5 & 7.

Current Report on Form 8-K, dated August 29, 1996, and filed September 6, 1996, as amended by a Form 8-K/A-1 filed on September 11, 1996, Items 5 & 7. The following financial statements of the business to be acquired (Boatmen's) were filed as part of this Current Report on Form 8-K, as amended: Consolidated Balance Sheets as of June 30, 1996 (unaudited) and December 31, 1995 and 1994; Consolidated Statements of Income for the six months ended June 30, 1996 and 1995 (unaudited) and for the years ended December 31, 1995 and 1994; Consolidated Statements of Changes in Shareholders' Equity for the six months ended June 30, 1996 and 1995 (unaudited) and for the years ended December 31, 1995 and 1994; and Consolidated Statements of Cash Flows for the six months ended June 30, 1996 and 1995 (unaudited) and for the years ended December 31, 1995 and 1994. In addition, the registrant filed the following unaudited pro forma financial information as part of this Current Report on Form 8-K, as amended: Pro Forma Condensed Balance Sheet as of June 30, 1996; Pro Forma Condensed Statement of Income for the six months ended June 30, 1996; and Pro Forma Condensed Statement of Income for the year ended December 31, 1995.

Current Report on Form 8-K, dated September 18, 1996, and filed September 20, 1996, as amended by a Form 8-K/A-1 filed on September 23, 1996, Items 5 & 7.

Signature

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

NationsBank Corporation

Registrant

Date: November 13, 1996 /s/ Marc D. Oken

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

NationsBank Corporation
Form 10-Q
Index to Exhibits

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

EXHIBIT 11

FULLY DILUTED EARNINGS PER COMMON SHARE AND FULLY DILUTED AVERAGE COMMON SHARES OUTSTANDING

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

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

NationsBank Corporation
Exhibit 11
September 30, 1996

<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Average common shares outstanding	292,633	270,306	297,772	272,790
Dilutive effect of				
Convertible preferred stock	1,998	2,310	1,998	2,310
Stock options	3,436	2,378	3,307	2,405
Total fully dilutive shares	298,067	274,994	303,077	277,505
Income available to common shareholders	$622	$528	$1,732	$1,434
Preferred dividends paid on dilutive convertible preferred stock	1	2	5	6
Total net income available for common shareholders adjusted for full dilution	$623	$530	$1,737	$1,440
Fully diluted earnings per share	$2.09	$1.93	$5.73	$5.19

</TABLE>

NationsBank Corporation and Subsidiaries Exhibit 12(b)

Ratio of Earnings to Fixed Charges and Preferred Dividends

(Dollars in Millions)

<TABLE>

<CAPTION>

	Nine Months Ended September 30, 1996	Year Ended December 31 1995	1994	1993	1992	1991
Excluding Interest on Deposits						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Income before taxes	$ 2,676	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(12)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	3,156	4,480	2,896	1,421	916	1,291
Amortization of debt discount and appropriate issuance costs	15	12	8	6	3	2
1/3 of net rent expense	94	125	114	96	91	82
Total fixed charges	3,265	4,617	3,018	1,523	1,010	1,375
Preferred dividend requirements	17	13	15	16	29	31
Earnings (excluding capitalized interest)	$ 5,929	$ 7,601	$ 5,570	$ 3,509	$ 2,398	$ 1,471
Fixed charges	$ 3,282	$ 4,630	$ 3,033	$ 1,539	$ 1,039	$ 1,406
Ratio of Earnings to Fixed Charges	1.81	1.64	1.84	2.28	2.31	1.05
Including Interest on Deposits						
Income before taxes	$ 2,676	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(12)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	5,684	7,761	5,310	3,570	3,688	5,611
Amortization of debt discount and appropriate issuance costs	15	12	8	6	3	2
1/3 of net rent expense	94	125	114	96	91	82
Total fixed charges	5,793	7,898	5,432	3,672	3,782	5,695
Preferred dividend requirements	17	13	15	16		

					29	31
Earnings (excluding capitalized interest)	$ 8,457	$ 10,882	$ 7,984	$ 5,658	$ 5,170	$ 5,791
Fixed charges	$ 5,810	$ 7,911	$ 5,447	$ 3,688	$ 3,811	$ 5,726
Ratio of Earnings to Fixed Charges	1.46	1.38	1.47	1.53	1.36	1.01

</TABLE>

NationsBank Corporation and Subsidiaries Exhibit 12(b)
Ratio of Earnings to Fixed Charges and Preferred Dividends
(Dollars in Millions)
<TABLE>
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	Nine Months Ended September 30, 1996	Year Ended December 31 1995	1994	1993	1992	1991
Excluding Interest on Deposits						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Income before taxes	$ 2,676	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(12)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	3,156	4,480	2,896	1,421	916	1,291
Amortization of debt discount and appropriate issuance costs	15	12	8	6	3	2
1/3 of net rent expense	94	125	114	96	91	82
Total fixed charges	3,265	4,617	3,018	1,523	1,010	1,375
Preferred dividend requirements	17	13	15	16	29	31
Earnings (excluding capitalized interest)	$ 5,929	$ 7,601	$ 5,570	$ 3,509	$ 2,398	$ 1,471
Fixed charges	$ 3,282	$ 4,630	$ 3,033	$ 1,539	$ 1,039	$ 1,406
Ratio of Earnings to Fixed Charges	1.81	1.64	1.84	2.28	2.31	1.05
Including Interest on Deposits						
Income before taxes	$ 2,676	$ 2,991	$ 2,555	$ 1,991	$ 1,396	$ 109
Equity in undistributed earnings of unconsolidated subsidiaries	(12)	(7)	(3)	(5)	(1)	(1)
Fixed charges:						
Interest expense (including capitalized interest)	5,684	7,761	5,310	3,570	3,688	5,611
Amortization of debt discount and appropriate issuance costs	15	12	8	6	3	2
1/3 of net rent expense	94	125	114	96	91	82
Total fixed charges	5,793	7,898	5,432	3,672	3,782	5,695
Preferred dividend requirements	17	13	15	16		

					29	31
Earnings (excluding capitalized interest)	$ 8,457	$ 10,882	$ 7,984	$ 5,658	$ 5,170	$ 5,791
Fixed charges	$ 5,810	$ 7,911	$ 5,447	$ 3,688	$ 3,811	$ 5,726
Ratio of Earnings to Fixed Charges	1.46	1.38	1.47	1.53	1.36	1.01

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<ARTICLE> 9
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The schedule contains summary information extracted from the September
30, 1996 Form 10-Q for NationsBank Corporation and is qualified in
its entirety by reference to such financial statements.
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<F1>(1) Allowance-Domestic, Allowance-Foreign and Allowance-Unallocated
are only disclosed on an annual basis in the Corporation's 10-K and are
therefore not included in this Financial Data Schedule.
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