SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1994

OR

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or the transaction period from ---------------------- to ----------------------

PNC BANK CORP.
(Exact name of registrant as specified in its charter)

PENNSYLVANIA	25-1435979
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

ONE PNC PLAZA
FIFTH AVENUE AND WOOD STREET
PITTSBURGH, PENNSYLVANIA 15265
(Address of principal executive offices)
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE - (412) 762-3900

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

<TABLE>
<CAPTION>

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $5.00	New York Stock Exchange
$1.60 Cumulative Convertible Preferred Stock - Series C, par value $1.00	New York Stock Exchange
$1.80 Cumulative Convertible Preferred Stock - Series D, par value $1.00	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT
$1.80 Cumulative Convertible Preferred Stock - Series A, par value $1.00
$1.80 Cumulative Convertible Preferred Stock - Series B, par value $1.00
8.25 % Convertible Subordinated Debentures Due 2008

</TABLE>

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 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 ---

INDICATE BY CHECK MARK IF THE DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K. [ ]

THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT AMOUNTED TO APPROXIMATELY $5,468,988,835 AT FEBRUARY 28, 1995.

NUMBER OF SHARES OF REGISTRANT'S COMMON STOCK OUTSTANDING AT February 28, 1995: 230,452,514

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF PNC BANK CORP.'S ANNUAL REPORT TO SHAREHOLDERS FOR THE YEAR ENDED DECEMBER 31, 1994 ("ANNUAL REPORT TO SHAREHOLDERS") ARE INCORPORATED BY REFERENCE INTO PARTS I AND II AND PORTIONS OF THE DEFINITIVE PROXY STATEMENT OF PNC BANK CORP. FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 25, 1995 ("PROXY STATEMENT") ARE INCORPORATED BY REFERENCE INTO PART III OF THIS FORM 10-K. THE INCORPORATION BY REFERENCE HEREIN OF PORTIONS OF THE PROXY STATEMENT SHALL NOT BE DEEMED TO SPECIFICALLY INCORPORATE BY REFERENCE THE INFORMATION REFERRED TO IN ITEM 402(a)(8) OF REGULATION S-K.

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* Not Applicable.
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PART I

ITEM 1 - BUSINESS

BUSINESS OVERVIEW

INTRODUCTION

PNC Bank Corp. ("PNC Bank" or "Corporation"), is a bank holding company registered under the Bank Holding Company Act of 1956, as amended ("BHC Act"). PNC Bank was incorporated under Pennsylvania law in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC Bank has diversified its geographical presence and product capabilities through strategic acquisitions and the formation of various non-banking subsidiaries. At December 31, 1994, the Corporation operated 10 banking subsidiaries in Pennsylvania, Delaware, Indiana, Kentucky, Massachusetts, New Jersey, and Ohio ("primary markets"), and over 80 non-banking subsidiaries. The Corporation's total assets and total shareholders' equity were $64.1 billion and $4.4 billion, respectively. Based on year-end 1994 assets, PNC Bank was the 12th largest bank holding company in the United States. During 1994, the Corporation and subsidiaries employed approximately 21,000 people on a full-time equivalent basis.

ACQUISITIONS

On November 30, 1993, the Corporation completed the acquisition of PNC Mortgage (formerly Sears Mortgage Banking Group). With this acquisition, the Corporation added mortgage-related assets of $7.6 billion; a mortgage servicing portfolio approximating $27 billion, including $21 billion serviced for others; and a national residential mortgage origination network. In 1994, the Corporation purchased a $10 billion residential mortgage servicing portfolio from the Associates Corporation of North America.

During 1994, the Corporation completed the acquisitions of United Federal Bancorp, Inc., State College, Pennsylvania and First Eastern Corp., Wilkes-Barre, Pennsylvania. The combined assets and deposits totaled $2.8 billion and $2.4 billion, respectively, and are now part of PNC Bank, National Association.

On January 13, 1995, the Corporation acquired Indian River Federal Savings Bank ("Indian River"), Vero Beach, Florida, for approximately $12 million in cash. Indian River had assets of $79 million and deposits of $62 million at December 31, 1994. In connection with the acquisition, Indian River was merged with PNC Trust

Company of Florida, National Association and renamed PNC Bank, FSB. Through this subsidiary, the Corporation offers private banking services to customers throughout Florida.

On February 28, 1995, the Corporation completed the acquisition of BlackRock Financial Management L.P. and related partnerships ("BlackRock") for approximately $240 million in cash and notes. BlackRock, with approximately $24.3 billion of managed assets, provides fixed-income asset management services. BlackRock now operates as a subsidiary of PNC Asset Management Group, Inc. ("Asset Management Group"), a newly-formed subsidiary of PNC Bank, National Association, that holds the Corporation's investment management companies.

On March 3, 1995, the Corporation completed the acquisition of Brentwood Financial Corporation ("Brentwood"), Cincinnati, Ohio, for approximately $20.9 million in cash. The acquisition added assets and deposits of approximately $96 million and $78 million, respectively. The assets and deposits acquired are now part of PNC Bank, Ohio, National Association.

On March 7, 1995, the Corporation entered into a definitive agreement with Chemical Banking Corp. ("Chemical") to acquire Chemical Bank New Jersey. The total purchase price will approximate $504 million, subject to closing adjustments in accordance with the terms of the agreement. The Chemical Bank New Jersey franchise being acquired consists of a network of 84 branches, located in 15 counties throughout central and southern New Jersey, adjacent to the Corporation's existing operations in eastern Pennsylvania and Delaware. Chemical will retain its northern New Jersey banking operations, focused on the New York metropolitan region. The transaction includes assets approximating $3.3 billion and retail core deposits of approximately $2.9 billion. The Corporation is not acquiring any nonperforming assets. The Corporation expects the transaction to close prior to year-end 1995, subject to regulatory approvals.

BUSINESS STRATEGIES

In 1994, the Corporation was faced with interest rates that rose higher and faster than anticipated. Consequently, the Corporation focused on reducing interest rate sensitivity and realigning the balance sheet consistent with its operating strategies. During the second half of 1994, the Corporation sold $4.5 billion of fixed-rate securities, entered into $5.0 billion notional value of pay-fixed interest rate swaps; and purchased $5.5 billion notional value of interest rate caps. As a result, the Corporation substantially reduced its liability sensitivity at one year and mitigated the impact of significantly higher interest rates on net interest income. As part of the balance sheet realignment, the Corporation intends to reduce further its securities portfolio. In addition, in connection with this downsizing, in January 1995 the Corporation's board of directors authorized the purchase of up to 24 million common shares over a two-year period.

The financial services industry is currently being challenged by potential deregulation, excess capital, overcapacity and increased competition. Loan pricing and credit standards are under competitive pressure as lenders seek to employ capital and nonbank competitors make capital markets more accessible to a broader range of borrowers. Traditional deposit activities are subject to pricing pressures and customer migration as the competition for consumer investment dollars intensifies among banks and other financial services companies. Mortgage banking is being challenged as providers of residential mortgages and mortgage services attempt to maintain origination and servicing volumes in an environment characterized by significantly reduced business volumes. These factors have the potential to adversely affect the Corporation's financial results for 1995.

The Corporation's business strategies in this environment are based on a commitment to be an exceptional marketing company with a focus on customer satisfaction. The Corporation has begun to realign its line of business structure with various customer segments, as it believes this will provide greater opportunities for growth and business development. The Corporation intends to continue to focus marketing efforts on customer segments. As part of the marketing focus, employee training will emphasize identifying and meeting customers' need and taking advantage of permissible cross-selling opportunities. Also, because of changes in consumer preferences, the Corporation intends to continue to make investments in alternative delivery systems, such as telebanking, and to continue to consolidate approximately 30 percent of its retail branches over the next few years. Along with these operating strategies, the Corporation will further evaluate its existing businesses and markets and their

respective rates of return, and continue to consider and evaluate opportunities to diversify and complement its business mix, as it did when it acquired BlackRock.

LINES OF BUSINESS

PNC Bank delivers a broad range of financial services and products to its customers through four distinct lines of business: Corporate Banking, Retail Banking, Investment Management and Trust, and Investment Banking. For the most part, these products and services are distributed through PNC Bank's retail banking office network or wholesale banking offices located in certain major metropolitan areas located in the United States. PNC Bank also originates residential mortgages through 100 offices in 30 states. Additional information relating to the lines of business is set forth under the caption entitled "Line of Business Results" in the "Corporate Financial Review" included on pages 26-31 of the Annual Report to Shareholders, which is incorporated herein by reference.

CORPORATE BANKING Corporate Banking provides traditional financing, liquidity and treasury management, capital markets, and other financial services to business and government entities. Corporate Banking's focus is on serving customers by developing and delivering specific products and services to meet their needs. This line of business has established one of the largest market shares among middle-market companies in most of the Corporation's primary markets. In addition, Corporate Banking maintains banking relationships with many of the largest companies in the United States and is a major provider of treasury management products and services to large corporate customers. Corporate Banking also provides its customers with access to the capital markets through an array of financing alternatives including securitization activities.

RETAIL BANKING Retail Banking provides lending, deposit, investment, payment system access, and other financial services to consumers and small businesses. Such services are primarily provided through PNC Bank's 604 banking offices located in the Corporation's primary markets. The principal focus of Retail Banking is on providing products and services sought by its customers in a cost-effective manner. The Corporation's unified operating systems have been designed to enable Retail Banking to provide common products and services in a low-cost manner. Alternative delivery systems, such as the Corporation's consolidated telebanking center in Pittsburgh, are expected to allow the Corporation to provide products and services more efficiently than traditional banking delivery systems. Retail Banking serves approximately 2.5 million households and more than 75,000 small businesses, with a loan portfolio exceeding $20 billion and more than $27 billion in deposits. At December 31, 1994, PNC Mortgage was the nation's 12 largest mortgage banking company, based on its mortgage servicing portfolio of approximately $41 billion, including $30 billion serviced for others. Retail Banking is currently

reorganizing its delivery channels around customer segments, including development of a "Private Bank" to serve affluent customers, a "Branch Bank" to serve small-business and traditional customers and a "Direct Bank" under which the Corporation will provide products and services to customers in its primary markets and nationwide through alternative delivery systems.

INVESTMENT MANAGEMENT AND TRUST Investment Management and Trust provides investment advice, asset management, and administrative and custodial services to individuals, institutions and mutual funds. Additionally, economic and investment research services are sold to more than 245 other financial institutions. At December 31, 1994, the Corporation was among the largest United States bank trustees for individuals and was the ninth-largest United States bank investment manager and 32nd-largest among all investment managers in the country. The Corporation provided services to more than 400 mutual fund companies ranking it among the largest providers of such services. In addition, the Corporation was the second largest bank manager of mutual funds. The acquisition of BlackRock, completed February 28, 1995, added $24.3 billion of assets under management. As part of the Corporation's customer segment alignment, Investment Management and Trust's personal trust organization will become part of the Private Bank, and its corporate trust and employee benefits sales and servicing will become part of Corporate Banking. The Corporation's investment management and asset servicing functions will be part of the new Asset Management Group.

INVESTMENT BANKING Investment Banking includes the Asset/Liability Management function of PNC Bank as well as underwriting, brokerage, direct investment and liquidity management services. PNC Brokerage Corp. services Retail Banking customers throughout the branch

system with more than 200 licensed brokers. Through PNC Brokerage Corp, Investment Banking offers a broad range of financial products including FDIC-insured money market accounts and certificates of deposits and non-FDIC insured stocks, bonds and mutual funds. In addition, certain securities underwriting services are provided by PNC Securities Corp, which ranks as one of the largest bank underwriters of revenue bonds for the health care industry and colleges and universities. Private equity placements for middle market and smaller companies to finance growth or ownership transition are provided by PNC Equity Management Corp and related companies. As part of the Corporation's customer segment alignment, PNC Brokerage Corp will become part of the Private Bank. Public and corporate finance and liquidity management will be aligned with Corporate Banking.

SUBSIDIARY BANKS

Information as of December 31, 1994 for certain of the Corporation's banks is set forth below.

<TABLE>
<CAPTION>

Dollars in billions SUBSIDIARY BANK/HEADQUARTERS	TOTAL ASSETS	APPROXIMATE PERCENTAGE OF TOTAL ASSETS	TOTAL DEPOSITS	APPROXIMATE PERCENTAGE OF TOTAL DEPOSITS
<S>	<C>	<C>	<C>	<C>
PNC Bank, National Association, Pittsburgh, PA	$44.6	70%	$24.7	71%
PNC Bank, Kentucky, Inc., Louisville, KY	5.8	9	3.4	10
PNC Bank, Ohio, National Association, Cincinnati, OH	4.4	7	2.7	8
PNC Mortgage Bank, National Association, Pittsburgh, PA	3.1	5	2.2	6
PNC Bank, Delaware, Wilmington, DE	2.9	5	1.7	5
PNC Bank, New England, Boston, MA	1.0	2	.5	1

</TABLE>

STATISTICAL DISCLOSURES BY BANK HOLDING COMPANIES

The "Statistical Information" contained on pages 67-77 of the Annual Report to Shareholders is incorporated herein by reference.

RISK MANAGEMENT

In the normal course of business, the Corporation is subject to various risks. Two of the most significant are interest rate risk and credit risk. Although it cannot eliminate these risks, the Corporation has risk management processes designed to provide for risk identification, measurement, monitoring and control. In addition to the discussion provided below, information related to the Corporation's risk management activities is set forth under the section entitled "Risk Management" in the "Corporate Financial Review" included on pages 37 - 42 of the Annual Report to Shareholders, which is incorporated herein by reference.

INTEREST RATE RISK Interest rate risk is the sensitivity of net interest income and the market value of financial instruments to the timing, magnitude and frequency of changes in interest rates. Interest rate risk results from various repricing frequencies and the maturity structure of assets, liabilities, and off-balance-sheet positions. Interest rate risk also results from, among other factors, changes in the relationship or spread between interest rates. Asset/liability management uses a variety of investments, funding sources and off-balance-sheet instruments in managing the overall interest rate risk profile of the Corporation. A number of tools are used to measure interest rate risk including income simulation modeling and interest sensitivity ("gap") analyses.

A dynamic income simulation model is the primary mechanism used by management to measure interest rate risk. The primary purpose of the simulation model is to assess the direction and magnitude of the impact of most likely (a "base case" which management believes is reasonably likely to occur) and higher and lower ("alternative") interest rate scenarios on net interest

income.

The results of the simulation model are highly dependent on numerous assumptions.These assumptioins generally fall into two categories: those relating to the interest rate environment and those relating to general business and economic factors. Assumptions related to the interst rate environment include the level of various interest rates, the shape of the yield curve, and the relationship among these factors as rates change. Also included are other rate-related factors,

such as prepayment speed on mortgage-related assets and the cash flows and maturities of financial instruments including index amortizing interest rate swaps. Assumptions related to general business and economic factors include changes in market conditions, loan pricing, deposit sensitivity, customer preferences, competition, and management's financial and and capital plans. The assumptions are developed based on current business and asset/liability management strategies, historical experience, the current economic environment, forecasted economic conditions and other analyses. These assumptions are subject to change as time passes. Accordingly, they are updated on at least a quarterly basis. Because of these and other factors, including those described in "Business Strategies" above, the results of the model, as discussed in the section entitled "Asset/Liability Managment" of the "Corporate Financial Review" at page 38 of the Annual Report to Shareholders, will not necessarily provide a precise estimate of net interest income or the impact of higher or lower interest rates.

Using these assumptions, the model simulates net interest income under a base case scenario that mangement believes is reasonably likely to occur. Management also evaluates the relative risk of changes in interest rates by simulating the impact on net interest income of gradual parallel shifts in interest rates of 100 basis points higher and lower than the base case scenario. In such alternative scenarios, certain assumptions that are directly dependent on the interest rate environment are adjusted for the respective higher or lower interest rate environment. Other assumptions related to general and economic factors are held constant with those developed for the base case scenario. As a result, the alternative interest rate scenarios indicate what may happen to net interest income if interest rates were to change to the levels of the higher and lower scenarios but does not predict what may happen to net interest income if business and economic assumptions are not realized.

Actual results will differ from the simulated results of the base case scenario and of each alternative scenario due to various factors including timing, magnitude and frequency of interest rate changes, the relationship or spread between various interest rates, changes in market conditions, loan pricing and deposit sensitivity, customer preferences, competition, and the actual interaction of the numerous assumptions. In addition, the actual results will be affected by the impact of mergers or acquisitions and business and asset/liability management strategies that differ from those assumed in the model. While the simulation model measures the relative risk of changes in interest rates on net interest income, the actual impact on net interest income could exceed or be less than the amounts projected in the base case and in each alternative scenario. If interest rates exceed those assumed in the high alternative scenarios, or if interest rates are less than those assumed in the low alternative scenario, the actual impact on net interest income could further differ from the simulated results.

In addition to the simulation model, management performs an interest sensitivity (gap) analysis which represents a point-in-time net position of assets, liabilities and off-balance-sheet instruments subject to repricing in specified time periods. A cumulative liability-sensitive gap position indicates the Corporation's liabilities are expected to reprice more quickly than its assets. Alternatively, a cumulative asset-sensitive gap position indicates the Corporation's assets

are expected to reprice more quickly than its liabilities. The gap analysis does not accurately measure the magnitude of changes in net interest income since changes in interest rates over time do not impact all categories of assets, liabilities and off-balance-sheet instruments equally or simultaneously.

The Corporate Asset and Liability Committee ("ALCO") has primary responsibility for monitoring compliance with established interest rate risk policies and procedures. ALCO policies include limits on interest rate sensitivity to gradual parallel shifts in interest rates and the cumulative one-year gap. Management may initiate various asset/liability actions to remain in compliance with such limits. Such actions are dependent on existing and expected economic conditions, the overall interest rate risk profile of the Corporation, various business strategies, and other factors. Actions that management may initiate are also subject to costs, competitive factors and execution risks (that is, the ability to execute a desired action and to do so at acceptable costs).

CREDIT RISK Credit risk represents the possibility that borrowers may not perform in accordance with contractual terms. Credit risk results from extending credit, purchasing securities and entering into certain off-balance-sheet financial instruments. Risk associated with the extension of credit includes general risk, which is inherent in the

lending business, and risk specific to individual borrowers. The Corporation seeks to manage credit risk through portfolio diversification, underwriting policies and procedures and loan monitoring practices. Information relating to the distribution of the loan portfolio by type of loan, loan maturities and interest sensitivity is set forth under the section entitled "Loans" in the "Corporate Financial Reviews" and "Loans" in the "Statistical Information" included on pages 32 and 33 and page 74, respectively, of the Annual Report to Shareholders, which is incorporated herein by reference.

Credit Policy is responsible for the overall management of credit risk and the development and application of consistent policies and procedures across the Corporation. One objective is diversification by industry concentration, geographic distribution and the type of borrower. Policies contain limits on amounts that may be committed for specified categories of loans and individual borrowers. These limits are specified for both consolidated and individual bank exposure levels. Specific underwriting policies have been adopted for many categories of exposure including commercial real estate, cable, cellular, broadcasting, health care and automobile dealers, as well as general policies covering standards of documentation, collateral coverage, guarantee provisions, environmental risk protection and approval processes.

The Corporation receives collateral to support credit extensions and commitments when deemed necessary, the amount of which is based on management's credit evaluation of the borrower. The most significant categories of collateral include real estate, commercial business assets, cash on deposit and marketable securities. In addition, for some loans made on the basis of the general creditworthiness of the borrower, additional security in the form of real and personal property may be obtained that may not be directly related to the purpose of the loan.

In order to assess and monitor the degree of risk in the loan portfolio, a lender-initiated credit risk grading system is used. A risk grade is assigned to each loan on origination based on an assessment of the borrower's financial capacity to service the debt and the presence and value of collateral for the

loan. Industry and economic risks are also considered when assigning such grades. Credit grades are maintained by the loan officer whose responsibilities include monitoring the risk inherent in such individual credits. An independent corporate loan review function assesses the credit granting process and reviews credit grades for compliance with policies.

Asset/liability management seeks to minimizes the credit risk associated with its activities, primarily by entering into transactions with only a select number of high-quality institutions, establishing credit limits with counterparties and, where applicable, requiring segregated collateral.

SUPERVISION AND REGULATION

BANK HOLDING COMPANIES

GENERAL As a registered holding company, the Corporation is regulated under the BHC Act and is subject to supervision and regular inspection by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The BHC Act requires, among other things, the prior approval of the Federal Reserve Board in any case where the Corporation proposes to (i) acquire all or substantially all of the assets of any bank, (ii) acquire direct or indirect ownership or control of more than 5 percent of the voting shares of any bank or (iii) merge or consolidate with any other bank holding company.

ACQUISITIONS/PERMISSIBLE BUSINESS ACTIVITIES The BHC Act prohibits the Federal Reserve Board from approving a bank holding company's application to acquire a bank or bank holding company located outside the state in which the operations of its banking subsidiaries are principally conducted, unless such acquisition is specifically authorized by statute of the state in which the bank or bank holding company to be acquired is located. Pennsylvania law permits bank holding companies located in any state to acquire Pennsylvania banks and bank holding companies, provided that the home state of the acquiring company has enacted "reciprocal" legislation. In this context, reciprocal legislation is generally defined as legislation that expressly authorizes Pennsylvania bank holding companies to acquire banks or bank holding companies located in another state on terms and conditions substantially no more restrictive than those applicable to such an acquisition in Pennsylvania by a bank holding company located in the other state.

On September 29, 1994, the President signed into law the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "IBBEA"), which permits adequately capitalized and adequately managed bank holding companies to acquire banks in any state. The IBBEA also permits banks in separate states to consolidated into single entities with branches in multiple states. Consequently, effective September 29, 1995, the Corporation will have the authority to acquire any bank or bank holding company, and could be acquired by any bank or bank holding company, located anywhere in the United States. Further, effective June 1, 1997, the Corporation's subsidiary banks will have the authority, subject to certain restrictions, including state opt-out provisions, to consolidate with one another. States may affirmatively opt-in earlier. Among other things, the IBBEA provides that interstate branches of national banks will be subject to host state laws with respect to intrastate branching, consumer protection, fair lending, and community reinvestment laws, unless any such law is preempted by federal law or is discriminatory in effect. The IBBEA provides that interstate branches of state banks will be

subject to the laws of the host state. In addition, among other things, the IBBEA increases the community reinvestment requirements applicable to multi-state depository institutions. This legislation may increase competition as banks branch across state lines and enter new markets.

Under the BHC Act, the Corporation is prohibited, with certain exceptions, from acquiring direct or indirect ownership or control of more than 5 percent of any class of voting shares of any non-banking corporation. Further, the Corporation may not engage in any business other than managing and controlling banks or furnishing certain specified services to subsidiaries, and may not acquire voting control of non-banking corporations except those corporations engaged in businesses or furnishing services that the Federal Reserve Board deems to be closely related to banking as "to be proper incident thereto." The Federal Reserve Board has determined that a number of activities meet this standard, including, for example, (i) making and servicing loans, (ii) performing certain fiduciary functions, (iii) leasing real and personal property, (iv) underwriting and dealing in government obligations and certain money market instruments, and, to a limited extent, in certain other securities that banks may not otherwise underwrite or deal in, (v) providing foreign exchange advisory and transactional services, (vi) making equity or debt investments in corporations designed to promote community welfare or rehabilitation, and (vii) owning, controlling or operating a savings association, if the savings association engages only in deposit-taking activities and lending and other activities that are permissible for bank holding companies. The Federal Reserve Board may revise, and has revised, from time to time, its list of permitted activities. See "Supervision and Regulation - Legislative Proposals and Reform" below.

COMMUNITY REINVESTMENT Bank holding companies and their subsidiary banks are subject to the provisions of the Community Reinvestment Act of 1977, as amended (the "CRA"). Under the terms of the CRA, each subsidiary bank's record in meeting the credit needs of the community served by that bank, including low- and moderate-income neighborhoods, is generally annually assessed by that bank's primary regulatory authority. When a bank holding company applies for approval to acquire a bank or other bank holding company, the Federal Reserve Board will review the assessment of each subsidiary bank of the applicant bank holding company, and such records may be the basis for denying the application. The federal banking agencies have issued a notice of proposed rulemaking that would replace the current CRA assessment system with a new evaluation system that would primarily rate institutions based on their actual lending activity in the community. Under the current proposal, each institution would be evaluated based on the degree to which it is providing loans and other services and investments to low- and moderate-income areas. Such proposal includes race and gender reporting requirements.

SOURCE OF STRENGTH POLICY Under Federal Reserve Board policy, a bank holding company is expected to act as a source of financial strength to each of its subsidiary banks and to commit resources to support each such bank. In addition, under federal law, a bank holding company may find it

necessary to provide capital to an insured depository institution subsidiary in connection with that subsidiary's capital restoration plan. Consistent with its "source of strength" policy for subsidiary banks, the Federal Reserve Board has stated that, as a matter of prudent banking, a bank holding company generally should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fund fully the dividends, and the prospective rate of earnings retention appears to be consistent

with the corporation's capital needs, asset quality and overall financial condition.

SUBSIDIARY BANKS

GENERAL The Corporation's subsidiary banks are subject to supervision and examination by applicable federal and state banking agencies, including the Office of the Comptroller of the Currency ("Comptroller") in the case of national banks. In addition, all of the subsidiary banks are insured by and subject to some or all of the regulations of the Federal Deposit Insurance Corporation ("FDIC"). The Corporation's subsidiary banks are also subject to various requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types, amounts and terms and conditions of loans that may be granted and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the operations of the subsidiary banks. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board, including actions taken with respect to interest rates, as it attempts to control the money supply and credit availability in order to influence the economy.

DIVIDEND RESTRICTIONS Dividends from the Corporation's subsidiary banks constitute the principal source of income to the parent company. The Corporation's subsidiary banks are subject to various statutory and regulatory restrictions on their ability to pay dividends to the Corporation. Under such restrictions, the amount available for payment of dividends to the Corporation by all subsidiary banks was $948 million at December 31, 1994. In addition, the Comptroller, in the case of national bank subsidiaries, and the FDIC or the Federal Reserve Board, in the case of state bank subsidiaries, have authority to prohibit any such bank subsidiary from engaging in an unsafe or unsound practice in conducting its business. The payment of dividends, depending upon the financial condition of the bank subsidiary in question, could be deemed to constitute such an unsafe or unsound practice, and the Comptroller and the Federal Reserve Board have indicated their view that it generally would be an unsafe and unsound practice to pay dividends except out of current operating earnings. The ability of the subsidiary banks to pay dividends in the future is presently, and could be further, influenced by bank regulatory and supervisory policies.

AFFILIATE TRANSACTION RESTRICTIONS The Corporation's subsidiary banks are subject to affiliate transaction restrictions under federal law which limit the transactions by subsidiary banks to or on behalf of their parent company and to or on behalf of any non-bank subsidiaries, whether in the form of loans, extensions of credit, issuances of guaranties, acceptances or letters of credits, investments or asset purchases. Such transactions by a subsidiary bank to its parent company or to any non-bank subsidiary are limited to 10 percent of a bank subsidiary's capital and surplus

and, with respect to such parent company and all such non-bank subsidiaries, to an aggregate of 20% of such bank subsidiary's capital and surplus. Further, such loans and extensions of credit generally are required to be secured by eligible collateral in specified amounts. Federal law also prohibits subsidiary banks from purchasing "low-quality" assets from affiliates.

FDIC CROSS-GUARANTEE PROVISIONS The Corporation's subsidiary banks, as FDIC-insured institutions, are subject to the "cross-guarantee" provisions under federal law that provide that if one depository institution subsidiary of a multi-bank holding company fails or requires FDIC assistance, the FDIC may assess a "commonly controlled" depository institution for the estimated losses suffered by the FDIC. Such liability could have a material adverse effect on the financial condition of any assessed bank and the parent company. While the FDIC's claim is junior to the claims of depositors, holders of secured liabilities, general creditors and subordinated creditors, it is superior to the claims of shareholders and affiliates.

FDIC INSURANCE ASSESSMENTS Since the deposits of the Corporation's subsidiary banks are insured by the FDIC, the subsidiary banks are subject to FDIC insurance assessments. The amount of FDIC assessments paid by individual insured depository institutions is based on their relative risk as measured by regulatory capital ratios and certain other factors. Under this system, in establishing the insurance premium assessment for each bank, the FDIC will take into consideration the probability that the deposit insurance fund will incur a loss with respect to an institution, and will charge a higher insurance premium to an institution with perceived higher inherent risks. The FDIC will also consider the different categories and concentrations of assets and liabilities of the institution, the

revenue needs of the deposit insurance fund, and any other factors the FDIC deems relevant. Current regulations provide for a minimum assessment of 23 cents per $100 of eligible deposits for the best-rated banks, with a maximum of 31 cents per $100 of eligible deposits for the weakest-rated institutions. The FDIC's Board of Directors has proposed to revise the assessment methodology and reduce the current assessments rates for all but the riskiest banks. Under the proposal, the best-rated banks would pay 4 cents per $100 of deposits while the weakest ones would continue to pay 31 cents per $100 of deposits. At this time, assessment rates for savings associations are not proposed to be reduced.

The rate assessed for each of the Corporation's subsidiary banks is currently 23 cents per $100 of eligible deposits. The assessment rate for the Corporation's savings association deposits is also currently 23 cents per $100 of eligible deposits.

CAPITAL REQUIREMENTS The federal banking agencies possess broad powers to take corrective action as deemed appropriate for an insured depository institution and its holding company. The extent of these powers depends on whether the institution in question is considered "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Generally, as an institution is deemed to be less than well capitalized, the scope and severity of the agencies' powers increase. The agencies' corrective powers can include, among other things, requiring an insured financial institution to adopt a capital restoration plan which cannot be approved unless guaranteed by the institution's parent company; placing limits on asset growth and restrictions on activities; placing restrictions on transactions with affiliates; restricting the interest rate the institution may pay on deposits;

prohibiting the institution from accepting deposits from correspondent banks; prohibiting the payment of principal or interest on subordinated debt; prohibiting the holding company from making capital distributions without prior regulatory approval; and, ultimately, appointing a receiver for the institution. Business activities may also be influenced by an institution's capital classification. For instance, only a "well capitalized" depository institution may accept brokered deposits without prior regulatory approval and only an "adequately capitalized" depository institution may accept brokered deposits with prior regulatory approval. At December 31, 1994, all of the Corporation's subsidiary banks exceeded the required ratios for classification as "well capitalized."

The federal bank regulatory authorities have each adopted risk-based capital guidelines to which the Corporation's subsidiary banks are subject. These guidelines are based on an international agreement developed by the Basle Committee on Banking Regulations and Supervisory Practices, which consists of representatives of central banks and supervisory authorities in 12 countries including the United States. The guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance-sheet exposures into explicit account in assessing capital adequacy and minimizes disincentives to holding liquid, low-risk assets. The risk-based capital ratio is determined by allocating assets and specified off-balance-sheet items into four weighted categories, with higher levels of capital being required for the categories perceived as representing greater risk.

Under these guidelines, a bank's capital is divided into two tiers. The first tier (Tier 1) includes common equity, non-cumulative perpetual preferred stock (excluding auction rate issues) and minority interests that are held by others in a bank's consolidated subsidiaries, less goodwill and any disallowed intangibles. Supplementary (Tier 2) capital includes, among other items, cumulative and limited-life preferred stock, hybrid capital instruments, mandatory convertible securities, qualifying subordinated debt and the allowance for loan and lease losses, subject to certain limitations, less required deductions as prescribed by regulation.

All banks are required to maintain a minimum total risk-based ratio of 8 percent, of which half (4 percent) must be Tier 1 capital. In addition, the federal bank regulators established leverage ratio (Tier 1 capital to total adjusted average assets) guidelines providing for a minimum leverage ratio of 3 percent for banks meeting certain specified criteria, including excellent asset quality, high liquidity, low interest rate exposure and the highest regulatory rating. Institutions not meeting these criteria are expected to maintain a ratio which exceeds the 3 percent minimum by at least 100 to 200 basis points. The federal bank regulatory authorities may, however, set higher capital requirements when a bank's particular circumstances

warrant.

The following table sets forth the capital and leverage ratios of certain of the Corporation's subsidiary banks as of December 31, 1994:

SUBSIDIARY BANK	RISK-BASED CAPITAL RATIOS TOTAL	TIER I	LEVERAGE
PNC Bank, National Association	10.62%	8.92%	6.93%
PNC Bank, Kentucky, Inc.	12.61	11.35	8.19
PNC Bank, Ohio, National Association	10.90	8.88	6.89
PNC Mortgage Bank, National Association	18.81	17.68	8.69
PNC Bank, Delaware	12.25	11.00	6.72
PNC Bank, New England	12.71	11.79	5.70

A discussion of the current capital levels of the Corporation, is set forth under the caption entitled "Capital" of the "Corporate Financial Review" on pages 36 and 37 of the Annual Report to Shareholders, which is incorporated herein by reference.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") requires each federal banking agency to revise its risk-based capital standards, among other things, to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risks of non-traditional activities, as well as reflect the actual performance and expected risk of loss on multi-family mortgages. By joint rule on December 15, 1994, effective January 17, 1995, each of the Federal Reserve Board, the FDIC, the Comptroller and the Office of Thrift Supervision has amended its agency's risk-based capital standards by explicitly identifying concentration of credit risk and the risk arising from non-traditional activities, as well as an institution's ability to manage those risks, as important factors to be taken into account by the agency in assessing an institution's overall capital adequacy. The Federal Reserve Board, the FDIC and the Comptroller have also issued a joint notice of proposed rulemaking for implementing the interest rate risk component of the risk-based capital guidelines. Under the proposal, an institution's assets, liabilities, and off-balance-sheet positions would be weighted by risk factors that approximate the instruments' price sensitivity to a 100 basis point change in interest rates. Institutions with interest rate exposure in excess of a threshold level would be required to hold additional capital proportional to that risk. A final rule is expected to be adopted during the first half of 1995. The Corporation has been advised that any final rule may differ from its currently proposed form.

NON-BANK SUBSIDIARIES

The non-bank subsidiaries of the Corporation are subject to regulatory restrictions imposed by the Federal Reserve Board and other federal or state regulatory agencies. The Corporation has three subsidiaries that are registered broker-dealers. The activities of these companies are

monitored by the Comptroller in two instances and the Federal Reserve Board in the other instance, and each company is subject to rules and regulations promulgated by the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., the Municipal Securities Rulemaking Board, the Securities Investors Protection Corporation and various state securities commissions.

Several other non-bank subsidiaries of the Corporation are registered investment advisors and are subject to the regulations of the Securities and Exchange Commission and may be subject to regulations of one or more state securities commissions. Additionally, those investment advisors, as subsidiaries of a national bank, are subject to supervision by the Comptroller.

Other non-bank subsidiaries of the Corporation are regulated under federal and/or state mortgage lending, insurance and consumer laws, among others.

GOVERNMENTAL POLICIES

The operations of financial institutions may be affected by the

policies of various regulatory authorities. In particular, bank holding companies and their subsidiaries are affected by the credit and monetary policies of the Federal Reserve Board. An important function of the Federal Reserve Board is to regulate the national supply of bank credit. Among the instruments of monetary policy used by the Federal Reserve Board to implement its objectives are open market operations in U.S. Government securities, changes in the discount rate on bank borrowings and changes in reserve requirements on bank deposits.

These instruments of monetary policy are used in varying combinations to influence the overall level of bank loans, investments and deposits, the interest rates charged on loans and paid for deposits, the price of the dollar in foreign exchange markets and the level of inflation. The monetary policies of the Federal Reserve Board have had a significant effect on the operating results of banking institutions in the past and are expected to continue to do so in the future. It is not possible to predict the nature or timing of future changes in monetary and fiscal policies, or the effect that they may have on the Corporation's business and earnings.

LEGISLATIVE PROPOSALS AND REFORM

Certain significant legislative proposals and reforms affecting the financial services industry are currently being discussed and evaluated by Congress. Such proposals include legislation to revise the Glass-Steagall Act and the BHC Act to expand permissible activities for banks, principally to facilitate the convergence of commercial and investment banking. Other proposals under consideration include the consolidation and/or jurisdictional realignment of various federal banking agencies as well as involve a reassessment of community reinvestment and fair lending laws. At this time, it is unclear whether any of these proposals, or any form of them, will become law this year or ever. Consequently, it is difficult to ascertain what effect they may have on the Corporation and its subsidiaries.

COMPETITION

Bank holding companies and their subsidiaries are subject to vigorous and intense competition from various financial institutions and other "non-bank" or non-regulated companies or firms that engage in similar activities. The Corporation's subsidiary banks compete for deposits with other commercial banks, savings banks, savings and loan associations, insurance companies and credit unions, as well as issuers of commercial paper and other securities, including shares in mutual funds. In making loans, the Corporation's subsidiary banks compete with other commercial banks, savings banks, savings and loan associations, consumer finance companies, credit unions, leasing companies and other non-bank lenders. In addition, various non-bank subsidiaries engaged in investment banking and venture capital activities compete with commercial banks, investment banking firms, insurance companies and venture capital firms. In providing trust and money management services, the Corporation's subsidiaries compete with many large commercial banks, trust companies, brokerage houses, mutual fund managers, registered investment advisors and insurance companies.

The Corporation and its subsidiaries compete not only with financial institutions based in the states in which the subsidiary banks are located, but also with a number of large out-of-state and foreign banks, bank holding companies and other financial and non-bank institutions. Some of the financial and other institutions operating in the same markets are engaged in national and international operations and have more assets and personnel than the Corporation. Some of the Corporation's competitors are not subject to the extensive bank regulatory structure and restrictive policies which apply to the Corporation and its subsidiaries.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning each executive officer of the Corporation as of February 28, 1995 is set forth below. Each executive officer held the position indicated or another senior executive position with the same entity or one of its affiliates or a predecessor corporation for the past five years, except as noted on page 16.

<TABLE>
<CAPTION>

NAME	AGE	POSITION WITH PNC BANK CORP.	YEAR EMPLOYED
<S>	<C>	<C>	<C>
Thomas H. O'Brien	58	Chairman and Chief Executive Officer	1962
James E. Rohr	46	President	1972

Name	Age	Position	Year
Susan B. Bohn	50	Executive Vice President, Corporate Development and Communications	1986
Richard C. Caldwell (1)	50	Executive Vice President, Investment Management and Trust	1990
Walter E. Gregg, Jr.	53	Executive Vice President, Finance and Administration	1974
Robert L. Haunschild (2)	45	Senior Vice President and Chief Financial Officer	1990
Joe R. Irwin	59	Executive Vice President and Chief Investment Officer	1963
William J. Johns	47	Senior Vice President and Chief Accounting Officer	1974
Edward P. Junker III	58	Vice Chairman	1964
Thomas E. Paisley III	47	Senior Vice President and Chairman, Corporate Credit Policy Committee	1972
Helen P. Pudlin	45	Senior Vice President and General Counsel	1989
Bruce E. Robbins	50	Executive Vice President, Corporate Banking	1973
A. William Schenck III	51	Executive Vice President, Retail Banking	1969
Richard L. Smoot	54	President and Chief Executive Officer, PNC Bank, National Association - Philadelphia	1987
Herbert G. Summerfield, Jr.	54	Executive Vice President, Real Estate	1970

<FN>

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(1) Mr. Caldwell's principal occupation prior to 1990 was Executive Vice President and Manager of the Trust Division of Harris Trust and Savings Bank, Chicago, Illinois.

(2) Mr. Haunschild's principal occupation prior to 1990 was Partner in the Pittsburgh Office of Ernst & Young LLP.

</TABLE>

ITEM 2 - PROPERTIES

The executive and administrative offices of the Corporation and PNC Bank, National Association ("PNC Bank, N.A."), are located in One PNC Plaza, located at Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania. The thirty-story structure is owned by PNC Bank, N.A. The Corporation and PNC Bank, N.A. occupy substantially all of the building. In addition, PNC Bank, N.A. owns a thirty-four story structure adjacent to One PNC Plaza, known as Two PNC Plaza, that houses additional office space. PNC Bank, N.A. also owns a data processing and telecommunications center located in a suburb of Pittsburgh.

The Corporation's subsidiaries also own or lease numerous other premises for use in conducting banking and non-banking activities. The facilities owned or occupied under lease by the Corporation's subsidiaries are considered by management to be adequate. Neither the location of any particular office nor the unexpired term of any lease is deemed material to the business of the Corporation.

For additional information pertaining to the Corporation's properties, refer to the information set forth under the caption entitled "Premises, Equipment and Leasehold Improvements," included on pages 56 and 57 of the Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 3 - LEGAL PROCEEDINGS

A consolidated purported class action complaint was filed in March 1995 in the United States District Court for the Western District of Pennsylvania against the Corporation, its Chairman and Chief Executive Officer, and its Senior Vice President and Chief Financial Officer, on behalf of a purported class of persons who purchased the Corporation's securities between April 18, 1994 and November 15, 1994. The lawsuit was consolidated from four lawsuits filed in November and December 1994. The consolidated lawsuit alleges violations of federal securities laws and common law relating to disclosures regarding the Corporation's net interest income, interest rate risk, future prospects, and related matters, and seeks, among other things, unquantified damages. Management believes there are meritorious defenses to this consolidated lawsuit and intends to defend it vigorously. Management believes that the final disposition will not be material to the Corporation's financial position.

In January 1992, a purported class action lawsuit was filed against PNC National Bank ("PNCNB"), a national bank subsidiary of the Corporation located in Wilmington, Delaware, alleging that PNCNB violated Pennsylvania statutes in connection with certain fees charged on credit cards issued by PNCNB. The lawsuit is brought on behalf of a purported class of resident individuals of Pennsylvania who have contracted for, been charged, had reserved, or had paid these fees, and seeks, among other things, unquantified compensatory and triple damages and injunctive relief. The lawsuit was filed in the Court of Common Pleas of Allegheny County and was removed to the United States District Court for the Western District of Pennsylvania. The district court denied plaintiff's motion to remand the case to state court and dismissed the lawsuit, holding that Pennsylvania law is preempted by federal banking laws. Plaintiff has appealed and PNCNB is vigorously defending the district court's

decision. The impact of the final disposition of this lawsuit cannot be assessed at the present time. In certain cases not involving PNCNB, a Pennsylvania intermediate state appellate court has held that the application of Pennsylvania law to certain credit card fees, when charged to Pennsylvania residents, is not preempted by federal banking laws. Further appellate review is being sought in those cases.

The Corporation, in the normal course of business, is subject to various other pending and threatened lawsuits in which claims for monetary damages are asserted. Management, after consultation with legal counsel, does not anticipate that the ultimate aggregate liability, if any, arising out of such other lawsuits will have a material adverse effect on the Corporation's financial position.

At the present time, management is not in a position to determine whether any pending or threatened litigation will have a material adverse effect on the Corporation's results of operations in any future reporting period.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Corporation's common stock is listed on the New York Stock Exchange and is traded under the symbol "PNC". At the close of business on February 28, 1995, there were 43,925 common shareholders of record.

Holders of common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available therefor. The Board of Directors may not pay or set apart dividends on the common stock until dividends for all past dividend periods on any series of outstanding preferred stock have been paid or declared and set apart for payment. The Board presently intends to continue the policy of paying quarterly cash dividends. However, the amount of any future dividends will depend on earnings, the financial condition of the Corporation and other factors including applicable government regulations and policies (such as those relating to the ability of the subsidiary banks and non-bank subsidiaries to upstream dividends to the parent company). The Federal Reserve Board has the power to prohibit the Corporation from paying dividends without prior regulatory approval. Further discussion concerning dividend restrictions is set forth under the caption "Supervision and Regulation" in Part I, Item 1 of this Form 10-K and in "Regulatory Matters" on page 63 of the Annual Report to Shareholders, which is incorporated herein by reference.

Additional information relating to the common stock is set forth under the caption "Common Stock Prices/Dividends Declared" on page 81 of the Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 6 - SELECTED FINANCIAL DATA

"Selected Consolidated Financial Data" on page 67 of the Annual Report to Shareholders is incorporated herein by reference.

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

The discussion and analysis of the Corporation's financial position and its results of operations set forth under the section entitled "Corporate Financial Review" on pages 20 - 44 of the Annual Report to Shareholders is incorporated herein by reference. See also the updated discussion included under the captions "Business Overview-Business Strategies"and "Risk Management" in Part I, Item 1-Business of this Form 10-K.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The "Report of Ernst & Young LLP, Independent Auditors," "Consolidated Financial Statements" and "Selected Quarterly Financial Data" on pages 45, 46-66 and 68, respectively, of the Annual Report to Shareholders are incorporated herein by reference.

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information relating to the principal occupations of directors of the Corporation, their ages, directorships in other companies, and respective terms of office under the heading "Election of Directors - Information Concerning Nominees" in the Proxy Statement is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 set forth under the heading "Certain Reports" in the Proxy Statement is incorporated herein by reference.

Information regarding executive officers of the Corporation is included in Part I of this Form 10-K under the caption "Executive Officers of the Registrant."

ITEM 11 - EXECUTIVE COMPENSATION

Information regarding compensation of directors and executive officers under the captions entitled "Election of Directors - Compensation of Directors" and "Compensation of Executive Officers", excluding the "Personnel and Compensation Committee Report on Executive Compensation," in the Proxy Statement is incorporated herein by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information regarding the beneficial ownership of the equity securities of the Corporation by all nominees for director, each of the five highest compensated executive officers and all directors and executive officers of the Corporation as a group under the heading "Security Ownership of Directors and Executive Officers and Certain Beneficial Owners-Security Ownership of Directors and Executive Officers" in the Proxy Statement is incorporated herein by reference. Information regarding ownership of the equity securities of the Corporation by certain beneficial owners under the heading "Security Ownership of Directors and Executive Officers and Certain Beneficial Owners-Security Ownership of Certain Beneficial Owners" in the Proxy Statement is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information regarding transactions and relationships with certain directors and executive officers of the Corporation and their associates under the heading "Compensation of Executive Officers-Compensation Committee Interlocks and Insider Participation" in the Proxy Statement is incorporated herein by reference.

PART IV

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

The following report of independent auditors of the Corporation and consolidated financial statements, included in the Annual Report to Shareholders, are incorporated herein by reference.

<TABLE>
<CAPTION>

FINANCIAL STATEMENTS	PAGE OF ANNUAL REPORT
<S>	<C>
Report of Ernst & Young LLP, Independent Auditors	45
Consolidated Balance Sheet as of December 31, 1994 and 1993	46
Consolidated Statement of Income for the three years ended December 31, 1994	47
Consolidated Statement of Changes in Shareholders' Equity for the three years ended December 31, 1994	48
Consolidated Statement of Cash Flows for the three years ended December 31, 1994	49
Notes to Consolidated Financial Statements	50
Quarterly Selected Financial Data	68

FINANCIAL STATEMENT SCHEDULES

Not applicable.
</TABLE>

REPORTS ON FORM 8-K

A Form 8-K dated as of October 19, 1994, was filed on October 21, 1994, pursuant to Item 5 to report the Corporation's consolidated financial results for the three months and nine months ended September 30, 1994.

A Form 8-K dated as of November 23, 1994, was filed on December 7, 1994, pursuant to Item 5 to report two purported class action lawsuits commenced against the Corporation, its Chairman and Chief Executive Officer, and, in one case, its Senior Vice President and Chief Financial Officer, alleging purported violations of federal securities laws relating to disclosures regarding the Corporation's net interest income, interest rate risk, and future prospects and related matters.

A Form 8-K was filed on, and dated as of, January 6, 1995, pursuant to Item 5 to report (i) certain actions taken by the Corporation to reduce its interest rate sensitivity; (ii) to announce a charge to earnings related to the cost of consolidating existing telephone banking centers and continued rationalization of the branch network; and (iii) the authorization by the Corporation's Board of Directors to purchase up to 24 million shares of the Corporation's common stock over the next two years.

A Form 8-K dated as of January 13, 1995, was filed on January 23, 1995, pursuant to Item 5 to report (i) the Corporation's consolidated financial results for the three months and twelve months ended December 31, 1994; and (ii) the completion of the acquisition of Indian River.

A Form 8-K dated as of February 28, 1995, was filed on March 14, 1995, pursuant to Item 5 to report (i) the completion of the acquisition of BlackRock; (ii) the completion of the acquisition of Brentwood; and (iii) the entering into a definitive agreement to acquire Chemical Bank New Jersey.

No financial statements were filed with such reports.

EXHIBITS

The exhibits listed on the Exhibit Index on pages 25-26 of this Form 10-K are filed herewith or are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, PNC Bank Corp. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PNC BANK CORP.
(Registrant)

By: /s/ THOMAS H. O'BRIEN

Thomas H. O'Brien
Chairman and Chief
Executive Officer

Dated: March 31, 1995

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

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
/s/ THOMAS H. O'BRIEN Thomas H. O'Brien	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	March 31, 1995

Signature	Title	Date
/s/ ROBERT L. HAUNSCHILD - - - --------------------------- Robert L. Haunschild	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 31, 1995
/s/ WILLIAM J. JOHNS - - - --------------------------- William J. Johns	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 31, 1995
* - - - --------------------------- Robert N. Clay	Director	March 31, 1995
* - - - --------------------------- William G. Copeland	Director	March 31, 1995
* - - - --------------------------- George A. Davidson, Jr.	Director	March 31, 1995
* - - - --------------------------- Dianna L. Green	Director	March 31, 1995
* - - - --------------------------- C. G. Grefenstette	Director	March 31, 1995
* - - - --------------------------- Thomas Marshall	Director	March 31, 1995
* - - - --------------------------- W. Craig McClelland	Director	March 31, 1995
* - - - --------------------------- Donald I. Moritz	Director	March 31, 1995

</TABLE>

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

Signature	Title	Date
* - - - --------------------------- Jackson H. Randolph	Director	March 31, 1995
/s/ JAMES E. ROHR - - - --------------------------- James E. Rohr	President and Director	March 31, 1995
* - - - --------------------------- Roderic H. Ross	Director	March 31, 1995
* - - - --------------------------- Vincent A. Sarni	Director	March 31, 1995
* - - - --------------------------- Richard P. Simmons	Director	March 31, 1995
* - - - --------------------------- Thomas J. Usher	Director	March 31, 1995
* - - - --------------------------- Milton A. Washington	Director	March 31, 1995
* - - - --------------------------- Helge H. Wehmeier	Director	March 31, 1995

* By /s/ MELANIE S. CIBIK — March 31, 1995

Melanie S. Cibik
Attorney-in-fact, pursuant
to Powers of Attorney
filed herewith

</TABLE>

EXHIBIT INDEX

<TABLE>

<S>	<C>
3.1	Articles of Incorporation of the Corporation, as amended, incorporated herein by reference to Exhibit 3.1 of the Annual Report on Form 10-K for the year ended December 31, 1993.
3.2	By-Laws of the Corporation, as amended, filed herewith.
4.1	Instruments defining the rights of holders of long-term debt of the Corporation and its subsidiaries are not filed as Exhibits because the amount of debt under each instrument is less than 10 percent of the consolidated assets of the Corporation. The Corporation undertakes to file these instruments with the Commission on request.
4.2	Designation of Series: $1.80 Cumulative Convertible Preferred Stock -- Series A, incorporated herein as part of Exhibit 3.1.
4.3	Designation of Series: $1.80 Cumulative Convertible Preferred Stock -- Series B, incorporated herein as part of Exhibit 3.1.
4.4	Designation of Series: $1.60 Cumulative Convertible Preferred Stock -- Series C, incorporated herein as part of Exhibit 3.1.
4.5	Designation of Series: $1.80 Cumulative Convertible Preferred Stock -- Series D, incorporated herein as part of Exhibit 3.1.
10.1	Supplemental Executive Retirement Income and Disability Plan of the Corporation, incorporated herein by reference to Exhibit 10.2 of the Annual Report on Form 10-K for the year ended December 31, 1990 ("1990 Form 10-K"). *
10.2	Supplemental Executive Life Insurance and Spouse's Benefit Plan of the Corporation, incorporated herein by reference to Exhibit 10.3 of the 1990 Form 10-K. *
10.3	Description of the Corporation's Senior Executive Compensation Plan, incorporated herein by reference to Exhibit 10.4 of the Annual Report on Form 10-K for the year ended December 31, 1992 ("1992 Form 10-K"). *
10.4	1992 Long-Term Incentive Award Plan of the Corporation, incorporated herein by reference to Exhibit 4.3 of the Registration Statement on Form S-8 at File No. 33-54960. *
10.5	1992 Director Share Incentive Plan, incorporated herein by reference to Exhibit 10.6 of the 1992 Form 10-K. *
10.6	PNC Bank Corp. 1994 Annual Incentive Award Plan, filed herewith. *
10.7	PNC Bank Corp. Directors Retirement Plan, filed herewith. *

</TABLE>

<TABLE>

<S>	<C>
11	Calculation of Primary and Fully Diluted Earnings Per Share, filed herewith.
12.1	Computation of Ratio of Earnings to Fixed Charges, filed herewith.
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends, filed herewith.
13	Annual Report to Shareholders for the year ended December 31, 1994, filed herewith. Such Annual Report, except for those portions thereof that are expressly incorporated by reference herein, is furnished for information of the Securities and Exchange Commission only and is not deemed to be "filed" as part of this Form 10-K.
21	Schedule of Certain Subsidiaries of the Corporation, filed herewith.
23	Consent of Ernst & Young LLP, independent auditors for the Corporation, filed herewith.
24	Powers of Attorney of certain directors of the Corporation, filed herewith.
27	Financial Data Schedule, filed herewith.

<FN>

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* Management contract or compensatory plan.
</TABLE>

EXHIBIT 3.2

BY-LAWS OF

PNC BANK CORP.
(Effective 2/16/95)

Article I. PRINCIPAL OFFICE

The principal office of the Corporation shall be located at One PNC Plaza, Pittsburgh, Pennsylvania.

Article II. SHAREHOLDERS

1. Annual Meeting

An annual meeting of the shareholders for the election of directors and the transaction of such other business as may properly come before the meeting shall be held at 11 a.m. on the fourth Tuesday in April of each year, or on such other date or hour as may be fixed by the Board of Directors.

2. Special Meetings

Special meetings of the shareholders may be called at any time by the Board of Directors, the Chairman of the Board, the President, a Vice Chairman of the Board, or when requested in writing by shareholders entitled to cast at least one-fifth of the votes which all shareholders are entitled to cast at the meeting.

3. Place of Meetings

Meetings of the shareholders shall be held at the principal office of the Corporation or at such other place as the Board of Directors may designate.

4. Notice of Meetings

Written notice of every meeting of the shareholders shall be given to each shareholder of record entitled to vote at the meeting at least five days prior to the day named for the meeting, unless a greater period of notice is required by law. The notice shall state the day, time and place of such meeting and the general nature of the business to be transacted. Notice of a meeting may be waived in writing and attendance at a meeting shall itself constitute a waiver of notice of the meeting.

5. Quorum

The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on the particular matter shall constitute a quorum for the purpose of considering such matter. At a duly organized meeting, except as may be otherwise specified in the Articles of Incorporation or provided by law, each matter shall be decided by a majority of the votes entitled to be cast on such matters by the shareholders present at the meeting in person or by proxy.

6. Record Date

The Board of Directors may fix a record date not more than ninety days prior to the date of any meeting of shareholders, or the date fixed for the payment of any dividend or distribution, or the date for the allotment of rights or the date when any change or conversion or exchange of shares will be made or go into effect. Only such shareholders as shall be shareholders of record at the close of business on the record date shall be entitled to notice of, or to vote at such meeting or to receive such allotment of rights or to exercise such rights, as the case may be.

Article III. DIRECTORS

1. Board of Directors

The business and offices of the Corporation shall be managed by the Board of Directors, which shall consist of not less than five nor more than thirty-six members as shall be established from time to time by the Board of Directors.

2. Term of Office

After elected by the shareholders, directors shall hold office until the next succeeding annual meeting and until their successors shall have been elected and qualified.

3. Vacancy

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority of the remaining directors though less than a quorum, and any director so elected shall serve until the next annual meeting of the shareholders and until a successor shall have been elected and qualified.

4. Organization

As soon as practicable after the annual meeting of shareholders at which they were elected, the Board of Directors shall meet for the purpose of electing officers and the transaction of such other business as may be properly brought before the meeting.

5. Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such times and at such places as the Board of Directors, by resolution, shall establish. When a regular meeting falls on a business holiday, it shall be held on the preceding or next following business day, as the Chief Executive Officer shall select.

6. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board, the President, a Vice Chairman, or at the written request of any three directors. Notice of special meetings shall be given to each director personally or in writing, or by telephone, not later than during the day immediately preceding the day of such meeting and shall include the general nature of the business to be transacted at the meeting.

7. Quorum

A majority of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. One or more directors may participate in a meeting of the Board of Directors, or in a meeting of a Committee of the Board of Directors by means of communication facilities enabling all persons participating in the meeting to hear each other.

8. Action Without a Meeting

Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent or consents setting forth the action so taken is signed by all the directors and filed with the Secretary of the Corporation.

9. Compensation of Directors

Directors shall be compensated for their services and reimbursed for their meeting attendance expenses, in such manner and at such time as the Board of Directors may determine.

Article IV. OFFICERS

1. Designation

The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Chairmen, one or more Vice Presidents of whom one or more may be designated Executive Vice President or Senior Vice President, a Secretary, a Treasurer, a Controller, a General Auditor and such other officers, as the Board of Directors, the Chairman, the President, or the Vice Chairman may from time to time designate. The Board of Directors shall designate from among the Chairman of the Board, President, and Vice Chairmen, one of those officers to be the Chief Executive Officer. All officers having the rank of Senior Vice President or higher shall be elected by the Board of Directors and shall hold office during the pleasure of the Board of Directors. All other officers shall be appointed by the Chief Executive Officer, or, in

his absence, by such other officer or officers as may be designated by the Board of Directors, and such appointments shall be reported to the Board of Directors.

2. Responsibilities of the Senior Officers

2.1 Chief Executive Officer

The Chief Executive Officer of the Corporation shall preside at all meetings of the shareholders and the Board of Directors, and shall be ex officio a member of all Committees except the Audit Committee, the Nominating Committee, and the Personnel and Compensation Committee; subject to the direction of the Board of Directors, the Chief Executive Officer shall have the general supervision of the policies, business and operations of the Corporation, and of the other officers, agents and employees of the Corporation and, except as otherwise provided in these By-Laws or by the Board of Directors, shall have all the other powers and duties as are usually incident to the Chief Executive Officer of a corporation. In the absence of the Chief Executive Officer, his rights and duties shall be performed by such other officer or officers as shall be designated by the Board of Directors.

2.2 Chairman, President and Vice Chairman

The Chairman, the President and the Vice Chairman if not designated as the Chief Executive Officer shall have such duties and powers as may be assigned to them from time to time by the Board of Directors or the Chief Executive Officer.

2.3 Vice Presidents

The Executive Vice Presidents, Senior Vice Presidents and the Vice Presidents, if such are elected, shall have the duties and powers as may from time to time be assigned to them by the Board of Directors, or by the Chief Executive Officer in the absence of any assignment by the Board of Directors. Any reference in these By-Laws to a Vice President will apply equally to an Executive Vice President or a Senior Vice President unless the context requires otherwise.

2.4 Treasurer

Treasurer shall be responsible for the funding of the Corporation and for all moneys, funds, securities, fidelity and indemnity bonds and other valuables belonging to the Corporation; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the Chief Executive Officer.

2.5 Secretary

The Secretary shall: attend the meetings of the shareholders, of the Board of Directors, of the Executive Committee, and of such other committees, and shall keep minutes thereof in suitable minute books; have charge of the corporate records, papers and the corporate seal; have charge of the stock and transfer records of the Corporation and shall keep a record of all shareholders and give notices of all meetings of shareholders, special meetings of the Board of Directors and of its Committees; and have such other duties as the Board of Directors or the Chief Executive Officer shall assign.

2.6 Controller

The Controller, if a Controller is elected, shall cause to be kept proper records of the transactions of the Corporation; shall be responsible for the preparation of financial and tax reports required of the Corporation; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the Chief Executive Officer.

2.7 General Auditor

The General Auditor shall have charge of auditing the books, records and accounts and shall report directly to the Board of Directors or the Audit Committee thereof.

2.8 Assistant Officers

Each assistant officer as shall be elected shall assist in the performance of the duties of the officer to whom he is assistant and shall perform such duties in the

absence of the officer. He shall perform such additional duties as the Board

of Directors, the Chief Executive Officer, or the officer to whom he is assistant, may from time to time assign to him.

3. Incumbency

Any officer elected by the Board of Directors may be removed by the Board of Directors whenever, in its best judgment, the best interest of the Corporation will be served thereby, without prejudice however to any contract rights the person so removed may have with the Corporation or any of its subsidiaries.

Article V. COMMITTEES

1. Standing Committees

The Standing Committees which shall be appointed from time to time by the Board of Directors shall be the Executive Committee, the Audit Committee, the Loan and Investment Committee, the Nominating Committee and the Personnel and Compensation Committee. The Board of Directors may appoint such other Committees as the Board of Directors shall deem advisable.

1.1 Executive Committee

The Executive Committee shall consist of its Chairman and Chief Executive Officer and such other directors, not less than five, all of whom shall from time to time be appointed by the Board of Directors or the Chief Executive Officer. The Committee shall meet at such time or times as may be fixed by the Board of Directors, or upon call of its Chairman or the Chief Executive Officer. In the absence of the Chairman of the Committee, the Chief Executive Officer shall act as Chairman of the Executive Committee, unless the Board of Directors shall appoint some other person. The Executive Committee shall have and exercise in the intervals between the meetings of the Board of Directors all the powers of the Board of Directors so far as may be permitted by law. All acts done and powers conferred by the Executive Committee from time to time shall be deemed to be, and may be certified as being, done and conferred under authority of the Board of Directors. Five directors shall constitute a quorum.

1.2 Audit Committee

The Board of Directors shall appoint annually the Audit Committee consisting of not less than five directors, nor more than eight, none of whom shall be an officer, or a former officer of the Corporation. The Committee shall select a chairman from its membership, and may appoint a secretary who need not be a director. The Committee shall meet on call of its Chairman. The duties and reponsibilities of the Committee shall be established by the Board of Directors.

1.3 Corporate Governance Committee

The Board of Directors shall appoint annually the members of the Committee, consisting of not fewer than three directors, none of whom shall be an officer or former officer of the Corporation, and from these directors appoint the Chairman. The Committee may appoint a Secretary, who need not be a director. The Committee on Corporate Governance shall be responsible for selecting the persons to be candidates for nomination for election or appointment as directors of the Corporation, making recommendations with respect thereto to the Board of Directors and monitoring and recommending enhancements to the Corporation's corporate governance framework, particularly with respect to the structure, processes and proceedings of the Board of Directors. The Committee shall conduct its affairs in accordance with a charter approved by the Board of Directors.

1.4 Personnel and Compensation Committee

The Board of Directors shall appoint annually the Personnel and Compensation Committee consisting of not less than five directors, none of whom shall be an officer. The Committee shall select a chairman from its membership and may appoint a secretary who need not be a director. The Committee shall meet on call of its Chairman or the Chief Executive Officer. The duties and responsibilities of the Committee shall be 1) to receive reports on management succession from the Chief Executive Officer; 2) to approve the terms of employment and compensation of the Chairman of the Board, President and Vice Chairmen of the Corporation, and equivalent officers of all subsidiaries of the Corporation, and all other officers of the Corporation above the rank of Vice President; 3) to review and recommend to the Board of Directors for its approval, employee benefit, bonus, incentive compensation or similar plans relating to the attraction and retention of employees; 4) to administer, construe and interpret any such plans in accordance with their provisions, and to perform such other duties in connection with such plans as may from time to

time be assigned to it by the Board of Directors or under the provisions of such plans; and 5) to review and recommend to the Board of Directors for its approval, persons to be elected as Chairman of the Board, President and Vice Chairmen of the Corporation and its Banking subsidiaries.

1.5 Loan and Investment Committee

The Board of Directors shall appoint annually the Loan and Investment Committee consisting of not less than six directors, including no more than three officer-directors. The Committee shall select a chairman from its membership, who shall not be an officer, and may appoint a secretary who need not be a director or a member of the Committee. The Committee shall meet on call of its Chairman or of the Chairman of the Board, or, without notice at such times as the Board of Directors, by resolution, shall stipulate. The duties and responsibilities of the Committee shall be 1) to review and approve (when appropriate) loan and asset and liability management policies and reports of compliance therewith; 2) review Credit Policy and Asset and

Liability Management Committee activities; 3) review reports on significant credit commitments, loan portfolio distribution, total credit commitment and usage, delinquent and nonperforming loans, loan loss reserves, investment portfolio and liability management activity, interest rate risk positions and liquidity positions; 4) review reports on significant activity of PNC Funding Corp and PNC Securities Corp; 5) review on behalf of the Board of Directors reports of Supervisory Activity directed to the Board by bank regulatory agencies; 6) approve the issuance of debt securities by the Corporation or its wholly-owned subsidiaries; and 7) to report to the Board of Directors its activities.

2. Other Committees

The Board of Directors may authorize the appointment of such other Committees as it shall deem advisable.

3. Minutes

The Executive Committee and the Audit Committee shall keep minutes of their meetings, and such minutes shall be submitted at a regular meeting of the Board of Directors, and any action taken by the Board of Directors with respect thereto shall be entered in the minutes of the Board of Directors. All other Committees shall keep minutes of their meetings which shall be accessible to inspection by the Board of Directors at all times.

4. Procedure

Except as otherwise expressly provided for herein, each Committee may appoint a secretary, adopt its own rules of procedure and, unless the Board of Directors has acted with respect thereto, determine the date, place and hour for its meetings. In the absence of any other provision herein to the contrary, a majority of the members of any Committee shall constitute a quorum, and the action of a majority of the members in attendance at a meeting shall constitute the action of the body. Notice of meetings shall be given to each member personally, or in writing addressed to the address of the director appearing on the books of the Corporation on or before the day preceding the meeting.

5. Attendance

In the absence or disqualification of any member of a Committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any absent or disqualified member.

Article VI. STOCK CERTIFICATES

1. Signatures

Certificates of stock of the Corporation shall be signed by the Chairman of the Board, or the President, or any Vice Chairman, or any Vice President and countersigned by the Secretary or the Treasurer or by any Assistant Secretary or Assistant Treasurer, and sealed with the seal of the Corporation, which may be a facsimile. Where any such certificate is signed manually by a transfer agent or a registrar, the signatures of the officers may be facsimiles.

2. Transfers

The shares of stock of the Corporation shall be transferable only on its books upon surrender of the stock certificate for such shares properly endorsed. The Board of Directors shall have power to appoint one or more Transfer Agents and Registrars for the transfer and registration of certificates of stock of any class, and may require that stock certificates shall be countersigned and registered by one or more such Transfer Agents and Registrars.

3. Lost or Destroyed Certificates

If a stock certificate shall be lost, stolen or destroyed, the shareholder may file with the Corporation an affidavit stating the circumstances of the loss, theft or destruction and may request the issuance of a new certificate. He shall give to the Corporation a bond which shall be in such sum, contain such terms and provisions and have such surety or sureties as the Board of Directors may direct. The Corporation may thereupon issue a new certificate replacing the certificate lost, stolen or destroyed.

Article VII. DIRECTOR LIABILITY LIMITATION AND INDEMNIFICATION

1. Limitation of Director Liability

A director of the Corporation shall, to the maximum extent permitted by the laws of the Commonwealth of Pennsylvania, have no personal liability for monetary damages for any action taken, or any failure to take any action as a director, provided that this Section 1, Article VII shall not eliminate the liability of a director in any case where such elimination is not permitted by law.

2. Indemnification

Each person who at any time is or shall have been a director or officer of the Corporation, or is serving or shall have served at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his heirs, executors and administrators, shall be indemnified

by the Corporation in accordance with and to the full extent permitted by the laws of the Commonwealth of Pennsylvania as in effect at the time of such indemnification. The foregoing right of indemnification shall constitute a contract between the Corporation and each of its directors and officers and shall not be deemed exclusive of other rights to which any director, officer, employee, agent or other person may be entitled in any capacity as a matter of law or under any by-law, agreement, vote of shareholders or directors, or otherwise. If authorized by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the laws of the Commonwealth of Pennsylvania.

Article VIII. APPLICATION OF STATUTORY ANTI-TAKEOVER PROVISIONS

The following provisions of Title 15 of the Pennsylvania consolidated statutes shall not be applicable to the Corporation: (1) Subsections (d) through (f) of Section 511; (2) Subsections (e) through (g) of Section 1721; (3) Subchapter G of Chapter 25; and (4) Subchapter H of Chapter 25.

Article IX. EXERCISE OF AUTHORITY DURING EMERGENCIES

The Board of Directors or the Executive Committee may from time to time adopt resolutions authorizing certain persons and entities to exercise authority on behalf of this Corporation in time of emergency, and in the time of emergency any such resolutions will be applicable, notwithstanding any provisions as to the contrary contained in these By-Laws.

Article X. CHARITABLE CONTRIBUTIONS

The Board of Directors may authorize contributions to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare in such sums as the Board of Directors may deem expedient and in the interest of the Corporation.

Article XI. AMENDMENTS

These By-Laws may be altered, amended, added to or repealed by a vote of a majority of the Board of Directors at any regular meeting of the Board of

Directors, or at any special meeting of the Board of Directors called for that purpose.

Exhibit 10.6

PNC BANK CORP.
1994 ANNUAL INCENTIVE AWARD PLAN

1. GENERAL PURPOSE OF PLAN

The PNC Bank Corp. 1994 Annual Incentive Award Plan is designed to assist PNC Bank Corp. and its Subsidiaries in attracting, retaining and providing incentives to Eligible Employees and to promote the identification of their interests with those of the Corporation's shareholders by providing for the payment of Incentive Awards subject to the achievement of specified Performance Goals.

2. DEFINITIONS

Terms not otherwise defined herein shall have the following meanings:

2.1. "Award Period" means the calendar year, except to the extent the Committee determines otherwise.

2.2. "Board" means the Board of Directors of the Corporation.

2.3. "Code" means the Internal Revenue Code of 1986, as amended.

2.4. "Committee" means the committee appointed by the Board to establish and administer the Plan as provided herein. Unless otherwise determined by the Board, the Personnel and Compensation Committee of the Board shall be the Committee.

2.5. "Corporation" means PNC Bank Corp. and its successors and assigns and any corporation which shall acquire substantially all of its assets.

2.6. "Covered Employee" means a "covered employee" within the meaning of Section 162(m) of the Code.

2.7. "Eligible Employee" means an employee described in Section 4 hereof.

2.8. "Incentive Award" means a contingent award made to a Participant that, subject to Section 5.3 hereof, entitles the Participant to a cash payment equal to such Participant's Target Award for an Award Period, as increased or decreased to reflect the relative level of attainment of Performance Goals established by the Committee for an Award Period and such other factors as the Committee may determine.

2.9. "Participant" means any Eligible Employee who receives an Incentive Award under the Plan for an Award Period.

2.10. "Performance Goals" means (a) earnings per share, (b) return on average equity in relation to a peer group (the "Peer Group") of bank holding companies or other entities designated by the Company (c) return on average assets in relation to the Peer Group, or (d) such other performance goals as may be established by the Committee which may be based on earnings, earnings growth, revenues, expenses, stock price, market share, charge-offs, reductions in non-performing assets, return on assets, equity or investment, regulatory compliance, satisfactory internal or external audits, improvement of financial ratings, achievement of balance sheet or income statement objectives, or any other objective goals established by the Committee, and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. Such performance goals may be particular to a Participant or the division, department, branch, line of business, Subsidiary or other unit in which the Participant works, or may be based on the performance of the Corporation generally, and may cover such period as may be specified by the Committee.

2.11. "Plan" means the PNC Bank Corp. 1994 Annual Incentive Award Plan.

2.12. "Subsidiary" means a corporation of which at least 50% of the total combined voting power of all classes of stock is owned by the Corporation, either directly or through one or more other Subsidiaries.

2.13. "Target Award" means the dollar amount to be paid to a Participant if the Committee determines that the Corporation has achieved the target Performance Goals established by the Committee for an Award Period. A Participant's Target Award shall in no event exceed the greater of: (a) 100% of a Participant's base salary as of the later of (i) the first day of the applicable Award Period, or (ii) the date of grant of the Incentive Award; or (b) the total dollar amount of the Participant's base salary during the Award Period. The amount actually paid to a Participant pursuant to an Incentive Award shall be based upon the Participant's Target Award, as adjusted to reflect the relative level of attainment of the Performance Goals established by the Committee and such other factors as the Committee may determine.

3. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have plenary authority, in its discretion, to determine the terms of all Incentive Awards, including, without limitation, the Eligible Employees to whom, and the time or times at which, awards are made, the amount of a Participant's Target Award, the Award Period to which each Incentive Award shall relate, the actual dollar amount to be paid pursuant to an Incentive Award, the Performance Goals to which payment of awards will be subject, and when payments pursuant to Incentive Awards shall be made (which payments may, without limitation, be made during or after an Award Period on a deferred basis or in installments). In making such determinations, the Committee may take into account the nature of the services rendered by the respective Eligible Employees, their present and potential contributions to the success of the Corporation and its Subsidiaries, and such other factors as the Committee in its discretion shall deem relevant. Subject to the express provisions of the Plan, the Committee shall have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The determinations of the Committee pursuant to its authority under the Plan shall be conclusive and binding. The Committee may, in its discretion, authorize the Chief Executive Officer of the Corporation to act on its behalf, except with respect to matters relating to such Chief Executive Officer.

4. ELIGIBILITY

Incentive Awards may be granted only to salaried employees of the Corporation or a Subsidiary.

5. INCENTIVE SHARE AWARDS; TERMS OF AWARDS; PAYMENT

5.1. The Committee shall, in its sole discretion, determine which Eligible Employees shall receive Incentive Awards. For each Award Period with respect to which the Committee determines to make Incentive Awards, the Committee shall by resolution establish one or more Performance Goals applicable to such awards, the Target Award of each award, and the other terms and conditions of the awards. Such Performance Goals and other terms and conditions shall be established by the Committee in its sole discretion as it shall deem appropriate and in the best interests of the Corporation.

5.2 After the end of each Award Period for which the Committee has granted Incentive Awards, the Committee shall determine the extent to which the Performance Goals established by the Committee for the Award Period have been achieved and shall authorize the Corporation to make Incentive Award payments to Participants in accordance with the terms of the awards. If the achievement of applicable Performance Goals is below the minimum level specified by the Committee, no Incentive Award payments shall be made to Participants. In no event shall the amount paid to a Participant in accordance with the terms of an Incentive Award by reason of Performance Goal achievement in excess of target levels, or for any other reason, exceed the Participant's Target Award amount by more than 50%. Unless otherwise determined by the Committee, no Incentive Award payments shall be made to a Participant unless the Participant is employed by the Corporation or a Subsidiary as of the date of payment.

5.3 The Committee may at any time, in its sole discretion, cancel an Incentive Award or reduce or eliminate the amount payable pursuant to the terms of an Incentive Award without the consent of a Participant.

5.4 Incentive Award payments shall be subject to applicable federal, state and local withholding taxes and other applicable withholding in accordance with the Corporation's payroll practices as from time-to-time in effect.

6. TRANSFERABILITY

Incentive Awards shall not be subject to the claims of creditors and may not be assigned, alienated, transferred or encumbered in any way other than by will or pursuant to the laws of descent and distribution.

7. TERMINATION OR AMENDMENT

The Board may amend, modify or terminate the Plan in any respect at any time without the consent of Participants.

8. EFFECTIVENESS OF PLAN AND AWARDS

The Plan and Incentive Awards granted hereunder shall be void ab initio unless the Plan is approved by a vote of the Corporation's shareholders at the first shareholders' meeting of the Corporation following adoption of the Plan by the Board.

9. EFFECTIVE DATE; TERM OF THE PLAN

The Plan shall be effective as of January 1, 1994. Unless sooner terminated by the Board pursuant to Section 7, to the extent necessary to ensure that Incentive Award payments made to Covered Employees may be deductible for federal income tax purposes, the Plan shall terminate as of the date of the first meeting of the Corporation's shareholders occurring during 1999, unless the term of the Plan is extended and reapproved at such shareholders' meeting. No Incentive Awards may be awarded under the Plan after its termination. Termination of the Plan shall not affect any Incentive Awards outstanding on the date of termination and such awards shall continue to be subject to the terms of the Plan notwithstanding its termination.

10. INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as Directors or as members of the Committee, each of the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any Incentive Award granted hereunder, and against all amounts reasonably paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding to the maximum extent permitted by law.

11. GENERAL PROVISIONS

11.1. The establishment of the Plan shall not confer upon any Eligible Employee any legal or equitable right against the Corporation or any Subsidiary, except as expressly provided in the Plan.

11.2. The Plan does not constitute an inducement or consideration for the employment of any Eligible Employee, nor is it a contract between the Corporation, or any Subsidiary and any Eligible Employee. Participation in the Plan shall not give an Eligible Employee any right to be retained in the employ of the Corporation or any Subsidiary.

11.3. Nothing contained in this Plan shall prevent the Board or Committee from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required, and such arrangements may be either generally applicable or applicable only in specific cases.

11.4. The Plan shall be governed, construed and administered in accordance with the laws of the Commonwealth of Pennsylvania.

EXHIBIT 10.7

PNC BANK CORP.
DIRECTORS RETIREMENT PLAN

Pursuant to the Directors Retirement Plan, each current or future non-officer director of the Corporation who served as a director of the Corporation or predecessor or acquired corporation or other business entity for at least five years shall be paid an annual cash retirement benefit. The amount of the annual benefit will be equal to the annual retainer fee in effect for non-officer directors of the Corporation on the date of the director's retirement. The annual benefit shall be paid for the lesser of ten years or life of the retired director, with payment to commence on the later of age 65 or retirement from the Board of Directors of the Corporation.

(effective date: July 7, 1994)

EXHIBIT 11

CALCULATION OF PRIMARY AND FULLY DILUTED EARNINGS PER SHARE
PNC BANK CORP. AND SUBSIDIARIES

<TABLE>
<CAPTION>

Year Ended December 31 In Thousands, except per share data	1994	1993	1992
<S>	<C>	<C>	<C>
PRIMARY AVERAGE COMMON SHARES OUTSTANDING			
Weighted average shares of common stock outstanding	234,960	233,782	221,408
Weighted average common shares to be issued using average market price and assuming:			
Exercise of stock options	1,650	2,556	2,498
Exercise of warrants		48	117
Primary weighted average common shares	236,610	236,386	224,023
FULLY DILUTED AVERAGE COMMON SHARES OUTSTANDING			
Weighted average shares of common stock outstanding	234,960	233,782	221,408
Weighted average common shares to be issued using average market price or period-end market price, whichever is higher, and assuming:			
Conversion of preferred stock Series A & B	225	256	296
Conversion of preferred stock Series C	681	748	870
Conversion of preferred stock Series D	859	946	1,186
Conversion of debentures	73	85	206
Exercise of stock options	1,650	2,556	3,037
Exercise of warrants		48	122
Fully diluted weighted average common shares outstanding	238,448	238,421	227,125
PRIMARY EARNINGS PER COMMON SHARE			
Income before cumulative effect of changes in accounting principles	$610,062	$745,263	$529,440
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343		(19,393)	(102,501)
Net income	$610,062	$725,870	$426,939
Add: ESOP dividends tax benefit			2,680
Less: Preferred dividends declared	1,632	1,832	3,056
Net income applicable to primary earnings per common share	$608,430	$724,038	$426,563
Primary before cumulative effect of changes in accounting principles	$2.57	$3.14	$2.36
Cumulative effect of changes in accounting principles		(.08)	(.46)
Primary earnings per common share	$2.57	$3.06	$1.90
FULLY DILUTED EARNINGS PER COMMON SHARE			
Income before cumulative effect of changes in accounting principles	$610,062	$745,263	$529,440
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343		(19,393)	(102,501)
Net income	$610,062	$725,870	$426,939
Add: Interest expense on convertible debentures (net of tax)	50	57	142
ESOP dividends tax benefit			2,680
Less: Dividends declared on non-convertible preferred stock		34	879
Convertible preferred dividends			
Net income applicable to fully diluted earnings per common share	$610,112	$725,893	$428,882
Fully diluted before cumulative effect of changes in accounting principles	$2.56	$3.13	$2.34
Cumulative effect of changes in accounting principles		(.09)	(.45)
Fully diluted earnings per common share	$2.56	$3.04	$1.89

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</TABLE>

With respect to the 1990 fully diluted earnings per share calculation, preferred stock series C and D, and the convertible debentures were excluded since the conversion of these securities would have the effect of increasing the earnings per share amount for the year.

EXHIBIT 12.1

PNC BANK CORP.
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES

Dollars in thousands	Year Ended December 31 1994	1993	1992	1991	1990
Earnings:					
Income before income taxes and cumulative effect of changes in accounting principles	$ 902,389	$1,116,612	$ 778,122	$ 548,201	$ 29,425
Fixed charges excluding interest on deposits	1,043,195	649,898	517,424	513,370	918,698
Subtotal...........................	1,945,584	1,766,510	1,295,546	1,061,571	948,123
Interest on deposits	935,876	742,772	1,063,422	1,727,765	1,973,087
Total..............................	$2,881,460	$2,509,282	$2,358,968	$2,789,336	$2,921,210
Fixed charges:					
Interest on notes and debentures.....	$ 515,732	$ 265,353	$ 145,125	$ 95,207	$ 84,045
Interest on borrowed funds...........	499,252	362,995	352,162	398,779	816,448
Amortization of notes and debentures.	1,346	967	970	584	538
Interest component of rentals	26,865	20,583	19,167	18,800	17,667
Subtotal...........................	1,043,195	649,898	517,424	513,370	918,698
Interest on deposits................	935,876	742,772	1,063,422	1,727,765	1,973,087
Total..............................	$1,979,071	$1,392,670	$1,580,846	$2,241,135	$2,891,785
Ratio of Earnings to Fixed Charges:					
Excluding interest on deposits	1.87x	2.72x	2.50x	2.07x	1.03x
Including interest on deposits.......	1.46	1.80	1.49	1.24	1.01

EXHIBIT 12.2

PNC BANK CORP.
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Dollars in thousands	1994	1993	1992	1991	1990
	Year Ended December 31,				
Earnings:					
Income before income taxes and cumulative effect of changes in accounting principles..	$ 902,389	$1,116,612	$ 778,122	$ 548,201	$ 29,425
Fixed charges and preferred stock dividends excluding interest on deposits	1,045,609	652,432	521,908	518,004	922,156
Subtotal..................................	1,947,998	1,769,044	1,300,030	1,066,205	951,581
Interest on deposits	935,876	742,772	1,063,422	1,727,765	1,973,087
Total	$2,883,874	$2,511,816	$2,363,452	$2,793,970	$2,924,668
Fixed charges:					
Interest on notes and debentures............	$ 515,732	$ 265,353	$ 145,125	$ 95,207	$ 84,045
Interest on borrowed funds..................	499,252	362,995	352,162	398,779	816,448
Amortization of notes and debentures	1,346	967	970	584	538
Interest component of rentals	26,865	20,583	19,167	18,800	17,667
Preferred stock dividend requirements.......	2,414	2,534	4,484	4,634	3,458
Subtotal..................................	1,045,609	652,432	521,908	518,004	922,156
Interest on deposits........................	935,876	742,772	1,063,422	1,727,765	1,973,087
Total......................................	$1,981,485	$1,395,204	$1,585,330	$2,245,769	$2,895,243
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends:					
Excluding interest on deposits	1.86x	2.71x	2.49x	2.06x	1.03x
Including interest on deposits..............	1.46	1.80	1.49	1.24	1.01

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The Corporate Financial Review should be read in conjunction with the PNC Bank Corp. and subsidiaries ("Corporation") Consolidated Financial Statements and Statistical Information included herein.

OVERVIEW

During 1994, the nation's real gross domestic product grew at a preliminary annual rate of 4.0 percent according to the United States Commerce Department. The Federal Reserve's monetary policies included aggressive increases in interest rates to reduce inflationary pressures associated with the economic expansion. Based on recent economic indicators, management expects economic growth to remain above average throughout the first half of 1995 accompanied by increases in interest rates.

In 1994, management's strategic focus was on reducing interest rate sensitivity and realigning the Corporation's balance sheet consistent with its operating strategies for the future. During the second half of 1994, the Corporation took actions to reduce its interest rate sensitivity. These actions included selling $4.5 billion of fixed-rate securities; entering into $5.0 billion notional value of pay-fixed interest rate swaps; and purchasing $5.5 billion notional value of interest rate caps. As a result, the Corporation substantially eliminated its liability sensitivity at one year and mitigated

the impact of significantly higher interest rates on net interest income.

Net Income (in millions of dollars)

Data points for the graph of the Corporation's net income for the five years ended December 31, 1990 through 1994 follow:

	NET INCOME	BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES
1994	610.062	
1993	725.870	745.263
1992	426.939	529.440
1991	389.786	
1990	70.912	

The Corporation's results of operations for 1994 reflect the impact of these actions. Net income for 1994 was $610.1 million, or $2.56 per fully diluted share, compared with $725.9 million, or $3.04 per share, in 1993. Income before accounting changes in the prior-year period was $745.3 million or $3.13 per fully diluted share. Excluding securities transactions in both periods and a restructuring and related charge in 1994, income before accounting changes was $729.2 million in 1994 compared with $623.3 million in 1993. Return on assets and return on common shareholders' equity were 1.00 percent and 14.10 percent, respectively, in 1994 compared with 1.44 percent and 18.40 percent in 1993. The corresponding 1993 returns before accounting changes were 1.48 percent and 18.89 percent.

Fully Diluted Earnings per Share (in dollars)

Data points for the graph of the Corporation's fully diluted earnings per share for the five years ended December 31, 1990 through 1994 follow:

	EPS	BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES
1994	2.56	
1993	3.04	3.13
1992	1.89	2.34
1991	1.94	
1990	0.37	

The comparative results also reflect the impact of acquisitions completed during the periods, including PNC Mortgage (formerly Sears Mortgage Banking Group) completed on November 30, 1993. The results for 1993 included the cumulative effect of adopting Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," and a change in the method of accounting for certain intangible assets, primarily purchased mortgage servicing rights. The cumulative effect of these changes reduced net income by $9.0 million and $10.4 million, respectively.

The Corporation's balance sheet realignment is expected to include further reductions of the securities portfolio, certain low-spread loans and related wholesale funding through scheduled maturities and repayments. In connection with this downsizing, in January 1995 the board of directors authorized the purchase of up to 24 million common shares over a two-year period, or approximately 10 percent of shares outstanding at year-end 1994.

MERGERS AND ACQUISITIONS

The Corporation continues to evaluate acquisition opportunities where management believes strategic growth potential exists. Key elements of the Corporation's acquisition process include a dedicated staff for evaluating acquisitions, special management teams comprised of line of business managers to plan and execute due diligence activities and approval by a committee of senior executive officers, as well as the board of directors.

Various valuation and financial models are used to assess the impact of potential acquisitions. These models are utilized in structuring the transactions and in planning for post-acquisition market, operational and financial integration. The post-acquisition plan includes actions to preserve or enhance the underlying economics of the transaction and is refined as new information becomes available. Subsequent to consummation, post-acquisition integration is monitored to determine if objectives, both qualitative and quantitative, are being achieved.

On November 30, 1993, the Corporation completed its acquisition of PNC Mortgage. Post-closing purchase price adjustments were finalized in 1994 with

no material impact. With this acquisition, the Corporation added mortgage-related assets of $7.6 billion; a mortgage servicing portfolio approximating $27 billion, including $21 billion serviced for others; and a national residential mortgage origination network. In 1994, the Corporation purchased a $10-billion residential mortgage servicing portfolio from the Associates Corporation of North America ("Associates").

During 1994, the Corporation completed the acquisitions of United Federal Bancorp, Inc. ("United Federal"), State College, Pennsylvania and First Eastern Corp. ("First Eastern"), Wilkes-Barre, Pennsylvania. The combined assets and deposits totaled $2.8 billion and $2.4 billion, respectively.

In addition, the Corporation entered into a definitive agreement to acquire BlackRock Financial Management, L.P. ("BlackRock"), a New York-based, fixed-income investment management firm with approximately $23 billion in assets under management. The purchase price is approximately $240 million in cash and notes and will be paid over a five year period. This acquisition will be recorded under the purchase method of accounting, and substantially all of the purchase price will be allocated to intangible assets. This transaction is expected to close in the first quarter of 1995, pending approval by shareholders of certain managed mutual funds.

The Corporation also announced agreements to acquire Indian River Federal Savings Bank ("Indian River"), Vero Beach, Florida, and Brentwood Financial Corporation ("Brentwood"), Cincinnati, Ohio. The aggregate purchase price approximates $33 million in cash. Combined assets and deposits totaled approximately $175 million and $140 million, respectively, at December 31, 1994. The acquisition of Indian River was completed in January 1995. Brentwood is expected to close in the first quarter of 1995.

INCOME STATEMENT REVIEW

<TABLE>
<CAPTION>
INCOME STATEMENT HIGHLIGHTS

Year ended December 31 Dollars in millions	1994	1993	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Net interest income, taxable-equivalent basis	$1,943	$1,869	$ 74	4.0%
Provision for credit losses	60	204	(144)	(70.6)
Noninterest income before securities transactions	958	757	201	26.4
Net securities gains (losses)	(135)	188	(323)	(171.9)
Noninterest expense	1,770	1,454	316	21.7
Income before cumulative effect of changes in accounting principles	610	745	(135)	(18.1)
Net income	610	726	(116)	(16.0)

</TABLE>

NET INTEREST INCOME AND NET INTERST MARGIN Net interest income is interest income, dividends and fees on earning assets, less interest expense incurred for funding sources. Earning assets primarily include loans and securities. Sources used to fund these assets include deposits, borrowed funds and shareholders' equity. Net interest margin is net interest income on a fully taxable-equivalent basis as a percentage of average earning assets.

<TABLE>
<CAPTION>
NET INTEREST INCOME

Year ended December 31 Taxable-equivalent basis Dollars in millions	1994	1993	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Net interest income/ expense before swaps:				
Interest income	$3,767	$3,081	$ 686	22.3%
Loan fees	69	66	3	4.5
Taxable-equivalent adjustment	33	39	(6)	(15.4)
Total interest income	3,869	3,186	683	21.4
Interest expense	2,027	1,520	507	33.4
Net interest income before swaps	1,842	1,666	176	10.6
Effect of interest				

rate swaps on				
Interest income	26	55	(29)	(52.7)
Interest expense	(75)	(148)	(73)	(49.3)
Total swaps	101	203	(102)	(50.2)
Net interest income	$1,943	$1,869	$ 74	4.0%

</TABLE>

On a fully taxable-equivalent basis, net interest income for 1994 increased $74.6 million, or 4.0 percent, due to a $9.8 billion increase in average earning assets, partially offset by the effect of higher rates paid on borrowings and lower benefit from interest rate swaps.

<TABLE>
<CAPTION>
VOLUME/RATE ANALYSIS

1994 versus 1993	Increase/(Decrease) Due To Changes In:			
In millions	Volume	Rate	Rate/Volume	Total
<S>	<C>	<C>	<C>	<C>
Interest income	$663	$ 14	$ 6	$ 683
Interest expense	356	120	31	507
Interest rate swaps	42	(118)	(26)	(102)
Net interest income	389	(256)	(59)	74

</TABLE>

The net interest margin narrowed during the year due to the adverse impact of the rising interest rate environment throughout 1994. The narrower interest rate spread was primarily due to liabilities repricing faster than assets, narrowing interest spreads on loans and the impact of the PNC Mortgage acquisition. In addition, the net interest margin was negatively impacted by a reduced benefit from interest rate swaps. Management expects net interest income and net interest margin to decline in 1995 as a result of higher interest rates, competitive loan pricing, rising deposit and borrowing costs and the impact of certain actions taken in 1994 to reduce interest rate sensitivity. Net interest income is also expected to decline as a result of decreasing the securities portfolio, certain low-spread loans, and related wholesale funding.

<TABLE>
<CAPTION>
NET INTEREST MARGIN

Year ended December 31 Taxable-equivalent basis	1994	1993	Basis Point Change
<S>	<C>	<C>	<C>
Book-basis yield on earning assets	6.58%	6.51%	7
Effect of loan fees	.12	.14	(2)
Taxable-equivalent adjustment	.06	.08	(2)
Taxable-equivalent yield on earning assets	6.76	6.73	3
Rate on interest-bearing liabilities	4.11	3.81	30
Interest rate spread	2.65	2.92	(27)
Effect of:			
Noninterest-bearing sources	.54	.54	
Interest rate swaps on			
Interest income	.06	.12	(6)
Interest expense	(.15)	(.37)	(22)
Total swaps	.21	.49	(28)
Net interest margin	3.40%	3.95%	(55)

</TABLE>

PROVISION FOR CREDIT LOSSES The provision for credit losses was $60.1 million in 1994 compared with $203.9 million a year ago. Stronger economic conditions combined with management's ongoing efforts to improve asset quality resulted in lower nonperforming assets and net charge-offs, and a higher reserve coverage of nonperforming loans. Based on the current risk profile of the loan portfolio and assuming economic trends continue, management does not expect to record a provision for credit losses in 1995.

NONINTEREST INCOME Noninterest income before securities transactions increased 26.4 percent to $957.6 million in 1994. Net securities losses totaled $134.9 million during 1994 compared with net gains of $187.7 million in 1993. Excluding securities transactions, noninterest income was 33.0 percent of total revenue in 1994 compared with 28.8 percent a year earlier. During 1994, this increase was primarily related to mortgage banking revenue associated with PNC Mortgage and the purchase of the Associates mortgage servicing portfolio. The pending acquisition of BlackRock will further expand fee-based revenues and is

expected to increase this ratio in 1995.

Noninterest Income before Securities Transactions (in millions of dollars)

Data points for the graph of the Corporation's noninterest income before securities transactions for the five years ended December 31, 1990 through 1994 follow:

<TABLE>
<CAPTION>

<S>	Noninterest Income <C>
1994	957,560
1993	757,555
1992	693,273
1991	748,571
1990	634,108

</TABLE>

The 1991 amount excludes the gain on sale of certain operations.

<TABLE>
<CAPTION>
NONINTEREST INCOME

Year ended December 31 Dollars in thousands <S>	1994 <C>	1993 <C>	Change Amount <C>	Change Percent <C>
Investment management and trust				
Trust	$ 194,060	$184,286	$ 9,774	5.3%
Mutual funds	97,992	89,563	8,429	9.4
Total investment management and trust	292,052	273,849	18,203	6.6
Service charges, fees and commissions				
Deposit account and corporate services	164,220	156,468	7,752	5.0
Credit card and merchant services	56,020	55,529	491	.9
Brokerage	35,539	37,989	(2,450)	(6.4)
Corporate finance	44,716	40,358	4,358	10.8
Other services	69,651	63,953	5,698	8.9
Total service charges, fees and commissions	370,146	354,297	15,849	4.5
Mortgage banking				
Servicing	121,776	34,365	87,411	254.4
Sale of servicing	60,573		60,573	NM
Marketing	16,199	16,225	(26)	(.2)
Total mortgage banking	198,548	50,590	147,958	292.5
Other	96,814	78,819	17,995	22.8
Total noninterest income before securities transactions	957,560	757,555	200,005	26.4
Net securities gains (losses)	(134,919)	187,694	(322,613)	(171.9)
Total	$ 822,641	$945,249	$(122,608)	(13.0%)

<FN>
NM-Not meaningful
</TABLE>

Investment management and trust revenue increased 6.6 percent to $292.1 million due to strong sales activity. Revenue from new trust business was mitigated by the adverse effect on fees resulting from a decline in the valuation of assets managed. A 23 percent increase in mutual fund accounting and administrative fees was partially offset by a decline in fees resulting from a lower average level of managed assets. The BlackRock acquisition is expected to add approximately $23 billion in discretionary mutual fund assets, $14 billion of which are institutional funds, and approximately 20 percent to investment management and trust revenue on an annualized basis. The table below sets forth trust and mutual fund assets and the related revenue as of, and for the years ended, December 31, 1994 and 1993.

<TABLE>
<CAPTION>
INVESTMENT MANAGEMENT AND TRUST

	Assets at December 31 Discretionary		Nondiscretionary		Total		Revenue for the Year ended December 31	
In millions	1994	1993	1994	1993	1994	1993	1994	1993

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Personal and charitable	$22,598	$22,923	$ 9,716	$ 11,773	$ 32,314	$ 34,696	$142	$134
Institutional	3,991	9,758	72,355	69,412	76,346	79,170	52	50
Total trust	26,589	32,681	82,071	81,185	108,660	113,866	194	184
Mutual funds	25,990	24,343	77,919	54,257	103,909	78,600	98	90
Total	$52,579	$57,024	$159,990	$135,442	$212,569	$192,466	$292	$274

</TABLE>

Approximately $4 billion of the decline in discretionary institutional trust assets is due to the sale of a substantial portion of the Corporation's interest in an investment advisory firm. The proprietary PNC Family of Funds are included in the discretionary mutual funds category. Assets in these funds totaled $5.3 billion at December 31, 1994 and were comprised of $4.3 billion in trust accounts, $700 million in institutional accounts and $300 million in retail accounts. Total assets in these funds were $3.4 billion at December 31, 1993. Nondiscretionary mutual fund assets increased due to the addition of $23.9 billion of assets under custody for a large brokerage house.

Service charges, fees and commissions increased $15.8 million, or 4.5 percent, to $370.1 million. Increased transaction volume related to acquisitions and new business accounted for the growth in deposit account and corporate services revenue. The decline in brokerage fees was attributable to lower transaction volume. Increased syndication and advisory activity accounted for the growth in corporate finance fees. Other service fees increased as a result of acquisitions, higher transaction activity and revised consumer loan fee schedules.

<TABLE>
<CAPTION>
MORTGAGE SERVICING PORTFOLIO

In millions	1994	1993
<S>	<C>	<C>
Balance at January 1	$35,527	$ 9,214
Originations	6,387	3,468
Acquisitions	10,599	27,222
Repayments	(6,077)	(4,377)
Sales	(5,470)	
Balance at December 31	$40,966	$35,527

</TABLE>

Mortgage banking income increased $148.0 million to $198.5 million as a result of the PNC Mortgage acquisition and the purchase of the Associates mortgage servicing portfolio. During 1994, the Corporation funded $6.4 billion of residential mortgages, approximately 78 percent of which represented new financings. PNC Mortgage directly originated 73 percent of total volume in 1994. Although the rising interest rate environment in 1994 adversely impacted the volume of originations, the value of the

mortgage servicing portfolio increased as prepayments declined. At December 31, 1994, the Corporation's mortgage servicing portfolio totaled $41.0 billion, including $30.0 billion serviced for others. The portfolio had a weighted-average coupon rate of 7.85 percent, an unamortized carrying value of $323 million and an estimated fair value of $506 million. Gains from sales of mortgage servicing totaled $60.6 million during 1994.

Other noninterest income increased $18.0 million primarily due to higher gains from sales of assets and income from venture capital activity.

NONINTEREST EXPENSE Noninterest expense totaled $1.8 billion in 1994 compared with $1.5 billion in the year-earlier period. The increase was primarily due to acquisitions and a $48.3 million charge for restructuring and related costs principally for the consolidation of existing telebanking centers and continued rationalization of the branch network. Excluding acquisitions and this charge, noninterest expense increased less than one percent in the comparison. Noninterest expense is not expected to increase in 1995 compared with 1994.

<TABLE>
<CAPTION>
NONINTEREST EXPENSE

Year ended December 31 Dollars in thousands	1994	1993	Change Amount	 Percent
Compensation	$ 686,342	$ 582,181	$104,161	17.9%
Employee benefits	149,330	103,207	46,123	44.7
Total staff expense	835,672	685,388	150,284	21.9
Net occupancy	147,713	115,354	32,359	28.1
Equipment	132,724	113,954	18,770	16.5
Amortization of intangible assets	82,237	31,589	50,648	160.3
Federal deposit insurance	73,902	65,488	8,414	12.8
Taxes other than income	44,227	36,070	8,157	22.6
Other	453,260	405,883	47,377	11.7
Total	$1,769,735	$1,453,726	$316,009	21.7%

</TABLE>

The overhead ratio was 64.0 percent in 1994 compared with 51.7 percent in 1993. Excluding securities transactions and the restructuring and related costs, the overhead ratio was 59.4 percent in 1994 compared with 55.4 percent a year earlier. The higher overhead ratio reflects the Corporation's increased emphasis on fee-based businesses including mortgage banking and treasury management which are more labor intensive and, accordingly, have lower profit margins.

During the fourth quarter of 1994, the Corporation announced plans to consolidate its telebanking centers located in seven markets into a new state-of-the-art center in Pittsburgh. In addition, the continuing rationalization of the retail delivery system will result in consolidation of certain branches. In connection with these initiatives, the Corporation recorded $17.9 million of staff expense, $12.0 million of net occupancy related to disposition of buildings and lease cancellations, $2.7 million of equipment, $2.4 million of intangible asset amortization, and $13.3 million of other expense.

Excluding the restructuring and related costs, staff expense increased 19.3 percent in the year-to-year comparison, primarily due to acquisitions in the mortgage banking and consumer banking businesses. Average full-time equivalent employees increased to approximately 21,000 for 1994 compared with approximately 18,000 in the year-earlier period. Pension expense totaled $32.5 million, an increase of $20.2 million due to a reduction in the discount rate used to calculate the pension obligation for 1994. The increase in the remaining noninterest expense categories was primarily due to acquisitions.

LINE OF BUSINESS RESULTS

The management accounting process uses various methods of balance sheet and income statement allocations, transfers and assignments to evaluate the performance of various business units. Unlike financial accounting, there is no comprehensive, authoritative body of guidance for management accounting equivalent to generally accepted accounting principles. The following information is based on management accounting practices which conform to and support the management structure of the Corporation and is not necessarily comparable with similar information for any other financial institution. Designations, assignments, and allocations may change from time to time as the management accounting system is enhanced and business or product lines change. During 1994, certain methodologies were changed and, accordingly, results for 1993 are presented on a consistent basis. These changes did not materially impact previously reported line of business results.

For management reporting purposes, the Corporation has designated four distinct lines of business: Corporate Banking, Retail Banking, Investment Management and Trust, and Investment Banking. The financial results presented in this section reflect each line of business as if it operated on a stand-alone basis. Securities or borrowings, and related interest rate spread, have been assigned to each line of business based on its net asset or liability position. Retail Banking and Investment Management and Trust are net generators of funds and, accordingly, were assigned securities, while Corporate Banking received an assignment of borrowings as a net asset generator. An assignment of securities is accompanied by an assignment of equity in accordance with the methodology described below. The remaining securities and borrowings, related interest rate spread, and securities transactions, are included in Portfolio Management within Investment Banking.

Direct earnings for each business unit reflect fully taxable-equivalent net interest and noninterest revenues and fully-absorbed costs associated with each unit's operating activities. The provision for credit losses is a charge or credit to earnings as appropriate to maintain specific reserves.

Capital is assigned to each business unit based on management's assessment of inherent risk. Equity levels at independent companies that provide products and services similar to those provided by the respective business unit are also considered. Capital assignments are not equivalent to risk-based capital guidelines and the total amount assigned may vary from consolidated

shareholders' equity.

After-tax profit margin represents earnings expressed as a percentage of revenues. The overhead ratio is the percentage of noninterest expense to revenues. For purposes of these ratio computations, revenues include net interest income on a fully taxable-equivalent basis and noninterest income.

<TABLE>
<CAPTION>
LINE OF BUSINESS HIGHLIGHTS

Year ended December 31 Dollars in millions	Earnings		Average Balance Sheet		After-Tax Profit Margin		Overhead		Return on Assigned Equity	
	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Corporate Banking	$292	$294	$14,759	$12,873	44%	42%	38%	34%	16%	17%
Retail Banking	314	303	36,791	27,617	18	21	71	64	16	21
Investment Management and Trust	67	67	522	480	20	22	68	66	44	51
Investment Banking	(6)	208	10,075	9,115	NM	55	NM	15	NM	65
Total Lines of Business	667	872	$62,147	$50,085	24	31	64	50	16	24
Cumulative effect of accounting changes		(19)								
Unallocated provision	(37)	(96)								
Other unallocated items	(20)	(31)	(1,251)	236						
Total	$610	$726	$60,896	$50,321						

<FN>
NM-not meaningful
</TABLE>

Earnings contributed by the lines of business totaled $667 million in 1994 compared with $872 million in 1993. These results exceeded reported consolidated net income by $57 million and $146 million, respectively, due to the cumulative effect of changes in accounting principles in 1993, provision for credit losses in excess of specific reserve allocations and certain unallocated revenue and expenses. Excluding securities transactions and the restructuring and related costs, earnings from the lines of business were $786 million and $750 million in 1994 and 1993, respectively, and returns on assigned equity were 18 percent and 21 percent, respectively.

Percent Contribution to Line of Business Earnings (percent)

Data points for the graph of the Corporation's percent contribution to line of business earnings for the two years ended December 31, 1993 and 1994 follow:

<TABLE>
<CAPTION>

	1993	1994
<S>	<C>	<C>
Corporate Banking	33.72	43.77
Retail Banking	34.75	47.08
Investment Management and Trust	7.68	9.15
Investment Banking	23.85	0

</TABLE>

CORPORATE BANKING Corporate Banking provides traditional financing, liquidity and treasury management, capital markets and other financial services to businesses and government entities. Corporate Banking includes: Large Corporate - - - --customers having annual sales of more than $250 million; and Middle Market--annual sales of $5 to $250 million, including customers in certain specialized industries such as real estate, communications, healthcare and natural resources.

Corporate Banking provided 44 percent of line of business earnings in 1994 compared with 34 percent in 1993. Direct earnings from this line of business increased $18 million, or 7.4 percent, in 1994 primarily due to the impact of improved asset quality.

Large Corporate generated a $1.1 billion, or 38.4 percent, increase in average loans, the majority of which was in short-term commercial and money market loans. The benefit of this additional volume was partially offset by narrower interest rate spreads. The return on assigned equity declined in the year-to-year comparison due to a higher assignment of capital associated with the growth in low-spread loans.

Middle Market direct earnings increased as the benefit of improved asset quality more than offset the effect of narrower interest rate spreads on loans.

Treasury Management services are provided to customers in both the Large Corporate and Middle Market sectors. Customers pay a fee, which is reported in noninterest income, or maintain deposit balances which provide net interest income. Revenue from treasury management amounted to $102 million and represented 16.5 percent of total Corporate Banking revenue in 1994 compared with 15.7 percent in 1993.

<TABLE>
<CAPTION>
CORPORATE BANKING

Year ended December 31 Dollars in millions	Large Corporate 1994	Large Corporate 1993	Middle Market 1994	Middle Market 1993	Total 1994	Total 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$ 111	$ 93	$ 383	$ 413	$ 494	$ 506
Noninterest income	43	30	81	88	124	118
Total revenue	154	123	464	501	618	624
Provision	(3)	(11)	(30)	23	(33)	12
Noninterest expense	61	53	192	187	253	240
Pretax income	96	81	302	291	398	372
Income taxes	31	27	105	101	136	128
Direct earnings	65	54	197	190	262	244
After-tax impact of assigned assets/funds	10	12	20	38	30	50
Total earnings	$ 75	$ 66	$ 217	$ 228	$ 292	$ 294
AVERAGE BALANCE SHEET						
Loans	$4,017	$2,902	$ 9,914	$9,768	$13,931	$12,670
Other assets	742	111	86	92	828	203
Total assets	$4,759	$3,013	$10,000	$9,860	$14,759	$12,873
Deposits	$ 733	$ 620	$ 1,845	$2,036	$ 2,578	$ 2,656
Assigned funds	3,907	2,314	7,008	6,255	10,915	8,569
Other funds	119	79	1,147	1,569	1,266	1,648
Total funds	$4,759	$3,013	$10,000	$9,860	$14,759	$12,873
PERFORMANCE RATIOS						
After-tax profit margin	44%	47%	44%	41%	44%	42%
Overhead	36	38	39	33	38	34
Return on assigned equity	16	19	17	17	16	17

</TABLE>

<TABLE>
<CAPTION>
RETAIL BANKING

Year ended December 31 Dollars in millions	Consumer Banking 1994	Consumer Banking 1993	Mortgage Banking 1994	Mortgage Banking 1993	Total 1994	Total 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$ 926	$ 842	$ 160	$ 81	$ 1,086	$ 923
Noninterest income	214	209	228	68	442	277
Total revenue	1,140	1,051	388	149	1,528	1,200
Provision	32	44	4	1	36	45
Noninterest expense	879	789	312	127	1,191	916
Pretax income	229	218	72	21	301	239
Income taxes	81	76	25	7	106	83
Direct earnings	148	142	47	14	195	156
After-tax impact of						
Assigned assets/funds	122	131	28	16	150	147
Restructuring and related costs					(31)	

Total earnings	$ 270	$ 273	$ 75	$ 30	$ 314	$ 303
AVERAGE BALANCE SHEET						
Loans	$11,369	$ 9,777	$ 8,925	$3,475	$20,294	$13,252
Assigned assets	13,786	13,371			13,786	13,371
Other assets	711	400	2,000	594	2,711	994
Total assets	$25,866	$23,548	$10,925	$4,069	$36,791	$27,617
Deposits	$24,619	$22,789	$ 3,036	$ 588	$27,655	$23,377
Assigned funds	414	401	5,612	3,011	6,026	3,412
Other funds	833	358	2,277	470	3,110	828
Total funds	$25,866	$23,548	$10,925	$4,069	$36,791	$27,617
PERFORMANCE RATIOS						
After-tax profit margin	20%	22%	17%	18%	18%	21%
Overhead	66	63	73	73	71	64
Return on assigned equity	18	21	16	16	16	21

</TABLE>

RETAIL BANKING Retail Banking provides lending, deposit, investment, payment systems access, and other financial services to consumers and small businesses. Retail Banking includes: Consumer Banking -- all lending and deposit gathering services provided to individuals and small businesses; and Mortgage Banking -- residential mortgage loans held in portfolio, and loan origination, acquisition and servicing activities.

The earnings contribution from Retail Banking increased to 47 percent in 1994 from 35 percent a year ago. Total 1994 earnings were adversely impacted by a $31 million after-tax charge for restructuring and related costs principally for the consolidation of existing telebanking centers and continued rationalization of the branch network. Direct earnings from this line of business increased $39 million, or 25 percent, in 1994 as a result of a number of acquisitions, including PNC Mortgage, United Federal and First Eastern.

Within Consumer Banking, average loans increased 16.3 percent and average deposits increased 8.0 percent. A majority of this growth was attributable to acquisitions. The resulting higher net interest income as well as improved asset quality contributed to the increase in direct earnings.

The increase in Mortgage Banking direct earnings resulted from the acquisition of PNC Mortgage. This transaction added net interest income from mortgage-related assets as well as a sizeable mortgage servicing revenue stream. During 1994, the mortgage servicing portfolio increased $5.5 billion to $41.0 billion at December 31, 1994, including $30.0 billion serviced for others. The net growth in loans serviced resulted from the Associates transaction and internal origination activity which was partially offset by sales and repayments. Mortgage servicing totaling $5.5 billion was sold in 1994 which resulted in gains of $60.6 million.

INVESTMENT MANAGEMENT AND TRUST Investment Management and Trust ("IM&T") provides investment advice, asset management, and administrative and custodial services to individuals, institutions and mutual funds. IM&T includes: Trust -- investment management and fiduciary services provided to individuals and non-profit institutions, pension and employee benefit plans, and corporations; and Mutual Funds -- products and services in support of mutual funds for other banks, brokerage houses, insurance companies and mutual fund complexes, including the PNC Family of Funds.

Investment Management and Trust contributed 9 percent of line of business earnings in 1994 compared with 7 percent a year ago. Direct earnings remained flat year-to-year as a 10 percent growth in fee revenue continued to be reinvested in the sales and marketing infrastructure and volume-related costs increased.

Trust direct earnings declined in the comparison as revenue growth from new business was more than offset by a decline in fees resulting from lower levels of managed assets and higher marketing and incentive expenses. The higher interest rate environment in 1994 adversely affected equity and bond market valuations and resulted in a 1.7 percent decline in the average composite market value of discretionary trust assets. Mutual Funds direct earnings increased $4.2 million in 1994 compared with the year-earlier period. Revenue increased due to higher managed funds, new accounting and administrative services business, and a gain from the sale of certain transfer agent services. This increased revenue was partially offset by the effect of increased marketing and volume-related costs.

<TABLE>
<CAPTION>

INVESTMENT MANAGEMENT AND TRUST

Year ended December 31 Dollars in millions	Trust 1994	 1993	Mutual Funds 1994	 1993	Total 1994	 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$ 14	$ 16	$ 6	$ 6	$ 20	$ 22
Noninterest income	193	186	110	90	303	276
Total revenue	207	202	116	96	323	298
Noninterest expense	152	140	71	59	223	199
Pretax income	55	62	45	37	100	99
Income taxes	19	22	17	13	36	35
Direct earnings	36	40	28	24	64	64
After-tax impact of assigned assets/funds	2	2	1	1	3	3
Total earnings	$ 38	$ 42	$ 29	$ 25	$ 67	$ 67
AVERAGE BALANCE SHEET						
Loans	$ 72	$ 35	$ 42	$ 28	$114	$ 63
Assigned assets	277	308	86	76	363	384
Other assets	30	24	15	9	45	33
Total assets	$379	$367	$143	$113	$522	$480
Deposits	$277	$292	$ 90	$ 69	$367	$361
Assigned funds	8	9	3	2	11	11
Other funds	94	66	50	42	144	108
Total funds	$379	$367	$143	$113	$522	$480
PERFORMANCE RATIOS						
After-tax profit margin	18%	21%	25%	26%	20%	22%
Overhead	72	68	60	61	68	66
Return on assigned equity	39	49	52	55	44	51

</TABLE>

<TABLE>
<CAPTION>
INVESTMENT BANKING

Year ended December 31 Dollars in millions	Portfolio Management 1994	 1993	Brokerage and Underwriting 1994	 1993	Total 1994	 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$ 370	$ 401	$ (3)	$ (2)	$ 367	$ 399
Noninterest income before securities transactions	6	15	105	85	111	100
Net securities gains (losses)	(136)	182			(136)	182
Total revenue	240	598	102	83	342	681
Noninterest expense	14	20	60	36	74	56
Pretax income	226	578	42	47	268	625
Income taxes	77	202	15	17	90	219
Direct earnings	149	376	27	30	176	406
After-tax impact of assigned assets/funds	(182)	(199)		1	(182)	(198)
Total earnings	$ (33)	$ 177	$ 27	$ 31	$ (6)	$ 208

AVERAGE BALANCE SHEET						
Loans	$ 1,667	$ 1,611	$ 30	$ 29	$ 1,697	$ 1,640
Assets assigned to other units	(14,142)	(13,755)			(14,142)	(13,755)
Other assets	22,011	20,954	509	276	22,520	21,230
Total assets	$ 9,536	$ 8,810	$539	$305	$ 10,075	$ 9,115
Deposits	$ 3,332	$ 2,511			$ 3,332	$ 2,511
Funds assigned to other units	(16,850)	(11,847)			(16,850)	(11,847)
Other funds	23,054	18,146	$539	$305	23,593	18,451
Total funds	$ 9,536	$ 8,810	$539	$305	$ 10,075	$ 9,115
PERFORMANCE RATIOS						
After-tax profit margin	NM	61%	27%	37%	NM	55%
Overhead	NM	7	59	43	NM	15
Return on assigned equity	NM	70	32	46	NM	65

</TABLE>

INVESTMENT BANKING Investment Banking includes the asset/liability management function, as well as underwriting, brokerage and direct investment services. Investment Banking includes: Portfolio Management -- management of the Corporation's on- and off-balance-sheet positions; and Brokerage and Underwriting -- venture capital investments, corporate and public finance and brokerage services.

Investment Banking's results for 1994 reflect the adverse impact of actions taken to reduce interest rate sensitivity. Portfolio Management incurred a net loss in 1994 primarily due to net securities losses of $135.9 million. The 1993 results included net securities gains of $182.0 million. Excluding securities transactions, Investment Banking's earnings were $82 million and $90 million, respectively, in the comparison.

Noninterest income generated by Brokerage and Underwriting increased 23.5 percent over the prior year due to growth in venture capital income and corporate finance fees. Increases in fees from underwriting of bond issues and commissions on mutual fund sales were more than offset by additional expenses for personnel and marketing costs related to brokerage product development and distribution initiatives.

Venture capital income from the Corporation's private equity investment activities amounted to $42.1 million in 1994 compared with $35.1 million last year. At December 31, 1994, the private equity investment portfolio totaled $185 million compared with $160 million a year ago.

BALANCE SHEET REVIEW

<TABLE>
<CAPTION>

AVERAGE ASSETS Year ended December 31 Dollars in millions	1994	1993	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Total assets	$60,896	$50,321	$10,575	21.0%
Total earning assets	57,187	47,340	9,847	20.8
Loans, net of unearned income	33,511	25,959	7,552	29.1
Securities	22,116	20,403	1,713	8.4%

</TABLE>

The changes in average assets reflect the impact of acquisitions, increased loan demand and asset/liability management activities.

LOANS Average loans for 1994 increased 29.1 percent over 1993, to $33.5 billion. Acquisitions increased the loan portfolio primarily in the mortgage banking and consumer banking businesses. Excluding the impact of acquisitions, average loans increased 6.0 percent. The proportion of average loans to average earning assets increased to 58.6 percent in 1994 compared with 54.8 percent a year ago. Management expects this ratio to increase further in 1995 as a result of loan growth and a decline in the securities portfolio. However, management expects to reduce certain low-spread loans.

Average Loans to Average Earnings Assets (percent)

Data points for the graph of the Corporation's average loans to average earning assets for the five years ended December 31, 1990 through 1994 follow:

<TABLE>
<CAPTION>
Percent

1994	58.60
1993	54.84
1992	58.12
1991	67.22
1990	65.50

The Corporation manages credit risk associated with its lending activities through portfolio diversification, underwriting policies and procedures, and loan monitoring practices. The portfolio composition remained substantially unchanged from year-end 1993 except for a moderate increase in the proportion of real estate mortgage loans and a moderate decrease in the proportion of commercial loans.

At December 31, 1994, loan outstandings and net unfunded commitments increased $8.3 billion, or 15.5 percent, since year-end 1993. Unfunded commitments are net of participations and syndications, primarily to financial institutions.

In addition, the Corporation issued $4.3 billion and $3.9 billion of letters of credit at December 31, 1994 and 1993, respectively, consisting primarily of standby letters of credit.

Total commercial loan outstandings remained relatively flat since year-end 1993. Total commercial unfunded commitments increased $5.5 billion, or 40.7 percent, in the comparison. The growth in commitments was broad based and attributable to increased economic activity.

Total real estate project exposure declined slightly in 1994. Retail and office projects accounted for 32 percent and 22 percent, respectively, of total real estate project exposure at December 31, 1994. Multi-family, hotel/motel and residential projects accounted for 10 percent, 10 percent and 9 percent, respectively. No other project type accounted for more than 4 percent. Projects in the Corporation's primary markets, which include Delaware, Indiana, Kentucky, New Jersey, Ohio and Pennsylvania, accounted for 73 percent of total outstandings. The southeast region of the United States accounted for 15 percent and no other geographic region accounted for more than 5 percent.

Real estate mortgage outstandings increased 17.9 percent primarily due to acquisitions and portfolio management strategies. Residential and commercial mortgages acquired in 1994 totaled $568 million and $288 million, respectively. As part of its overall asset/liability management strategy, the Corporation retains certain originated residential mortgage products in the loan portfolio. The remainder of its originations are securitized and retained for the securities portfolio or sold.

Consumer loan outstandings increased $662 million due to acquisitions. Excluding acquisitions, consumer loans increased approximately 3.6 percent, primarily in the home equity lending portfolio.

LOANS

December 31 In millions	1994 Outstandings	1994 Net Unfunded Commitments	1993 Outstandings	1993 Net Unfunded Commitments
Commercial				
Manufacturing	$ 2,434	$ 6,011	$ 2,765	$ 4,351
Retail/Wholesale	2,148	2,123	1,789	1,570
Services providers	1,534	1,384	1,050	1,055
Communications				
Cable	691	215	735	157
Telephone/cellular	285	923	503	535
Other	125	93	99	40
Total communications	1,101	1,231	1,337	732
Financial services	691	2,502	872	1,666
Real estate related	610	180	557	177
Health care	606	958	536	544
Public utilities	254	1,079	352	860
Other	3,067	3,447	3,205	2,493
Total commercial	12,445	18,915	12,463	13,448
Real estate project				
Construction and development	394	254	350	195
Medium-term financings	1,234	56	1,380	26
Total real estate project	1,628	310	1,730	221
Real estate mortgage				
Residential	9,283	769	8,036	1,521
Commercial	1,261	19	905	6
Total real estate mortgage	10,544	788	8,941	1,527

Consumer				
Home equity	2,625	1,761	2,238	1,360
Automobile	2,534		2,428	
Student	1,258	30	1,103	27
Credit card	817	3,423	725	3,065
Other	1,953	330	2,031	214
Total consumer	9,187	5,544	8,525	4,666
Other	1,843	917	1,871	400
Unearned income	(240)		(222)	
Total, net of unearned income	$35,407	$26,474	$33,308	$20,262

</TABLE>

Percent Composition of Loan Portfolio (percent)

Data points for the graph of the Corpoation's percent composition of loan portfolio for the two years ended December 31, 1993 and 1994 follow:

<TABLE>
<CAPTION>

	1993	1994
<S>	<C>	<C>
Commercial	37.17	34.91
Real Estate Project	5.16	4.57
Real Estate Mortgage	26.67	29.58
Consumer	25.42	25.77
Other	5.58	5.17
Total	100.00	100.00

</TABLE>

SECURITIES At December 31, 1994, the investment securities and securities available for sale portfolios included $11.6 billion and $2.9 billion, respectively, of collateralized mortgage obligations and mortgage-backed securities. The characteristics of these investments include principal guarantees, primarily by U.S. Government agencies, marketability, and availability as collateral for additional liquidity. The expected lives of mortgage-related securities can vary as a result of changes in interest rates. The Corporation manages this risk through the use of an income simulation model as part of the asset/liability management process.

Other U.S. Government agency securities and asset-backed private placements represent AAA-rated, variable-rate instruments. The interest rates on these instruments float with various indices and are limited by periodic and maximum caps. These securities have an initial specified term at the end of which the maturity may be extended or called at the option of the issuer. Other debt securities consist primarily of private label collateralized mortgage obligations.

Securities represented 36.3 percent of earning assets at December 31, 1994 compared with 39.3 percent a year ago. During 1994, $13.1 billion of securities were sold at an after-tax loss of $87.7 million. Such sales included $2.7 billion of fixed-rate securities in the third quarter that were replaced with variable-rate assets. During the fourth quarter of 1994, $1.8 billion of fixed-rate securities were sold as part of management's actions to reduce further interest rate sensitivity and to reduce the size of the securities portfolio relative to earning assets. Management anticipates further reductions in the size of the securities portfolio during 1995 which will be accomplished through scheduled maturities and anticipated repayments in the most likely interest rate environment.

<TABLE>
<CAPTION>
SECURITIES

December 31 In millions	1994 Amortized Cost	1994 Unrealized Gains	1994 Unrealized Losses	1994 Fair Value	1993 Amortized Cost	1993 Unrealized Gains	1993 Unrealized Losses	1993 Fair Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Investment securities								
Debt securities								
U.S. Treasury	$ 1,794		$ 93	$ 1,701	$ 1			$ 1
U.S. Government agencies and corporations								
Mortgage-related	10,920		1,025	9,895	10,227	$ 39	$32	10,234
Other	1,000		28	972				

State and municipal	348	$12	2	358	389	38		427
Asset-backed private placements	1,597		33	1,564				
Other debt								
Mortgage-related	726		43	683	513		4	509
Other	769		20	749	297	3		300
Other	310	1		311	245			245
Total	$17,464	$13	$1,244	$16,233	$11,672	$ 80	$36	$11,716
Securities available for sale								
Debt securities								
U.S. Treasury	$ 401		$ 8	$ 393	$ 2,402	$ 2	$ 2	$2,402
U.S. Government agencies and corporations								
Mortgage-related	2,161		69	2,092	7,998	114	15	8,097
Other	25		4	21	25		1	24
Other debt								
Mortgage-related	749		17	732	691	18	4	705
Other	117	$ 2		119	99			99
Corporate stocks and other	105	1	6	100	36	25		61
Total	$ 3,558	$ 3	$ 104	$ 3,457	$11,251	$159	$22	$11,388

</TABLE>

<TABLE>
<CAPTION>
EXPECTED MATURITY DISTRIBUTION OF SECURITIES

December 31 Dollars in millions	1995	1996	1997 and Beyond	Total	Weighted Average Life
<S>	<C>	<C>	<C>	<C>	<C>
Investment securities					
Debt securities					
U.S. Treasury			$ 1,794	$ 1,794	4.1 yrs
U.S. Government agencies and corporations					
Mortgage-related	$2,042	$1,864	7,014	10,920	4.1 yrs
Other			1,000	1,000	3.9 yrs
State and municipal	16		332	348	9.2 yrs
Asset-backed private placements			1,597	1,597	3.4 yrs
Other debt					
Mortgage-related	123	181	422	726	3.3 yrs
Other	335	230	204	769	1.4 yrs
Other			310	310	NM
Total investment securities	2,516	2,275	12,673	17,464	3.9 yrs
Securities available for sale					
Debt securities					
U.S. Treasury	140	221	32	393	1.4 yrs
U.S. Government agencies and corporations					
Mortgage-related	328	269	1,495	2,092	5.1 yrs
Other			21	21	3.1 yrs
Other debt					
Mortgage-related	132	130	470	732	3.8 yrs
Other	17	17	85	119	8.1 yrs
Corporate stocks and other			100	100	NM
Total securities available for sale	617	637	2,203	3,457	4.3 yrs
Total	$3,133	$2,912	$14,876	$20,921	4.0 yrs
Percent of total	15.0%	13.9%	71.1%	100%	
Securities with interest rates that are:					
Fixed	$2,635	$2,499	$10,360	$15,494	
Variable	$ 498	$ 413	$ 4,516	$ 5,427	

<FN>
NM-not meaningful
</TABLE>

Securities available for sale are recorded at fair value in the consolidated balance sheet, and net unrealized gains or losses, net of tax, are reflected as an adjustment to shareholders' equity. The Corporation may sell such securities as part of the overall asset/liability management process should market or other factors warrant. Gains and losses from such transactions would be reflected in results of operations.

The table above sets forth the expected maturity distribution of the securities portfolio. Mortgage-related securities and other instruments are distributed based on expected weighted average lives determined by historical experience and assuming management's most likely interest rate environment.

The expected weighted average lives have extended compared with year-end 1993 as a result of slower prepayments in the higher rate environment.

AVERAGE FUNDING SOURCES

Year ended December 31 Dollars in millions	1994	1993	Change Amount	Change Percent
Deposits	$32,852	$28,442	$4,410	15.5%
Borrowed funds	11,375	10,373	1,002	9.7
Notes and debentures	11,288	6,486	4,802	74.0
Shareholders' equity	4,336	3,957	379	9.6

The changes in average funding sources reflect the impact of acquisitions and asset/liability management activities.

DEPOSITS Average deposits increased $4.4 billion, or 15.5 percent, compared with 1993 primarily due to acquisitions. The proportion of average noninterest-bearing sources supporting average earning assets was 13.8 percent in 1994 compared with 15.7 percent in the year-earlier period. This decline was primarily due to the PNC Mortgage acquisition which added $6.9 billion of earning assets.

FUNDING SOURCES

December 31 In millions	1994	1993
Deposits		
Demand, savings and money market	$19,313	$18,621
Time	15,698	14,494
Total deposits	35,011	33,115
Borrowed funds		
Repurchase agreements	3,785	4,995
Treasury, tax and loan	1,989	3,414
Federal funds purchased	2,181	2,066
Commercial paper	1,226	514
Other	2,427	673
Total borrowed funds	11,608	11,662
Notes and debentures		
Bank notes	8,825	7,000
Federal Home Loan Bank	1,347	1,045
Other	1,582	1,540
Total notes and debentures	11,754	9,585
Total	$58,373	$54,362

Total deposits at December 31, 1994 increased $1.9 billion, or 5.7 percent, since year-end 1993 as increases from acquired deposits were partially offset by lower brokered and other deposits. Brokered deposits, which are primarily included in time deposits, totaled $2.8 billion at December 31, 1994 compared with $4.1 billion at December 31, 1993. These deposits are expected to decline further as they mature and alternative funding sources are employed. Retail brokered deposits are issued or participated-out by brokers in denominations of $100,000 or less. Such deposits represented 77.2 percent of the total at December 31, 1994 compared with 63.7 percent at year-end 1993.

BORROWED FUNDS Borrowed funds decreased $54 million from year-end 1993. In addition, during 1994 certain repurchase agreements and treasury, tax and loan borrowings were replaced with short-term borrowings primarily consisting of commercial paper and term Federal funds purchased.

NOTES AND DEBENTURES Average notes and debentures increased $4.8 billion as bank notes and Federal Home Loan Bank advances were used as lower cost alternatives to other funding sources. Notes and debentures increased $2.2 billion since year-end 1993. During 1994, the Corporation issued $5.2 billion of variable-rate, unsecured bank notes with maturities of one year, $3.6 billion of fixed-rate, unsecured bank notes with maturities ranging from three to six months, and $200 million of subordinated debentures due in 2004.

Management believes the Corporation has sufficient liquidity to meet its obligations to customers, debtholders and others. The impact of replacing maturing liabilities is reflected in the income simulation model used in the Corporation's overall asset/liability management process. At December 31, 1994, the model assumed rising interest rates and a resulting higher cost of replacement funding.

CAPITAL Management continues to place an emphasis on capital strength. Acquisition capability, funding alternatives, new business activities, deposit insurance costs, and the level and nature of expanded regulatory oversight depend in large part on a banking institution's capital strength. The minimum regulatory capital ratios are 4.00 percent for Tier I, 8.00 percent for total risk-based and 3.00 percent for leverage. However, regulators may require higher capital levels when a bank's particular circumstances warrant. To be classified as well capitalized, regulators require capital ratios of 6.00 percent for Tier I, 10.00 percent for total risk-based and 5.00 percent for leverage. At December 31, 1994, the capital position of each bank affiliate was classified as well capitalized.

<TABLE>
<CAPTION>
RISK-BASED CAPITAL AND CAPITAL RATIOS

December 31 Dollar in millions	1994	1993
<S>	<C>	<C>
CAPITAL COMPONENTS		
Shareholders' equity	$ 4,394	$ 4,325
Goodwill	(373)	(85)
Net unrealized securities (gains) loses	119	(88)
Total Tier I risk-based capital	4,140	4,152
Subordinated debt	752	554
Eligible allowance for credit losses	605	547
Total risk-based capital	$ 5,497	$ 5,253
ASSETS		
Risk-weighted assets and off-balance-sheet instruments	$48,007	$43,380
Average tangible assets	62,842	52,923
CAPITAL RATIOS		
Tier I risk-based capital	8.62%	9.57%
Total risk-based capital	11.45	12.11
Leverage	6.59	7.85

- - - --

</TABLE>

A net decline in Tier I and leverage capital ratios is expected in 1995 primarily due to the pending acquisition of BlackRock.

In January 1995, the board of directors approved a stock repurchase program which authorizes the Corporation to purchase up to 24 million additional common shares over the next two years. The share repurchase program is not expected to materially affect capital ratios. The Corporation maintains its capital positions primarily through the issuance of debt and equity instruments, its dividend policy and retained earnings. During 1994, the Corporation retained capital of $302.9 million.

The double leverage ratio indicates the degree to which debt has been utilized to acquire or capitalize subsidiary companies, including banking affiliates. This ratio was 111.0 percent at December 31, 1994 compared with 101.8 percent a year ago. The increase during 1994 was due to acquisitions.

RISK MANAGEMENT

In the normal course of business, the Corporation is subject to various types of risk, including interest rate, credit, and liquidity risk. The Corporation's objective is to maximize profitability while maintaining acceptable levels of risk.

Interest rate risk is the sensitivity of net interest income and the market value of financial instruments to the magnitude, direction and frequency of changes in interest rates. Interest rate risk results from various repricing frequencies and the maturity structure of assets, liabilities, and off-balance-sheet positions.

Credit risk represents the possibility that a customer may not perform in accordance with contractual terms. Credit risk results from extending credit to customers, purchasing securities, and entering into certain off-balance-sheet financial instruments.

Liquidity risk represents the inability to generate cash or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers, as well as the obligations to depositors and debtholders.

ASSET/LIABILITY Asset/liability management uses a variety of investments, funding sources and off-balance-sheet instruments in managing the overall interest rate risk profile of the Corporation. Asset/liability management minimizes the credit risk associated with its activities, primarily by entering into transactions with only a select number of high-quality institutions, establishing credit limits with counterparties and, where applicable, requiring segregated collateral.

A dynamic income simulation model is the primary mechanism used in assessing the impact of changes in interest rates on net interest income. The model reflects management's assumptions related to asset yields and rates paid on liabilities, deposit sensitivity, size and composition of the balance sheet, maturities of on- and off-balance-sheet instruments and other rate-influenced variables. These assumptions are applied to all current on- and off-balance sheet positions and are updated periodically to reflect changing conditions. The assumptions are based on what management believes at that time to be the most likely interest rate environment. Management also evaluates the impact of higher and lower interest rates.

Actual results may differ from simulated results due to various factors including timing, magnitude and frequency of interest rate changes, the relationship or spread between various rates, changes in market conditions, loan pricing and deposit sensitivity, asset/liability management strategies and mergers or acquisitions.

Several economic measures such as growth in the manufacturing sector, a lower unemployment rate, a decline in the dollar's exchange rates and a rise in industrial commodities prices continue to indicate potential inflationary pressures. Based on recent economic indicators, management expects economic growth to remain above average throughout the first half of 1995 and that the Federal Reserve will continue to respond by raising the Federal funds rate during this period.

The following table sets forth average interest rates for the periods indicated including management's most likely interest rate environment and the industry consensus as reported in the Blue Chip Financial Forecasts.

<TABLE>
<CAPTION>

AVERAGE INTEREST RATES		Most Likely Environment		Industry Consensus
	December	June	December	Fourth Quarter

	1994	1995	1995	1995
<S>	<C>	<C>	<C>	<C>
Federal funds	5.50%	6.50%	6.50%	6.70%
3-month LIBOR	6.38	6.85	6.90	7.00
5-year U.S. Treasury Note	7.78	8.00	7.80	7.80
Spread between 5-year U.S. Treasury Note and Federal funds	228bp	150bp	130bp	110bp

</TABLE>

In the most likely interest rate environment, net interest income is expected to decline by approximately 21 percent in 1995 compared with full-year 1994. The expected decline in net interest income is primarily due to the impact of interest rate swaps, narrowing loan spreads and higher deposit and borrowing costs. These results also include the impact of actions taken by management during the latter part of 1994 to reduce the adverse impact of interest rates above the most likely interest rate environment. Such actions included the purchase of interest rate caps with a notional value of $5.5 billion, entering into pay-fixed interest rate swaps with a notional value of $5.0 billion and the sale of $4.5 billion of fixed-rate securities. The model also reflects the impact of management's plans to reduce further the securities portfolio, through scheduled maturities and repayments, and to repurchase common stock. These actions are expected to reduce net interest income in 1995 by approximately $124 million.

If interest rates are 100 basis points higher than management's most likely interest rate environment, the simulation model projects net interest income in 1995 would decline from the most likely scenario by 4 percent. Conversely, if interest rates are 100 basis points lower, net interest income would exceed the most likely scenario by 4 percent.

In addition to the income simulation model, management performs an interest rate sensitivity ("gap") analysis which represents a point-in-time net position of assets, liabilities and off-balance-sheet instruments subject to repricing in specified time periods. Gap analysis alone does not accurately measure the magnitude of changes in net interest income since changes in interest rates do not impact all categories of assets, liabilities and off-balance-sheet instruments equally or simultaneously. The liability sensitivity of the cumulative one-year gap position was 1.5 percent of total earning assets at December 31, 1994, compared with 17.4 percent at September 30, 1994, and 8.6 percent a year ago. The actions taken by management in the second half of 1994 substantially eliminated the one-year cumulative liability sensitive position of the Corporation in the most likely interest rate environment.

The distribution in the Interest Rate Sensitivity table is based on a combination of maturities, call provisions, repricing frequencies, prepayment patterns and historical experience and management's most likely interest rate environment. Variable-rate assets and liabilities are distributed based on the repricing frequency of the instrument.

<TABLE>
<CAPTION>
INTEREST RATE SENSITIVITY (GAP) ANALYSIS

	Rate Sensitive						
December 31, 1994 In millions	1 to 90 Days	91 to 180 Days	181 to 365 Days	1 to 2 Years	2 to 5 Years	Beyond 5 Years	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Loans	$17,986	$ 2,275	$3,246	$2,981	$ 5,238	$ 3,681	$35,407
Securities	4,043	1,447	2,582	2,527	7,149	3,173	20,921
Other earning assets	1,296						1,296
Other assets	2,359	13	31	54	161	3,903	6,521
Total assets	$25,684	$ 3,735	$5,859	$5,562	$12,548	$ 10,757	$64,145
Noninterest-bearing deposits	$ 865		$ 17			$ 6,110	$ 6,992
Interest-bearing deposits	8,421	$ 2,169	3,069	$2,384	$ 2,425	9,551	28,019
Borrowings	18,608	3,100	362	66	202	1,024	23,362
Other liabilities	27					1,351	1,378

Shareholders' equity						4,394	4,394
Total liabilities and shareholders' equity	$27,921	$ 5,269	$3,448	$2,450	$ 2,627	$ 22,430	$64,145
Off-balance-sheet items	(476)	503	449	291	(623)	(144)	
Interest rate sensitivity	(2,713)	(1,031)	2,860	3,403	9,298	$(11,817)	
Cumulative gap	$(2,713)	$(3,744)	$ (884)	$2,519	$11,817		

</TABLE>

FINANCIAL DERIVATIVES The Corporation uses off-balance-sheet financial derivatives as part of its overall asset/liability management process. The majority of such instruments consist of interest rate swaps, interest rate caps, and forward contracts, which are used to manage interest rate risk.

Interest rate swaps are agreements with a counterparty to exchange periodic interest payments that are calculated on a notional principal amount. Interest rate swaps, including those with index-amortizing characteristics, are used to alter the repricing structure of interest-bearing assets or liabilities.

Interest rate caps are agreements where, for a fee, the counterparty agrees to pay the Corporation the amount, if any, by which a specified market interest rate exceeds a defined cap rate applied to a notional amount.

Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. The Corporation uses forward contracts to manage interest rate risk associated with its mortgage banking activities. Commitments to purchase and sell forward contracts totaled $16 million and $350 million, respectively, at year-end 1994. Substantially all contracts mature within 90 days.

Financial derivatives involve, to varying degrees, interest rate and credit risk in excess of the amount recognized in the balance sheet. The Corporation manages overall interest rate risk, including that related to financial derivatives, as part of its asset/liability management process. Financial derivatives are also subject to the Corporation's credit policies and procedures.

<TABLE>
<CAPTION>
INTEREST RATE SWAPS AND CAPS

	Gain Position		Loss Position		
In millions December 31, 1994	Notional Value	Fair Value	Notional Value	Fair Value	Total Notional Value
<S>	<C>	<C>	<C>	<C>	<C>
Interest rate swaps					
Receive-fixed	$ 119	$ 4	$11,375	$ (772)	$11,494
Pay-fixed	5,060	26	658	(19)	5,718
Total swaps	5,179	30	12,033	(791)	17,212
Interest rate caps	5,500	132			5,500
Total	$10,679	$ 162	$12,033	$ (791)	$22,712
December 31, 1993					
Interest rate swaps					
Receive-fixed	$ 7,904	$ 153	$ 2,715	$ (26)	$10,619
Pay-fixed			1,193	(86)	1,193
Total	$ 7,904	$ 153	$ 3,908	$ (112)	$11,812

</TABLE>

Substantially all receive-fixed swaps are index amortizing and are primarily associated with commercial loans and deposits. The Corporation receives payments based on fixed interest rates and makes payments based on floating money market indices, primarily 1-month and 3-month LIBOR. The notional values of the receive-fixed swaps amortize on predetermined dates and in predetermined amounts based on market movements of the designated index, which are primarily 3-year U.S. Treasury constant maturities and 3-month LIBOR. The Corporation's

swaps do not contain leverage or any similar features.

The Corporation's pay-fixed interest rate swaps are associated with collateralized mortgage and U.S. Treasury obligations in the investment securities portfolio. The Corporation receives payments based on floating money market indices, primarily 3-month LIBOR, and pays fixed interest rates. Substantially all pay-fixed swaps mature by the end of 1998.

<TABLE>
<CAPTION>
INTEREST RATE SWAPS AND CAPS ACTIVITY

Notional value In millions	January 1 1994	Additions	Maturities/ Amortization	Terminations	December 31 1994
<S>	<C>	<C>	<C>	<C>	<C>
Interest rate swaps					
Receive-fixed	$ 10,619	$ 3,200	$ (2,321)	$ (4)	$ 11,494
Pay-fixed	1,193	5,000	(270)	(205)	5,718
Interest rate caps		5,500			5,500
Total	$ 11,812	$ 13,700	$ (2,591)	$ (209)	$ 22,712

</TABLE>

In November 1994, the Corporation paid a $129.6 million premium for interest rate caps with a notional value of $5.5 billion associated with collateralized mortgage obligations in the investment securities portfolio. The caps require the counterparty to pay the Corporation the excess of 3-month LIBOR over a specified cap rate, currently 6.00 percent, computed quarterly based on the notional value of the contracts. At December 31, 1994, 3-month LIBOR was 6.50 percent. The cap rate adjusts to 6.50 percent at the end of 1995 and the contracts expire at the end of 1997. The agreements limit the amount payable to the Corporation to 150 basis points over the cap rate. The effect of these caps is to modify the interest rate characteristics of certain fixed-rate collateralized mortgage obligations to be variable within certain ranges.

Only the interest payments and the premium on the agreements are exchanged; therefore, cash requirements and exposure to credit risk are significantly less than the notional principal amount. The Corporation seeks to minimize the credit risk associated with its interest rate swap and cap activities primarily by entering into transactions with only a select number of high-quality institutions, establishing credit limits with counterparties and, where applicable, requiring segregated collateral or bilateral netting agreements. At December 31, 1994, credit exposure related to interest rate swaps and caps totaled $48 million and was 47 percent collateralized.

During 1994, interest rate swaps benefited net interest income by $100.7 million compared with $203.3 million in 1993. Based on its most likely interest rate environment, and as reflected in the results of the simulation model, management expects interest rate swaps and caps will adversely impact net interest income in 1995.

The following table sets forth the maturity distribution of the notional value of interest rate swaps and the associated weighted average interest rates on swaps maturing in the respective year, assuming management's most likely interest rate environment. Variable rates paid or received are subject to change as the underlying index floats with changes in the market.

<TABLE>
<CAPTION>
MATURITY DISTRIBUTION OF INTEREST RATE SWAPS BASED ON MANAGEMENTS MOST LIKELY INTEREST RATE ENVIRONMENT

Dollars in millions	1995	1996	1997	1998	1999 and Beyond	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Receive-fixed						
Notional value	$ 1,282	$ 481	$ 4,243	$ 4,461	$ 1,027	$ 11,494
Weighted average fixed interest rate received	6.27%	5.87%	5.81%	5.29%	5.22%	5.61%
Weighted average variable interest rate paid	6.65	7.04	6.87	7.06	7.10	6.95
Pay-fixed						
Notional value	$ 320	$ 1.65	$ 1,040	$ 4,050	$ 143	$ 5,718
Weighted average variable rate received	6.38	6.88	7.10	7.10	7.10	7.05

Weighted average fixed interest rate paid	5.15	7.50	7.90	7.93	9.59	7.80

</TABLE>

LIQUIDITY MANAGEMENT Liquidity represents an institution's ability to generate cash or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers, demands of depositors and debtholders, and invest in other strategic initiatives. Liquidity is managed through the coordination of the relative maturities of assets, liabilities and off-balance-sheet positions and is enhanced by the ability to raise funds in capital markets.

Liquid assets consist of cash and due from banks, short-term investments, loans held for sale and securities available for sale. At December 31, 1994, such assets totaled $7.3 billion. Liquidity is also provided by residential mortgages and mortgage-related securities which may be used as collateral for funds obtained through the Federal Home Loan Bank system or, with respect to mortgage-related securities, sold under agreements to repurchase. At December 31, 1994, approximately $5.2 billion and $1.3 billion of residential mortgages and mortgage-related securities, respectively, were available for collateral for borrowings from the Federal Home Loan Bank system. Alternatively, mortgage-related securities may be used as collateral for securities sold under agreements to repurchase. The planned reduction in the securities portfolio and related wholesale funding sources is not expected to materially affect overall liquidity.

Liquidity for the parent company and its affiliates is also generated through the issuance of securities in public or private markets, lines of credit and dividends from subsidiaries. Under effective shelf registration statements at December 31, 1994, the Corporation had available $140 million of debt, $300 million of preferred stock and $350 million of securities that may be issued as either debt or preferred stock. Additionally, the Corporation had a $300 million unused committed line of credit. Funds obtained from any of these sources can be used for both bank and nonbank activities. In addition to current parent company funds, the funding for pending or potential acquisitions may include the issuance of instruments that qualify as regulatory capital, such as preferred stock or subordinated debt.

CREDIT RISK MANAGEMENT AND ADMINISTRATION Credit risk is inherent in the lending business. The Corporation seeks to manage credit risk through diversification, utilizing exposure limits to any single industry or customer, requiring collateral and selling participations to third parties.

Credit Administration, which includes credit policy, loan review and loan workout, manages and monitors credit risk by promulgating and enforcing uniform credit polices and exercising centralized oversight, review and approval procedures. Credit Policy, at the direction of the board of directors, establishes uniform underwriting standards that set forth the criteria that are used in extending credit.

To assist in the consistent application of underwriting standards, credit officers work with lending officers in evaluating the creditworthiness of borrowers and structuring transactions. Credit decisions are made at the specific affiliate or market level. However, credit requests that are above certain limits or that involve exceptions to credit policies require additional corporate approvals.

ASSET QUALITY During 1994, nonperforming assets declined $108 million reflecting continued improvement in overall asset quality. Excluding the impact of the First Eastern acquisition, total nonperforming assets declined $165 million when compared with year-end 1993.

<TABLE>
<CAPTION>
NONPERFORMING ASSETS

December 31 Dollars in millions	1994	1993
Nonaccrual loans		
Commercial	$ 177	$ 181
Real estate project	68	91
Real estate mortgage	65	84
Total nonaccrual loans	310	356
Restructured loans	9	28
Total nonperforming loans	319	384
Foreclosed assets		
Real estate project	75	108
Real estate mortgage	25	42
Other	27	20
Total foreclosed assets	127	170

Total	$ 446	$ 554
Nonperforming loans to total loans	.90%	1.15%
Nonperforming assets to total loans and foreclosed assets	1.25	1.65
Nonperforming assets to total assets	.69	.89

</TABLE>

The following table sets forth the changes in nonperforming assets during 1994 and 1993.

CHANGE IN NONPERFORMING ASSETS

<TABLE>
<CAPTION>

In millions	1994	1993
<S>	<C>	<C>
Balance at January 1	$ 554	$ 820
Transferred from accrual	348	296
Acquisitions	69	104
Returned to performing	(61)	(59)
Principal reductions	(266)	(306)
Sales	(103)	(131)
Charge-offs and valuation adjustments	(95)	(170)
Balance at December 31	$ 446	$ 554

</TABLE>

At December 31, 1994, $62 million of nonperforming loans were current as to principal and interest compared with $102 million at December 31, 1993. Office, retail and land projects accounted for 70 percent of total nonperforming real estate project assets at December 31, 1994. The Corporation's primary markets accounted for 59 percent of total nonperforming real estate project assets. The southeast region of the United States and metropolitan Washington D.C. area accounted for 27 percent and 9 percent, respectively.

Nonperforming Assets (in millions of dollars)

Data points for the graph of the Corporation's nonperforming assets for the five years ended December 31, 1990 through 1994 follow:

<TABLE>
<CAPTION>

	Nonperforming Assets
<S>	<C>
1994	446
1993	554
1992	820
1991	1,083
1990	1,305

</TABLE>

Accruing loans contractually past due 90 days or more as to the payment of principal or interest totaled $148 million at December 31, 1994 compared with $135 million a year ago. Residential mortgages and student loans totaling $50 million and $36 million, respectively, were included in the total at December 31, 1994 compared with $55 million and $41 million, respectively, at year-end 1993.

Loans not included in past due, nonaccrual or restructured categories, but where known information about possible credit problems causes management to be uncertain as to the ability of the borrowers to comply with the present loan repayment terms over the next six months, totaled $111 million at December 31, 1994. A total of $71 million of these loans were current as to principal and interest payments.

ALLOWANCE FOR CREDIT LOSSES In determining the adequacy of the allowance for credit losses, the Corporation allocates reserves to specific problem loans based on a collectibility review and pools of watchlist and non-watchlist loans for various credit risk factors. The allocations to pools of loans are developed by risk rating and industry classification and are based on management's judgment concerning historical loss trends and other relevant factors. These factors may include, among others, local, regional and national economic conditions; portfolio concentrations; the level of industry competition and consolidation; and the impact of government regulation.

Residential mortgage and consumer loan allocations are based on historical loss experience adjusted for portfolio activity and current economic conditions.

The allowance for credit losses totaled $1.0 billion at December 31, 1994 compared with $972 million at December 31, 1993. The allowance as a percentage of period-end loans and nonperforming loans was 2.83 percent and 314.2 percent, respectively, at December 31, 1994. The comparable year-end 1993 amounts were 2.92 percent and 253.1 percent, respectively. The allowance for credit losses is expected to decline during 1995.

<TABLE>
<CAPTION>
CHARGE-OFFS AND RECOVERIES

In millions Year ended December 31, 1994	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
<S>	<C>	<C>	<C>	<C>
Commercial	$ 61	$38	$ 23	.19%
Real estate project	20	2	18	1.07
Real estate mortgage	21	3	18	.19
Consumer	68	32	36	.41
Total	$170	$75	$ 95	.29%
Year ended December 31, 1993				
Commercial	$ 92	$37	$ 55	.51%
Real estate project	60	2	58	3.14
Real estate mortgage	15	3	12	.27
Consumer	79	32	47	.59
Total	$246	$74	$172	.66%

</TABLE>

The 1994 charge-off and recovery levels reflected the continued improvement in overall asset quality and the Corporation's loan workout efforts.

OVERVIEW

Net income for 1993 was $725.9 million, or $3.04 per fully diluted common share, compared with $426.9 million, or $1.89 per share in 1992. Return on assets and return on common shareholder's equity were 1.44 percent and 18.40 percent, respectively, in 1993. The corresponding 1992 returns were .95 percent and 12.47 percent, respectively.

Effective January 1, 1993, the Corporation adopted SFAS No. 109 and changed its accounting method for certain intangible assets. Such assets are comprised primarily of purchased mortgage servicing rights. The cumulative effect of these changes reduced net income by $9.0 million and $10.4 million, respectively.

The Corporation adopted SFAS No. 106 related to postretirement benefits in 1992. The adoption of SFAS No. 106 resulted in additional after-tax expense of $111.3 million, or $.49 per fully diluted share, consisting of a first-quarter one-time charge of $102.5 million, or $.45 per share and $2.2 million of additional operating expense in each quarter. Income before the cumulative effect of the changes in accounting principles was $745.3 million, or $3.13 per share in 1993 compared with $529.4 million, or $2.34 per share in 1992. Return on assets and return on common shareholders' equity before the accounting changes were 1.48 percent and 18.89 percent, respectively, in 1993 compared with 1.18 percent and 15.03 percent in 1992.

MERGERS AND ACQUISITIONS

On November 30, 1993, the Corporation consummated its acquisition of PNC Mortgage. In addition, during 1993 the Corporation acquired PNC Bank, New England (formerly The Massachusetts Company, Inc.), Boston, Massachusetts and Gateway Fed Corporation, Cincinnati, Ohio.

INCOME STATEMENT REVIEW

NET INTEREST INCOME AND NET INTEREST MARGIN On a fully taxable-equivalent basis, net interest income for 1993 increased $168.5 million, or 9.9 percent, to $1.9 billion due to an increase in average earning assets.

The net interest margin for 1993 was 3.95 percent compared with 4.03 percent in 1992. The net interest margin narrowed during the year due to the reduced benefit of noninterest-bearing funds in the lower interest rate environment; the sale of higher coupon mortgage-backed securities to reduce prepayment risk; the issuance of longer-term liabilities to provide stability to funding costs; and the impact of the PNC Mortgage acquisition. Partially offsetting these factors was the impact of interest rate swaps.

PROVISION FOR CREDIT LOSSES The provision for credit losses for 1993 was $203.9 million compared with $323.5 million in 1992. Continued improvement in economic conditions combined with management's ongoing efforts to improve asset quality resulted in lower nonperforming asset and charge-off levels, and a higher reserve coverage of nonperforming loans.

NONINTEREST INCOME Excluding net securities gains, total noninterest income increased $64.3 million, or 9.3 percent to $757.6 million in 1993. Net securities gains totaled $187.7 million in 1993 compared with $193.5 million in 1992.

Trust revenue increased 5.8 percent to $184.3 million in the comparison primarily due to new business. Trust assets totaled $114 billion at December 31, 1993 compared with $101 billion in 1992. The Corporation exercised discretionary investment authority over $33 billion of trust assets at December 31, 1993 compared with $31 billion a year ago.

Mutual fund accounting and administrative services fees increased $12.6 million, or 26.6 percent to $60.0 million in 1993 as a result of new business. This increase was partially offset by a decline in advisory fees derived from the level of managed money market mutual fund assets. Various administrative services are provided for mutual funds which totaled $79 billion at December 31, 1993, including $24 billion over which the Corporation exercised discretionary investment authority. The comparable December 31, 1992 amounts were $69 billion and $27 billion, respectively.

Mortgage origination, brokerage and loan syndication fees increased $8.6 million, $7.3 million and $6.0 million, respectively.

NONINTEREST EXPENSE Staff expense increased 2.5 percent during 1993 to $685.4 million. Higher compensation expense resulted from adding employees in strategic businesses, acquisitions, and merit pay increases. Average full-time equivalent employees increased 4.8 percent in the comparison to approximately 18,000.

The decline in employee benefits expense was primarily due to lower postretirement costs resulting from plan amendments. Pension and incentive savings plan costs were also lower.

Acquisitions accounted for half of the increase in net occupancy and equipment expenses, which totaled $115.4 million and $114.0 million, respectively, in 1993 compared with $104.4 million and $102.2 million in 1992. The remainder of the increase was attributable to the full-year impact of the consolidation of three data centers into a newly-constructed data processing and telecommunications center and the opening of full-service regional banking centers.

Other noninterest expense declined 8.6 percent in the comparison to $442.0 million. A decline of $76.6 million in net foreclosed asset expense was partially offset by an increase in expenses related to acquisitions. Amortization of intangible assets increased $13.3 million, primarily within the amortization of purchased mortgage servicing rights resulting from higher prepayment experience in the lower interest rate environment.

BALANCE SHEET REVIEW

Total assets increased approximately $10.7 billion to $62.1 billion at December 31, 1993 in the year-to-year comparison primarily as a result of acquisitions.

Total commercial loans outstanding and unfunded commitments increased $3.8 billion to $25.9 billion at December 31, 1993, reflecting the higher level of lending activity during the fourth quarter which resulted primarily from stronger economic growth.

Total consumer loans outstanding increased $575 million to $8.5 billion, at December 31, 1993, and residential mortgages increased $4.8 billion to $8.0 billion as a result of the PNC Mortgage acquisition.

Securities totaled $23.1 billion at December 31, 1993 compared with $20.7 billion a year earlier. The increase in the portfolio was primarily due to acquisitions.

Deposits increased $3.6 billion to $33.1 billion in the year-to-year comparison. Demand, savings and money market deposits increased $1.5 billion and time deposits increased $2.2 billion during 1993.

Borrowed funds totaled $11.7 billion at December 31, 1993 compared with $11.8 billion at year-end 1992. Notes and debentures increased $5.3 billion to $9.6 billion at December 31, 1993. The increase was primarily due to issuance of $4.1 billion of bank notes.

ASSET QUALITY During 1993, asset quality continued to improve. Nonperforming assets totaled $554 million at December 31, 1993 compared with $820 million at year end 1992.

At December 31, 1993, $102 million of nonperforming loans were current as to principal and interest compared with $144 million at December 31, 1992.

Accruing loans contractually past due 90 days or more as to the payment of principal or interest totaled $135 million at December 31, 1993, compared with $192 million at December 31, 1992. Residential mortgage and other consumer loans of $116 million were included in the total at December 31, 1993, compared with $123 million at the prior year end.

ALLOWANCE FOR CREDIT LOSSES The allowance for credit losses was $972 million at December 31, 1993, representing 2.92 percent of total loans compared with $897

million and 3.47 percent a year ago. As a percentage of period-end nonperforming loans, the allowance for credit losses was 253.1 percent at December 31, 1993 compared with 162.1 percent at December 31, 1992.

CAPITAL Shareholders' equity totaled $4.3 billion at December 31, 1993, compared with $3.7 billion at December 31, 1992. The Corporation's leverage ratio totaled 7.85 percent and 7.62 percent at December 31, 1993 and 1992, respectively. Tier I and total risk-based capital ratios were 9.57 percent and 12.11 percent, respectively, at December 31, 1993. The comparable December 31, 1992 ratios were 10.17 percent and 12.09 percent, respectively.

MANAGEMENT'S REPORT ON THE FINANCIAL REPORTING INTERNAL CONTROL STRUCTURE

PNC Bank Corp. is responsible for the preparation, integrity and fair presentation of its published financial statements. The consolidated financial statements included in this annual report have been prepared in accordance with generally accepted accounting principles and, as such, include judgments and estimates of management. PNC Bank Corp. also prepared the other information included in the annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

Management is responsible for establishing and maintaining an effective internal control structure over financial reporting. The internal control system is augmented by written policies and procedures and by audits performed by an internal audit staff which reports to the Audit Committee of the Board of Directors. Internal auditors monitor the operation of the internal control system and report findings to management and the Audit Committee, and corrective actions are taken to address identified control deficiencies and other opportunities for improving the system. The Audit Committee, composed solely of outside directors, provides oversight to the financial reporting process.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of an internal control system may vary over time.

Management assessed PNC Bank Corp.'s internal control structure over financial reporting as of December 31, 1994. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control- Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that PNC Bank Corp. maintained an effective internal control system over financial reporting as of December 31, 1994.

/s/ THOMAS H. O'BRIEN	/s/ ROBERT L. HAUNSCHILD
Thomas H. O'Brien	Senior Vice President and
Chairman and	Chief Financial Officer
Chief Executive Officer	

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Shareholders and Board of Directors
PNC Bank Corp.

We have audited the accompanying consolidated balance sheet of PNC Bank Corp. and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of PNC Bank Corp.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of PNC Bank Corp. and subsidiaries at December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in the Notes to Consolidated Financial Statements, in 1993 PNC Bank Corp. changed its method of accounting for certain investments in debt and equity securities, income taxes, and intangible assets, and in 1992

changed its method of accounting for postretirement benefits.

Pittsburgh, Pennsylvania
January 27, 1995

CONSOLIDATED BALANCE SHEET

December 31 Dollars in millions, except par values	1994	1993
ASSETS		
Cash and due from banks	$ 2,592	$ 1,817
Short-term investments	809	856
Loans held for sale	487	1,392
Securities available for sale.	3,457	11,388
Investment securities, fair value of $16,233 and $11,716	17,464	11,672
Loans, net of unearned income of $240 and $222	35,407	33,308
Allowance for credit losses	(1,002)	(972)
Net loans	34,405	32,336
Other	4,931	2,619
Total assets	$64,145	$62,080
LIABILITIES		
Deposits		
Noninterest-bearing	$ 6,992	$ 7,057
Interest-bearing	28,019	26,058
Total deposits	35,011	33,115
Borrowed funds		
Federal funds purchased	2,181	2,066
Repurchase agreements	3,785	4,995
Commercial paper	1,226	514
Other	4,416	4,087
Total borrowed funds	11,608	11,662
Notes and debentures	11,754	9,585
Accrued expenses and other liabilities	1,378	3,393
Total liabilities	59,751	57,755
SHAREHOLDERS' EQUITY		
Preferred stock--$1 par value		
Authorized: 17,601,524 and 17,663,791 shares		
Issued and outstanding: 920,966 and 983,233 shares	1	1
Aggregate liquidation value: $19 and $20		
Common stock--$5 par value		
Authorized: 450,000,000 shares		
Issued: 236,063,418 and 234,994,196 shares	1,180	1,175
Capital surplus	462	450
Retained earnings	3,018	2,715
Deferred ESOP benefit expense	(83)	(95)
Net unrealized securities gains	(119)	88
Common stock held in treasury at cost: 2,814,910 and 288,959 shares	(65)	(9)
Total shareholders' equity	4,394	4,325
Total liabilities and shareholders' equity	$64,145	$62,080

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31 In thousands, except per share data	1994	1993	1992
INTEREST INCOME			
Loans and fees on loans	$2,479,093	$1,950,937	$1,964,248
Securities	1,290,998	1,203,151	1,203,643
Other	91,721	47,032	

(continued)			51,080
Total interest income	3,861,812	3,201,120	3,218,971
INTEREST EXPENSE			
Deposits	935,876	742,772	1,063,422
Borrowed funds	499,252	362,995	352,162
Notes and debentures	517,078	266,320	146,095
Total interest expense	1,952,206	1,372,087	1,561,679
Net interest income	1,909,606	1,829,033	1,657,292
Provision for credit losses	60,123	203,944	323,531
Net interest income less provision for credit losses	1,849,483	1,625,089	1,333,761
NONINTEREST INCOME			
Investment management and trust	292,052	273,849	260,113
Service charges, fees and commissions	370,146	354,297	330,317
Mortgage banking	198,548	50,590	30,476
Net securities gains (losses)	(134,919)	187,694	193,503
Other	96,814	78,819	72,367
Total noninterest income	822,641	945,249	886,776
NONINTEREST EXPENSES			
Staff expense	835,672	685,388	668,403
Net occupancy and equipment	280,437	229,308	206,560
Amortization of intangibles	82,237	31,589	18,294
Federal deposit insurance	73,902	65,488	65,629
Other	497,487	441,953	483,529
Total noninterest expenses	1,769,735	1,453,726	1,442,415
Income before income taxes and cumulative effect of changes in accounting principles	902,389	1,116,612	778,122
Applicable income taxes	292,327	371,349	248,682
Income before cumulative effect of changes in accounting principles	610,062	745,263	529,440
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343 and $52,804		(19,393)	(102,501)
Net income	$ 610,062	$ 725,870	$ 426,939
EARNINGS PER COMMON SHARE			
Primary before cumulative effect of changes in accounting principles	$ 2.57	$ 3.14	$ 2.36
Cumulative effect of changes in accounting principles		(.08)	(.46)
Primary	$ 2.57	$ 3.06	$ 1.90
Fully diluted before cumulative effect of changes in accounting principles	$ 2.56	$ 3.13	$ 2.34

	1994	1993	1992
Cumulative effect of changes in accounting principles		(.09)	(.45)
Fully diluted	$ 2.56	$ 3.04	$ 1.89
CASH DIVIDENDS DECLARED PER COMMON SHARE	$ 1.31	$ 1.175	$ 1.08
AVERAGE COMMON SHARES OUTSTANDING			
Primary	236,610	236,386	224,023
Fully diluted	238,448	238,421	227,125

See accompanying Notes to Consolidated Financial Statements.
</TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

Dollars in millions, except per share data	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Other	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1992	$1	$ 537	$ 881	$2,016	$(119)	$3,316
Net income				427		427
Cash dividends declared				(238)		(238)
Deferred ESOP benefit expense					13	13
Treasury shares						
Purchased (515,152)					(13)	(13)
Issued (513,953)					13	13
Common stock issued (9,479,414)		47	123	55		225
Acquisitions		33	72	55		160
Other		14	51			65
Transfer to reflect two-for-one stock split		579	(579)			
ESOP dividends tax benefit				3		3
Balance at December 31, 1992	1	1,163	425	2,263	(106)	3,746
Net income				726		726
Cash dividends declared				(277)		(277)
Deferred ESOP benefit expense					11	11
Treasury shares						
Purchased (810,416)					(19)	(19)
Issued (522,998)					10	10
Common stock issued (2,419,402)		12	34			46
Redemption of preferred stock			(9)			(9)
ESOP dividends tax benefit				3		3
Net unrealized securities gains					88	88
Balance at December 31, 1993	1	1,175	450	2,715	(16)	4,325
Net income				610		610
Cash dividends declared				(309)		(309)
Deferred ESOP benefit expense					12	12
Treasury shares						
Purchased (3,678,141)					(89)	(89)
Issued (1,152,190)					33	33
Common stock issued (1,069,222)		5	9			14
ESOP dividends tax benefit				2		2
Stock options tax benefit			3			3
Net unrealized securities losses					(207)	(207)
Balance at December 31, 1994	$1	$1,180	$ 462	$3,018	$(267)	$4,394

See accompanying Notes to Consolidated Financial Statements.
</TABLE>

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

Year ended December 31 In millions	1994	1993	1992
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			

Net income	$ 610	$ 726	$ 427
Adjustments to reconcile net income to net cash provided by operating activities			
Cumulative effect of changes in accounting principles		19	103
Provision for credit losses	60	204	324
Depreciation, amortization and accretion	246	148	137
Deferred income taxes	32	(61)	(36)
Net securities (gains) losses	135	(188)	(194)
Net gain on sales of assets	(61)	(16)	(43)
Valuation adjustments on assets, net of gains on sales	(13)	(22)	50
Changes in			
Loans held for sale	957	(42)	117
Other	(462)	193	25
Net cash provided by operating activities	1,504	961	910
INVESTING ACTIVITIES			
Net change in loans	(1,284)	(3,081)	945
Repayment			
Securities available for sale	2,100	1,196	575
Investment securities	3,016	7,784	5,712
Sales			
Securities available for sale	11,282	16,659	7,976
Investment securities			278
Loans	567	81	191
Foreclosed assets	113	144	96
Purchases			
Securities available for sale	(9,616)	(13,620)	(5,868)
Investment securities	(7,794)	(11,839)	(13,101)
Loans	(29)	(433)	(213)
Net cash paid for acquisitions	(475)	(190)	(26)
Other	180	269	176
Net cash used by investing activities	(1,940)	(3,030)	(3,259)
FINANCING ACTIVITIES			
Net change in			
Noninterest-bearing deposits	(393)	1,137	529
Interest-bearing deposits	(63)	(1,536)	(3,324)
Federal funds purchased	111	(2,082)	457
Sale/issuance			
Repurchase agreements	125,322	163,675	165,563
Commercial paper	5,621	5,221	10,253
Other borrowed funds	110,292	48,310	35,391
Notes and debentures	9,627	9,015	424
Common stock	45	53	74
Redemption/maturity			
Repurchase agreements	(126,531)	(165,133)	(162,994)
Commercial paper	(4,909)	(5,687)	(9,831)
Other borrowed funds	(109,957)	(46,565)	(33,588)
Notes and debentures	(7,555)	(4,344)	(337)
Net acquisition of treasury stock	(90)	(19)	

			(13)
Cash dividends paid to shareholders	(309)	(276)	(239)
Net cash provided by financing activities	1,211	1,769	2,365
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	775	(300)	16
Cash and due from banks at beginning of year	1,817	2,117	2,101
Cash and due from banks at end of year	$ 2,592	$ 1,817	$ 2,117

See accompanying Notes to Consolidated Financial Statements.
</TABLE>

ACCOUNTING POLICIES

BUSINESS PNC Bank Corp. provides a full range of banking and related financial services through its subsidiaries to individual and corporate customers and is subject to intense competition from other financial services companies with respect to these services and customers. PNC Bank Corp. is also subject to the regulations of certain federal and state agencies and undergoes periodic examinations by such regulatory authorities.

BASIS OF FINANCIAL STATEMENT PRESENTATION The consolidated financial statements include the accounts of PNC Bank Corp. and its subsidiaries ("Corporation"), substantially all of which are wholly owned. Such statements have been prepared in accordance with generally accepted accounting principles. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Certain prior period amounts have been reclassified to conform to reporting classifications utilized for the current reporting period. These reclassifications did not impact the Corporation's financial condition or results of operations.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from such estimates.

LOANS HELD FOR SALE Loans held for sale primarily consist of residential mortgages and are carried at the lower of cost or aggregate market value. Gains and losses on these loans are included in other noninterest income.

SECURITIES Effective December 31, 1993, the Corporation adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Securities are classified as investments and carried at amortized cost if management has the positive intent and ability to hold the securities to maturity. Securities purchased with the intention of recognizing short-term profits are placed in the trading account and are carried at market value. Securities not classified as investments or trading are designated as securities available for sale and carried at fair value with unrealized gains and losses reflected in shareholders' equity. As a result of adopting SFAS No. 115, $7.2 billion of investment securities were reclassified as available for sale on December 31, 1993.

Gains and losses on sales of securities available for sale are generally computed on a specific security basis and recognized in results of operations.

LOANS Interest income with respect to loans is accrued on the principal amount outstanding, except for lease financing income and interest on certain consumer loans which are recognized over their respective terms using methods which approximate level yields. Significant loan fees are deferred and accreted to income over the respective lives of the loans.

NONPERFORMING ASSETS Nonperforming assets are comprised of nonaccrual and restructured loans and foreclosed assets. Generally, a loan is classified as nonaccrual and the accrual of interest on such loan is discontinued when it is determined that the collection of interest or principal is doubtful, or when a default of interest or principal has existed for 90 days or more, unless the loan is well secured and in the process of collection. When the accrual of interest is discontinued, unpaid interest credited to income in the current year is reversed and unpaid interest accrued in prior years is charged against the allowance for credit losses. A loan is categorized as restructured if the original interest rate on such loan, repayment terms, or both, are restructured due to a deterioration in the financial condition of the borrower and it was not previously classified as nonaccrual. Nonperforming loans are generally not returned to performing status until the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectibility of the total contractual principal and interest is no longer in doubt.

Foreclosed assets are comprised of property acquired through a foreclosure proceeding or acceptance of a deed-in-lieu of foreclosure and loans classified

as in-substance foreclosure. These assets are recorded at the lower of the related loan balance or market value of the collateral less estimated disposition costs at the date acquired. Subsequently, foreclosed assets are valued at the lower of the amount recorded at the date acquired or the then current market value less estimated disposition costs. Any gains or losses realized upon disposition of the property are reflected in income. Market values are estimated primarily based upon appraisals.

ALLOWANCE FOR CREDIT LOSSES The allowance for credit losses is established through provisions for credit losses charged against income. Loans deemed to be uncollectible are charged against the allowance account. Subsequent recoveries, if any, are credited to the allowance account. The allowance is maintained at a level believed adequate by management to absorb estimated potential credit losses. Management's determination of the adequacy of the allowance is based on periodic evaluations of the credit portfolio considering past experience, current economic conditions, composition of the credit portfolio and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant change.

INTANGIBLE ASSETS Effective January 1, 1993, the Corporation changed its method of accounting for certain identifiable intangible assets, consisting primarily of purchased mortgage servicing rights. Such assets are accounted for at the lower of amortized cost or the estimated value of the discounted future net revenues on a disaggregated basis. Previously, future net revenues were not discounted for this purpose. The cumulative effect of the change decreased net income by $10.4 million.

Intangible assets, which are included in other assets, are amortized using accelerated and straight-line methods over their respective estimated useful lives. Goodwill is amortized on a straight-line basis over periods ranging from 15 to 25 years.

DEPRECIATION AND AMORTIZATION Depreciation and amortization of premises and equipment are principally computed using the straight-line method over their estimated useful lives for financial reporting purposes and by accelerated methods for federal income tax purposes. Leasehold improvements are amortized over their estimated useful lives or their respective lease terms, whichever is shorter.

FINANCIAL DERIVATIVES The Corporation uses off-balance-sheet financial derivatives as part of its overall asset/liability management process. The majority of such instruments consist of interest rate swaps, interest rate caps, and forward contracts, which are used to manage interest rate exposure.

Interest rate swaps, including swaps with index-amortizing characteristics, are agreements with a counterparty to exchange periodic interest payments that are calculated on a notional principal amount. Interest rate swaps that are used to alter the repricing structure of interest-bearing assets or liabilities are accounted for under the accrual method. To qualify for such accounting, the swaps must be designated to interest-bearing assets or liabilities and alter their interest rate characteristics (such as from fixed to variable, variable to fixed, or one variable index to another) over the expected term of the swap agreements or the designated instruments, whichever is shorter. Under this method, the net amount payable or receivable from interest rate swaps is accrued as an adjustment to interest income or expense of the designated instruments.

Changes in fair value of interest rate swaps accounted for under the accrual method are not reflected in the accompanying financial statements. Realized gains and losses on terminated interest rate swaps are deferred as an adjustment to the carrying amount of the designated instruments and amortized over the shorter of the remaining original life of the agreements or the designated instruments.

Interest rate caps are agreements where, for a fee, the counterparty agrees to pay the Corporation the amount, if any, by which a specified market interest rate exceeds a defined cap rate applied to a notional amount. Interest rate caps must be designated to interest-bearing assets or liabilities and modify their interest rate characteristics (such as modifying a fixed-rate asset to a floating-rate asset when rates exceed the defined cap rate) over the term of the cap agreement or the designated instruments, whichever is shorter. Premiums on interest rate caps are deferred and amortized over the life of the agreement as an adjustment to interest income or interest expense of the designated instruments. Unamortized premiums are included in other assets. Payments received on interest rate caps are recognized under the accrual method as an adjustment to interest income or expense of the designated instruments. Changes in fair value of interest rate caps accounted for under the accrual method are not reflected in the accompanying financial statements.

Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. The Corporation uses forward contracts to manage interest rate risk associated with its mortgage banking activities. Realized gains and losses on mandatory and optional delivery forward commitments are recorded as other income in the period settlement occurs. Unrealized gains or losses are considered in the lower of cost or market valuation of loans held for sale.

In addition, the Corporation enters into foreign currency exchange contracts to accommodate customers. The fair value of such activity is recorded in other assets. Realized and unrealized gains and losses are included in other income.

INCOME TAXES Effective January 1, 1993, the Corporation adopted SFAS No. 109, "Accounting for Income Taxes," which requires the use of the liability method to account for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and law that will be in effect when the differences are expected to reverse. Previously, deferred income taxes were accounted for using the deferred method.

As permitted by SFAS No. 109, the Corporation elected not to restate the financial statements of any prior periods. The cumulative effect of the change decreased net income in 1993 by $9.0 million.

TREASURY STOCK The purchase of the Corporation's common stock is recorded at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on the first-in, first-out basis.

EARNINGS PER COMMON SHARE Primary earnings per common share is calculated by dividing net income adjusted for preferred stock dividends declared by the sum of the weighted average number of shares of common stock outstanding and the number of shares of common stock which would be issued assuming the exercise of stock options during each period.

Fully diluted earnings per common share is based on net income adjusted for interest expense, net of tax, on outstanding convertible debentures and dividends declared on nonconvertible preferred stock. The weighted average number of shares of common stock outstanding is increased by the assumed conversion of outstanding convertible preferred stock and convertible debentures from the beginning of the year or date of issuance, if later, and the number of shares of common stock which would be issued assuming the exercise of stock options. Such adjustments to net income and the weighted average number of shares of common stock outstanding are made only when such adjustments dilute earnings per common share.

MERGERS AND ACQUISITIONS

In 1994, the Corporation completed the acquisition of United Federal Bancorp, Inc., State College, Pennsylvania, and First Eastern Corp., Wilkes-Barre, Pennsylvania, for a total of $486 million in cash. The combined assets and deposits totaled $2.8 billion and $2.4 billion, respectively, at closing. The Corporation also completed the acquisition of a $10-billion residential mortgage servicing portfolio from the Associates Corporation of North America for $117 million in cash. These transactions were accounted for under the purchase accounting method.

The Corporation also entered into a definitive agreement to acquire BlackRock Financial Management, L.P., a New York-based, fixed-income investment management firm with approximately $23 billion in assets under management. The purchase price is approximately $240 million in cash and notes and will be paid over five years. The acquisition will be accounted for under the purchase accounting method. This transaction is expected to close in the first quarter 1995, pending approval of shareholders of certain managed mutual funds.

In the third quarter of 1994, the Corporation announced agreements to acquire Brentwood Financial Corporation ("Brentwood"), Cincinnati, Ohio, and Indian River Federal Savings Bank ("Indian River"), Vero Beach, Florida. The aggregate purchase price approximates $33 million in cash. The combined assets and deposits totaled approximately $175 million and $140 million, respectively, at December 31, 1994. The acquisition of Indian River was completed in January 1995 and, upon consummation, it was renamed PNC Bank, FSB. Brentwood is expected to close in the first quarter of 1995.

On November 30, 1993, the Corporation completed its acquisition of PNC Mortgage (formerly Sears Mortgage Banking Group) for $328 million in cash. During the third quarter of 1994, the post-closing purchase price adjustments were finalized with no material impact. The transaction was recorded under the purchase method of accounting, and the total assets of PNC Mortgage were $7.6 billion at closing.

During 1993, the Corporation acquired for cash PNC Bank, New England (formerly The Massachusetts Company, Inc.), Boston, Massachusetts, and Gateway Fed Corporation, Cincinnati, Ohio. The aggregate purchase price was $107 million and the combined assets of these companies totaled $1.4 billion at closing. These transactions were recorded under the purchase method of accounting.

CASH FLOWS

For purposes of the statement of cash flows, the Corporation defines cash and due from banks as cash and cash equivalents. During 1994, 1993 and 1992, interest paid on deposits and other contractual debt obligations was $1.9 billion, $1.3 billion and $1.6 billion, respectively, and income taxes paid were $382.7 million, $396.0 million and $257.3 million, respectively. During 1994, $2.7 billion of securities available for sale were reclassified to investment securities. Loans transferred to foreclosed assets aggregated $57.6 million in 1994, $24.5 million in 1993 and $89.2 million in 1992. In addition, in connection with acquisitions completed during 1994, the Corporation acquired assets of $2.8 billion and assumed liabilities of $2.7 billion. The cash paid totaled $603 million and the Corporation received $128 million in cash and due from banks in connection with these acquisitions.

SECURITIES

The following table sets forth the securities portfolio at December 31, 1994 and 1993.

Proceeds from the sale of securities available for sale were $13.1 billion and $16.7 billion in 1994 and 1993, respectively. Gross gains on such sales were $62.1 million and $186.6 million and gross losses were $197.0 million and $4.5 million.

Proceeds from the sale of debt securities during 1992 were $8.2 billion, resulting in gross gains of $198.1 million, and gross losses of $.7 million. At December 31, 1994, $1.8 billion of amounts receivable from the sale of securities is included in other assets.

The carrying value of securities pledged to secure public and trust deposits, repurchase agreements and for other purposes at December 31, 1994, was $12.1 billion.

<TABLE>
<CAPTION>

	1994				1993			
		Unrealized				Unrealized		
December 31, In millions	Amortized Cost	Gains	Losses	Fair Value	Amortized Cost	Gains	Losses	Fair Value
Investment securities								
Debt securities								
U.S. Treasury	$ 1,794		$ 93	$ 1,701	$ 1			$ 1
U.S. Government agencies and corporations								
Mortgage-related	10,920		1,025	9,895	10,227	$ 39	$32	10,234
Other	1,000		28	972				
State and municipal	348	$12	2	358	389	38		427
Asset-backed private placements	1,597		33	1,564				
Other debt								
Mortgage-related	726		43	683	513		4	509
Other	769		20	749	297	3		300
Other	310	1		311	245			245
Total	$17,464	$13	$1,244	$16,233	$11,672	$ 80	$36	$11,716
Securities available for sale								
Debt securities								
U.S. Treasury	$ 401		$ 8	$ 393	$ 2,402	$ 2	$ 2	$ 2,402
U.S. Government agencies and corporations								
Mortgage-related	2,161		69	2,092	7,998	114	15	8,097
Other	25		4	21	25		1	24
Other debt								
Mortgage-related	749		17	732	691	18	4	705
Other	117	$ 2		119	99			99
Corporate stocks and other	105	1	6	100	36	25		61
Total	$ 3,558	$ 3	$ 104	$ 3,457	$11,251	$159	$22	$11,388

</TABLE>

The following table presents the amortized cost and fair value of debt securities at December 31, 1994 by remaining contractual maturities. Based on historical experience and management's most likely interest rate environment, the weighted average expected maturity of all mortgage-related and asset-backed securities was approximately 4 years at December 31, 1994.

December 31, 1994 In millions	Amortized Cost	Fair Value
Investment securities		
Debt securities		
One year or less	$ 17	$ 18
After one year through five years	1,889	1,797
After five years through ten years	69	71
After ten years	180	185
U.S. Government agency debt	1,000	972
Mortgage-related securities	11,646	10,578
Asset-backed securities	2,353	2,301
Other	310	311
Total	$17,464	$16,233
Securities available for sale		
Debt securities		
One year or less	$ 151	$ 151
After one year through five years	251	242
After five years through ten years	16	15
After ten years	57	61
U.S. Government agency debt	25	21
Mortgage-related securities	2,910	2,824
Asset-backed securities	43	43
Corporate stocks and other	105	100
Total	$ 3,558	$ 3,457

LOANS AND COMMITMENTS TO EXTEND CREDIT

Loans and commitments to extend credit were as follows:

December 31 In millions	1994 Out-standings	1994 Net Underfunded Com-mitments	1993 Out-standings	1993 Net Underfunded Com-mitments
Commercial	$12,445	$18,915	$12,463	$13,448
Real estate project	1,628	310	1,730	221
Real estate mortgage				
Residential	9,283	769	8,036	1,521
Commercial	1,261	19	905	6
Consumer	9,187	5,544	8,525	4,666
Other	1,843	917	1,871	400
Unearned income	(240)		(222)	
Total, net of unearned income	$35,407	$26,474	$33,308	$20,262

At December 31, 1994, $1.9 billion of loans were pledged to secure borrowings and for other purposes.

Certain directors and executive officers of the Corporation and its significant subsidiaries as well as certain affiliated companies of these directors and officers were customers of and had loans with subsidiary banks in the ordinary course of business. All such loans were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other customers and did not involve more than a normal risk of collectibility. The aggregate dollar amounts of these loans were $340 million and $313 million at December 31, 1994 and 1993, respectively. During 1994, new loans of $211 million were funded, and repayments totaled $184 million.

Commitments to extend credit represent arrangements to lend funds and generally require payment of a fee by the customer and contain fixed expiration dates or other termination clauses and specified interest rates. Commitments to extend credit are net of participations and syndications, primarily to financial institutions, totaling $2.5 billion and $1.8 billion at December 31, 1994 and 1993, respectively.

Loan outstandings and related unfunded commitments are primarily concentrated within affiliate markets, which include Delaware, Indiana, Kentucky, New Jersey, Ohio and Pennsylvania. No specific industry concentration exceeded 8 percent of total outstandings and unfunded commitments.

Letters of credit totaled $4.3 billion and $3.9 billion at December 31, 1994 and 1993, respectively and consist primarily of standby letters of credit which commit the Corporation to make payments on behalf of customers when certain specified future events occur. Such instruments are typically issued to support obligations such as industrial revenue bonds, commercial paper, and bid or performance related contracts. At year-end 1994, the largest industry concentration within standby letters of credit was healthcare, which accounted for approximately 20 percent of the total. Maturities for standby letters of credit ranged from 1995 to 2011.

At December 31, 1994 and 1993, standby letters of credit included $539 million and $758 million, respectively, of participations and syndications to others, and $3.0 billion and $3.2 billion, respectively, to support medium- and long-term debt.

NONPERFORMING ASSETS

Nonaccrual restructured loans, and foreclosed assets were as follows:
<TABLE>
<CAPTION>

December 31 In millions	1994	1993
Nonaccrual loans	$310	$356
Restructured loans	9	28
Total nonperforming loans	319	384
Foreclosed assets	127	170
Total nonperforming assets	$446	$554

</TABLE>

Related interest on nonperforming loans was as follows:
<TABLE>
<CAPTION>

Year ended December 31 In thousands	1994	1993	1992
Interest computed on original terms	$31,490	$33,891	$53,362
Interest recognized	5,523	6,296	6,136

</TABLE>

At December 31, 1994 and 1993, unfunded commitments to lend additional funds with respect to nonperforming assets totaled $7 million and $41 million, respectively. At December 31, 1994 and 1993, foreclosed assets are reported net of valuation allowances of $39 million and $69 million, respectively. Gains on sales of foreclosed assets resulted in net foreclosed asset income of $18 million and $27 million in 1994 and 1993, respectively, and is included in other noninterest expense. Net foreclosed asset expense totaled $50 million in 1992.

ALLOWANCE FOR CREDIT LOSSES

The following table presents changes in the allowance for credit losses:
<TABLE>
<CAPTION>

In millions	1994	1993	1992
<S>	<C>	<C>	<C>
Balance at January 1	$ 972	$ 897	$ 797
Charge-offs	(170)	(246)	(343)
Recoveries	75	74	62
Net charge-offs	(95)	(172)	(281)
Provision for credit losses	60	204	324
Acquisitions	65	43	57
Balance at December 31	$1,002	$ 972	$ 897

</TABLE>

The Corporation will adopt SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," effective January 1, 1995. Management does not expect the adoption of the standard to have a material impact on the Corporation's financial position or results of operations.

PREMISES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Premises, equipment and leasehold improvements, stated at cost less accumulated depreciation and amortization, were as follows:

<TABLE>
<CAPTION>

December 31 In millions	1994	1993
<S>	<C>	<C>
Land	$ 63	$ 62
Buildings	393	364
Equipment	745	662
Leasehold improvements	129	127
	1,330	1,215
Accumulated depreciation and amortization	(627)	(561)
Net book value	$ 703	$ 654

</TABLE>

Depreciation and amortization expense on premises, equipment and leasehold improvements totaled $102.5 million in 1994, $91.8 million in 1993 and $76.9 million in 1992.

Certain facilities and equipment are leased under agreements expiring at various dates until the year 2022. Substantially all such leases are accounted for as operating leases. Rental expense on such leases amounted to $80.6 million in 1994, $61.8 million in 1993 and $57.5 million in 1992.

At December 31, 1994, required minimum annual rentals due on noncancelable leases having terms in excess of one year aggregated $294.9 million. Minimum annual rentals for each of the years 1995 through 1999 are $54.7 million, $46.8 million, $35.8 million, $25.6 million and $20.5 million, respectively.

INTANGIBLE ASSETS

Intangible assets, net of amortization, consisted of the following:

<TABLE>
<CAPTION>

December 31 In millions	1994	1993
<S>	<C>	<C>
Goodwill	$361	$ 78
Purchased mortgage servicing rights	323	264
Other	5	7
Total	$689	$349

</TABLE>

REPURCHASE AGREEMENTS

Certain securities are sold under agreements to repurchase and are treated as financings. The obligation to repurchase such securities is reflected as a liability on the consolidated balance sheet. The dollar amounts of securities underlying the agreements remain in the respective asset accounts.

<TABLE>
<CAPTION>

Remaining Maturity by Type of Security December 31, 1994 In millions	Securities Sold Carrying Amount	Market Value	Repurchase Amount	Interest Rate
Next business day				
Treasury	$1,005	$ 981	$ 962	5.74%
Agency	641	587	531	4.64
4 to 30 days				
Treasury	45	44	44	5.43
Agency	177	163	160	5.87
31 to 90 days				
Treasury	23	23	22	5.58
Agency	1,190	1,084	1,035	5.60
Over 91 days to one year				
Agency	1,149	1,029	979	5.81
Over one year				
Treasury	27	26	21	7.82
Agency	32	31	31	6.45
Total	$4,289	$3,968	$3,785	5.59%

</TABLE>

NOTES AND DEBENTURES

Notes and debentures consisted of the following:
<TABLE>
<CAPTION>

December 31 In millions	1994	1993
Banking Subsidiaries		
Bank notes	$ 8,825	$7,000
Federal Home Loan Bank	1,384	1,045
Student Loan Marketing Association	500	520
Total Banking Subsidiaries	10,709	8,565
Other Subsidiaries		
Senior notes	164	150
Subordinated notes	746	550
ESOP borrowing	110	110
Other	25	210
Total Other Subsidiaries	1,045	1,020
Total	$11,754	$9,585

</TABLE>

Bank notes mature in 1995 and have various interest rates that range from 3.50 percent to 5.90 percent. Obligation to the Federal Home Loan Bank have various maturities ranging from 1995 to 2002 and interest rates that range from 2.90 percent to 8.76 percent. The Student Loan Marketing Association obligations mature in 1995 and have various interest rates that range from 4.97 percent to 6.08 percent.

The senior and subordinated notes were issued by PNC Funding Corp and are not redeemable prior to maturity. Interest on the notes is payable semiannually, and the payment of principal and interest is unconditionally guaranteed by the parent company. The senior and subordinated notes have various maturities ranging from 1995 to 2004 and interest rates that range from 4.88 percent to 9.88 percent.

The ESOP borrowing is unconditionally guaranteed by the parent company and consists of a series of medium-term, fixed-rate notes with maturities that range from 1995 to 2000 and interest rates ranging from 3.75 percent to 5.43 percent. Interest expense on the borrowing was $5.4 million in 1994, $4.9 million in 1993 and $5.8 million in 1992.

Notes and debentures have scheduled repayments for the years 1995 through 1999 and thereafter of $10.3 billion, $59 million, $44 million, $69 million, and $1.3 billion, respectively.

SHAREHOLDERS EQUITY

The redemption/liquidation value and number of shares outstanding by series of the Corporation's preferred stock are as follows:

<TABLE>
<CAPTION>

December 31	Redemption/ Liquidation Value Per Share	Shares Outstanding 1994	Shares Outstanding 1993
<S>	<C>	<C>	<C>
$ 1.80 Series A	$40	19,348	21,495
1.80 Series B	40	7,425	9,297
1.60 Series C	20	393,089	425,813
1.80 Series D	20	501,104	526,628
Total		920,966	983,233

</TABLE>

Series A through D are cumulative and except for Series B, are redeemable at the option of the Corporation.

Holders of preferred stock are entitled to a number of votes equal to the number of full shares of common stock into which such preferred stock is convertible. Holders of preferred stock are entitled to the following conversion privileges: (i) one share of Series A or Series B is convertible into eight shares of common stock; and (ii) 2.4 shares of Series C or Series D are convertible into four shares of common stock.

The Corporation has a dividend reinvestment and stock purchase plan. Holders of preferred stock and common stock may participate in the plan which provides that additional shares of common stock may be purchased at market value with reinvested dividends and voluntary cash payments. The following number of shares of common stock were purchased by shareholders pursuant to such plan: 785,631 shares in 1994; 591,785 shares in 1993; 670,309 shares in 1992.

The Corporation had reserved approximately 18.2 million common shares to be issued in connection with employee stock options and the conversion of certain debt and equity securities.

FINANCIAL DERIVATIVES

As part of asset/liability management, the Corporation uses off-balance-sheet financial derivatives to manage interest rate risk. Financial derivatives with off-balance-sheet risk involve, to varying degrees, interest rate and credit risk in excess of the amount recognized in the balance sheet. The Corporation manages interest rate risk, including that of financial derivatives, as part of its overall asset/liability management process. Policies and procedures, including established risk tolerance limits, net interest income simulations and interest rate sensitivity analyses are used to manage interest rate risk. Financial derivatives are also subject to the Corporation's credit policies and procedures.

INTEREST RATE SWAPS AND CAPS The table below sets forth the interest rate swap and cap portfolios and related fair values at year-end 1994 and 1993.

<TABLE>
<CAPTION>

In millions December 31, 1994	Gain Position Notional Value	Gain Position Fair Value	Loss Position Notional Value	Loss Position Fair Value	Total Notional Value
<S>	<C>	<C>	<C>	<C>	<C>
Interest rate swaps					
Receive fixed	$ 119	$ 4	$11,375	$(772)	$11,494
Pay fixed	5,060	26	658	(19)	5,718
Total swaps	5,179	30	12,033	(791)	17,212
Interest rate caps	5,500	132			5,500
Total	10,679	162	12,033	(791)	22,712
December 31, 1993					
Interest rate swaps					
Receive fixed	$ 7,904	$153	$ 2,715	$ (26)	$10,619
Pay fixed			1,193	(86)	1,193
Total	$ 7,904	$153	$ 3,908	$(112)	$11,812

</TABLE>

Substantially all receive-fixed swaps are index amortizing and primarily are associated with commercial loans and interest-bearing deposits. The associated deposits include time deposits and interest-bearing transaction accounts, such as demand and money market. Historical data indicate there is a fixed-rate component to the rates paid on transaction accounts. Receive-fixed interest rate swaps convert this fixed-rate component to a variable rate.

The notional values of index-amortizing swaps amortize on predetermined dates and in predetermined amounts based on market movements of the designated index, which are primarily 3-year U.S. Treasury constant maturities and 3-month LIBOR. Periodically, the Corporation receives payments based on fixed interest rates and makes payments based on fioating money market indices, primarily 1-month and 3-month LIBOR, calculated on the notional amounts.

The Corporation's pay-fixed interest rate swaps are associated with collateralized mortgage and U.S. Treasury obligations in the investment securities portfolio. The Corporation receives payments based on floating money market indices, primarily 3-month LIBOR, and pays fixed interest rates. Substantially all pay-fixed swaps mature in 1998. The Corporation's swaps do not contain leverage or any similar features.

The following table sets forth interest rates on interest rate swaps as of December 31, 1994. The weighted average variable interest rates set forth below represent the rates at year-end 1994. Such variable rates are subject to change as the underlying index floats with changes in the market.

MATURITY DISTRIBUTION OF INTEREST RATE SWAPS
BASED ON INTEREST RATES AT DECEMBER 31, 1994

<TABLE>
<CAPTION>

Dollars in millions	1995	1996	1997	1998	1999 and Beyond	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Received-fixed						
Notional value	$1,827	$ 961	$3,384	$4,422	$ 900	$11,494
Weighted average fixed interest rate received	6.18%	5.94%	5.74%	5.29%	5.18%	5.61%
Weighted average variable interest rate paid	6.41	6.38	6.13	6.38	6.50	6.32
Pay-fixed						
Notional value	$ 320	$ 165	$1,040	$4,050	$ 143	$ 5,718
Weighted average variable interest rate received	6.03%	6.24%	6.50%	6.50%	6.50%	6.47%
Weighted average fixed interest rate paid	5.15	7.50	7.90	7.93	9.59	7.80

</TABLE>

In November 1994, the Corporation paid a $129.6 million premium for interest rate caps with a notional value of $5.5 billion. The interest rate caps are associated with collateralized mortgage obligations in the investment securities portfolio. The caps require the counterparty to pay the Corporation the excess of 3-month LIBOR over a specified cap rate, currently 6.00 percent, computed quarterly based on the notional value of the contracts. At December 31, 1994, 3-month LIBOR was 6.50 percent. The cap rate adjusts to 6.50 percent at the end of 1995 and the contracts expire at the end of 1997. The agreements limit the amount payable to the Corporation to 150 basis points over the specified cap rate. The effect of these caps is to modify the interest rate characteristics of certain fixed-rate collateralized mortgage obligations to be variable within certain ranges.

Only the interest payments and the premium on the agreements are exchanged; therefore, cash requirements and exposure to credit risk are significantly less than the notional principal amount. The Corporation seeks to minimize the credit risk associated with its interest rate swap and cap activities primarily by entering into transactions with only a selected number of high-quality institutions, establishing credit limits with counterparties and, where applicable, requiring segregated collateral or bilateral netting agreements. At December 31, 1994, credit exposure related to interest rate swaps and caps totaled $48 million and was 47 percent collateralized.

FORWARD CONTRACTS The following table sets forth the notional value of forward contracts at December 31, 1994 and 1993.

<TABLE>
<CAPTION>

December 31 In millions	1994	1993
<S>	<C>	<C>
Commitments to purchase	$ 16	$ 224
Commitments to sell	350	1,799

</TABLE>

The Corporation uses forward contracts to manage interest rate risk positions associated with certain mortgage banking activities. Forward contracts are traded in over-the-counter markets and do not have standardized terms. Counterparties to the Corporation's forward contracts are primarily U.S. Government agencies and brokers and dealers in mortgage-backed securities. In the event the counterparty is unable to meet its contractual obligations, the Corporation may be exposed to selling or purchasing mortgage loans at prevailing market prices. Substantially all forward contracts mature within 90 days of origination.

EMPLOYEE BENEFIT PLANS

INCENTIVE SAVINGS PLAN The Corporation sponsors an incentive savings plan ("ISP") covering substantially all employees. Under the ISP, employee contributions of up to 6 percent of base pay, subject to Internal Revenue Service limitations, are matched with shares of the Corporation's common stock. Contributions are matched primarily by shares of common stock held by the Corporation's ESOP.

The Corporation makes annual contributions to the ESOP equal to the debt service requirements on the ESOP borrowing less dividends received by the ESOP. All dividends received by the ESOP are used to pay debt service. During 1994, 1993 and 1992, dividends used for debt service totaled $9.5 million, $8.5 million and $7.9 million, respectively. To satisfy additional debt service requirements, the Corporation contributed $7.6 million in 1994, $8.8 million in 1993, and $9.5 million in 1992.

As the ESOP borrowing is repaid, shares are allocated to employees who made contributions during the year based on the proportion of annual debt service to total debt service. The Corporation includes all ESOP shares as common shares outstanding in its earnings per share computation. The components of ESOP shares are as follows:

December 31 In thousands	1994
Allocated shares	1,956
Shares released for allocation	673
Unallocated shares	4,617
Shares retired during year	(126)
Total ESOP shares	7,120

Compensation expense related to the portion of the ISP contributions matched with ESOP shares is determined based on the number of ESOP shares allocated. Compensation expense related to the ESOP and ISP plans was $8.4 million for 1994, $4.9 million for 1993 and $9.7 million for 1992.

The Corporation has adopted the provisions of Statement of Position No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans," for ESOP shares acquired subsequent to December 31, 1992.

DEFINED BENEFIT PLANS The Corporation sponsors a funded defined benefit pension plan covering substantially all employees. The plan provides pension benefits that are based on the average base salary for specified years of service prior to retirement. Pension contributions are made to the extent deductible under existing federal tax regulations. The Corporation also has an unfunded non-qualified supplemental defined benefit retirement plan covering certain employees, as defined in the plan.

The following table sets forth the estimated funded status of defined benefit plans:

December 31 In millions	1994	1993
Actuarial present value of accumulated benefit obligation, including vested benefits of $235 and $280	$ 253	$ 298
Actuarial present value of projected benefit obligation for service rendered to date	$ 333	$ 402
Less plan assets at fair value--primarily listed common stocks, U.S. Government and agency securities, and collective funds	(302)	(289)

Unfunded projected benefit obligation in excess of projected plan assets	31	113
Unrecognized net loss from past experience different from that assumed and effects of changes in assumptions	(9)	(108)
Unrecognized net asset	14	15
Unrecognized prior service cost	(6)	(6)
Accrued pension cost included in other liabilities	$ 30	$ 14

</TABLE>

Net periodic defined benefit plan costs include the following components:

<TABLE>
<CAPTION>

Year ended December 31 In thousands	1994	1993	1992
<S>	<C>	<C>	<C>
Service cost-benefits earned during the period	$ 23	$ 17	$ 17
Interest cost on projected benefit obligation	27	20	25
Actual return on plan assets	(2)	(35)	(18)
Net amortization and deferral	(26)	6	(9)
Net periodic pension costs	$ 22	$ 8	$ 15

</TABLE>

Assumptions used in accounting for the plans were:

<TABLE>
<CAPTION>

December 31	1994	1993	1992
<S>	<C>	<C>	<C>
Discount rate	8.75%	7.25%	6-8.50%
Rate of increase in compensation levels	5.00	5.18	5.68
Expected long-term rate of return on assets	10.00	10.00	10.00

</TABLE>

In addition to providing pension benefits, the Corporation provides certain health care and life insurance benefits for retired employees.

A reconciliation of the accrued postretirement benefit obligation is as follows:

<TABLE>
<CAPTION>

December 31 In millions	1994	1993
<S>	<C>	<C>
Accumulated postretirement benefit		
Retirees	$ 98	$ 75
Other		
Fully eligible participants	1	3
Other active participants	35	39
Total accumulated postretirement obligation	134	117
Unrecognized prior service cost	62	66
Unrecognized net loss	(19)	(14)
Accrued postretirement benefit obligation included in other liabilities	$177	$169

</TABLE>

Net periodic postretirement benefit costs include the following components:

<TABLE>
<CAPTION>

Year ended December 31 In millions	1994	1993
<S>	<C>	<C>
Service cost-benefits earned during the period	$ 2	$ 2
Interest cost on accrued benefit obligation	10	6

Amortization of prior service cost	(3)	(4)
Net periodic postretirement benefit costs	$ 9	$ 4

</TABLE>

Assumptions used in accounting for the plan were:

<TABLE>
<CAPTION>

December 31	1994	1993
<S>	<C>	<C>
Discount rate	8.75%	7.25%
Expected health care cost trend rate:		
Medical	9.10	10.70
Dental	7.40	7.80

</TABLE>

The health care cost trend rate declines until it stabilizes at 6.00 percent beginning 1999. A 1 percent increase in the health care trend rate would result in an increase of $259,000 and $826,000 in the service cost and interest cost components, respectively, and a $10.7 million increase in the accumulated postretirement benefit obligation.

The net periodic postretirement benefit costs for 1992 were $19 million. Effective January 1, 1993, the Corporation's postretirement benefit plan was amended to provide benefits limited to a fixed amount based on the employee's age and years of service. The plan amendments resulted in a $63.8 million reduction to the accrued postretirement benefit obligation. In accordance with SFAS No. 106, this reduction is amortized over the average service life of covered employees, which is currently 15 years.

The Corporation has an employee stock purchase plan which covers a maximum of 5.2 million shares of common stock of which 1.5 million were available to be issued. Persons who have been continuously employed for at least one year are eligible to participate. Offering periods cover six months beginning June 1 and December 1 of each year. Common stock is purchased by participants at 85 percent of the lesser of fair market value on the first or last day of each offering period. During 1994, 403,692 shares were issued to participants at prices of $17.64 and $24.76 per share; 276,517 shares were issued in 1993 at prices of $24.12 and $25.18 per share; and 291,580 shares were issued in 1992 at prices of $17.80 and $21.68 per share. No charge to earnings is required with respect to such noncompensatory plan.

STOCK OPTION PLAN

The Corporation has a senior executive long-term incentive award plan ("Incentive Plan") that provides for the granting of incentive stock options, nonqualified options, stock appreciation rights ("SARs"), performance units, and incentive shares. In any given year, the number of shares of common stock available for grants under the Incentive Plan may range from 1.5 percent to 3 percent of total issued shares of common stock, determined at the end of the preceding calendar year.

Options are granted at exercise prices not less than the fair market value of common stock on the date of grant. Such options may not be exercised for twelve months after the date of grant. Payment of the option price may be in cash or shares of common stock valued at fair market value on the exercise date.

The following table presents share data related to the Incentive Plan, a similar predecessor plan and other plans assumed in certain mergers.

<TABLE>
<CAPTION>

	Option Price Per Common Share	Shares
<S>	<C>	<C>
January 1, 1992	$6.47-$23.00	9,903,702
Granted	12.31- 27.56	2,177,640
SARs exercised		(52,800)
Options exercised	6.47- 21.63	(3,095,230)
Terminated		(48,300)
December 31, 1992	6.47- 27.56	8,885,012
Granted	29.50- 30.13	1,924,350
SARs exercised		(10,000)
Options exercised	6.47- 27.56	(1,384,022)
Terminated		(68,609)
December 31, 1993	6.47- 30.13	9,346,731
Granted	21.75- 29.75	2,159,200
Options exercised	6.47- 27.56	(649,132)
Terminated		(134,250)

December 31, 1994	$6.47-$30.13	10,722,549

</TABLE>

At December 31, 1994, options for 8,569,399 shares of common stock were exercisable. Shares of common stock available for the granting of options under the Incentive Plan and the predecessor plans were as follows: 6,997,455 at December 31, 1994, 6,259,203 at December 31, 1993, and 4,658,641 at December 31, 1992.

INCOME TAXES

Income taxes related to operations, the tax effect of securities transactions, and the current and deferred portions of income taxes were as follows:

<TABLE>
<CAPTION>

Year ended December 31 In thousands	1994	1993	1992
<S>	<C>	<C>	<C>
Operations	$339,549	$305,656	$175,887
Securities transactions			
Equity and other	7,123	(133)	5,680
Debt	(54,345)	65,826	67,115
Total	$292,327	$371,349	$248,682

</TABLE>

<TABLE>
<CAPTION>

Year ended December 31 In thousands	1994	1993	1992
<S>	<C>	<C>	<C>
Current			
Federal	$246,044	$419,986	$276,156
State	14,493	11,914	8,433
Total current	260,537	431,900	284,589
Deferred			
Federal	29,578	(58,044)	(36,777)
State	2,212	(2,507)	870
Total deferred	31,790	(60,551)	(35,907)
Total	$292,327	$371,349	$248,682

</TABLE>

Significant components of the Corporation's deferred tax assets and liabilities are as follows:

<TABLE>
<CAPTION>

December 31 In millions	1994	1993
<S>	<C>	<C>
Deferred tax assets		
Allowance for credit losses	$316	$321
Compensation and benefits	90	81
Foreclosed assets	11	21
Net unrealized securities losses	55	
Purchased net operating loss and ATM carryforwards	16	
Purchase accounting--deposits and other borrowings	60	72
Purchase accounting--other	22	35
Other	67	63
Total deferred tax assets	637	593
Deferred tax liabilities		
Leasing	199	179
Depreciation	25	18
Net unrealized securities gains		48
Purchase accounting-loans and losses	48	97
Other	10	24
Total deferred tax liabilities	282	366
Net deferred tax asset	$355	$227

</TABLE>

The purchased net operating loss carryforwards expire in 2008 and 2009 and the alternative minimum tax ("AMT") can be carried forward indefinitely.

The components of deferred income taxes that result from timing differences in the recognition of revenues and expenses for tax and financial reporting purposes were as follows:

Year ended December 31 In thousands	1992
Lease financing	$ 5,145
Provision for credit losses	(17,294)
Investment tax credit	(106)
Alternative minimum tax	6,040
Other-net	(29,692)
Total deferred taxes benefits	$(35,907)

A reconciliation between the statutory and effective tax rates follows:

Year ended December 31	1994	1993	1992
Statutory tax rate	35.0%	35.0%	34.0%
Tax-exempt interest	(2.6)	(2.4)	(3.8)
State tax	1.2	0.5	0.8
Other--net	(1.2)	0.2	1.0
Effective tax rate	32.4%	33.3%	32.0%

REGULATORY MATTERS

The Corporation is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by such regulatory authorities. At any time, various bank and nonbank examinations are ongoing. Management promptly responds to all findings of regulators. None of the Corporation's bank and nonbank subsidiaries are subject to written regulatory agreements.

The dividends that may be paid by subsidiary banks to the parent company are subject to certain legal limitations. Without regulatory approval, the amount available for payment of dividends by all subsidiary banks was $948 million at December 31, 1994. Dividends also may be impacted by capital needs, regulatory requirements and policies, and other factors deemed relevant.

Under federal law, generally no bank subsidiary may extend credit to the parent company or its nonbank subsidiaries on terms and under circumstances which are not substantially the same as comparable extensions of credit to nonaffiliates. No extension of credit may be made to the parent company or a nonbank subsidiary which is in excess of 10 percent of the capital stock and surplus of such bank subsidiary or in excess of 20 percent of the capital and surplus of such bank subsidiary as to aggregate extensions of credit to the parent company and its subsidiaries. In certain circumstances, federal regulatory authorities may impose more restrictive limitations. Such extensions of credit, with limited exceptions, must be fully collateralized. The maximum amount available under statutory limitations for transfer from subsidiary banks to the parent company in the form of loans and dividends approximated 33 percent of consolidated net assets at December 31, 1994.

Federal Reserve Board regulations require depository institutions to maintain cash reserves with the Federal Reserve Bank. During 1994, subsidiary banks maintained reserves which averaged $910 million.

LITIGATION

Four consolidated purported class action lawsuits have been filed against the Corporation and certain officers, alleging disclosure violations of federal securities laws and seeking, among other things, unquantified damages on behalf of purchasers of the Corporation's securities during specified portions of 1994. Management believes there are meritorious defenses to these lawsuits and intends to defend them vigorously. Management believes that the final disposition will not be material to the Corporation's financial position.

A purported class action lawsuit was filed in 1992 against PNC National Bank

("PNCNB"), alleging certain credit card fees violated Pennsylvania law and seeking, among other things, unquantified compensatory and triple damages and injunctive relief. The federal district court denied plaintiff's motion to remand the case to state court and dismissed the lawsuit, holding that Pennsylvania law is preempted by federal banking laws. Plaintiff has appealed, and PNCNB is vigorously defending the district court's decision. The impact of the final disposition of the lawsuit cannot be predicted at the present time. In certain cases not involving PNCNB, a Pennsylvania intermediate state appellate court has held that the application of Pennsylvania law to certain credit card fees, when charged to Pennsylvania residents, is not preempted by federal banking laws. Further appellate review is being sought in those cases.

The Corporation, in the normal course of business, is subject to various other pending and threatened lawsuits in which claims for monetary damages are asserted. Management, after consultation with legal counsel, does not anticipate that the ultimate aggregate liability, if any, arising out of such other lawsuits will have a material adverse effect on the Corporation's financial position.

At the present time, management is not in a position to determine whether any pending or threatened litigation will have a material adverse effect on the Corporation's results of operations in any future reporting period.

PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

December 31 In millions	1994	1993
ASSETS		
Cash and due from banks	$ 7	$ 1
Securities available for sale	108	261
Investments in		
Bank subsidiaries	4,816	4,268
Nonbank subsidiaries	285	320
Advances to subsidiary banks	12	4
Other assets	92	122
Total assets	$5,320	$4,976
LIABILITIES		
Notes and debentures	$ 1	$ 1
Nonbank affiliate borrowings	679	360
Accrued expenses and other liabilities	246	290
Total liabilities	926	651
SHAREHOLDERS' EQUITY	4,394	4,325
Total liabilities and shareholders' equity	$5,320	$4,976

STATEMENT OF INCOME

Year ended December 31 In thousands	1994	1993	1992
OPERATING REVENUE			
Dividends from			
Bank subsidiaries	$357,605	$335,125	$ 265,875
Nonbank subsidiaries	54,600	10,750	6,050
Interest income	8,542	10,436	15,409
Other income	979	781	240
Total operating revenue	421,726	357,092	287,574
OPERATING EXPENSES			
Interest expense	31,026	4,924	4,135
Other expenses	27,754	55,989	84,006
Total operating expenses	58,780	60,913	88,141
Income before income taxes and equity in undistributed net income of subsidiaries	362,946	296,179	199,433
Applicable income taxes			

(benefits)	(36,344)	1,895	(18,818)
Income before equity in undistributed net income of subsidiaries	399,290	294,284	218,251
Net equity in undistributed net income (excess dividends)*			
Bank subsidiaries	215,438	400,877	335,638
Nonbank subsidiaries	(4,666)	33,174	(24,449)
Income before cumulative effect of changes in accounting principles	610,062	728,335	529,440
Cumulative effect of changes in accounting principles, net of tax benefit of $52,804 in 1992		(2,465)	(102,501)
Net income	$610,062	$725,870	$ 426,939

<FN>

* Amounts for 1993 include the cumulative effect of changes in accounting principles at the respective subsidiaries.

</TABLE>

<TABLE>
<CAPTION>
STATEMENT OF CASH FLOWS

Year ended December 31 In millions	1994	1993	1992
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net Income	$ 610	$ 726	$ 427
Adjustments to reconcile net income to net cash provided by operating activities			
Cumulative effect of changes in accounting principles		2	103
Equity in undistributed net earnings of subsidiaries	(211)	(434)	(311)
Other	(3)	93	41
Net cash provided by operating activities	396	387	260
INVESTING ACTIVITIES			
Net decreaase in interest-earning deposits with subsidiary bank	(8)	(4)	4
Net capital returned/ (contributed) to subsidiaries	(6)	173	1
Sales of securities available for sale	2,158	2,674	2,956
Purchases of securities available for sale	(2,005)	(2,770)	(2,874)
Cash paid in acquisitions	(503)	(383)	(45)
Other	(2)	(87)	(22)
Net cash provided (used) by investing activities	(366)	(397)	20
FINANCING ACTIVITIES			
Borrowings from nonbank subsidiary	330	250	
Acquisition of treasury stock	(90)	(19)	(13)
Cash dividends paid to shareholders	(309)	(276)	(239)
Issuance of stock	45	53	74
Redemption of notes and debentures			(100)
Net cash provided (used) by financing activities	(24)	8	(278)
Increase (decrease) in cash and due from banks	6	(2)	2
Cash and due from banks at beginning of year	1	3	1
Cash and due from banks at end of year	$ 7	$ 1	$ 3

</TABLE>

Commercial paper and all other debt issued by PNC Funding Corp is guaranteed by the parent company. In addition, in connection with certain affiliates' mortgage servicing operations, the parent company has committed to maintain such affiliates' net worth above minimum requirements.

During 1994, 1993 and 1992, the parent company received income tax refunds of $23.4 million, $24.8 million and $16.8 million, respectively. Such refunds represent the parent company's portion of consolidated income taxes. During 1994, 1993 and 1992, the parent company paid interest on contractual debt obligations of $28.5 million, $.1 million and $4.4 million, respectively.

UNUSED LINES OF CREDIT

At December 31, 1994, the Corporation maintained a line of credit in the amount of $300 million, none of which was drawn. This line is available for general corporate purposes. The annual fee paid for the unused line is .13 percent.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth the carrying value and estimated fair value of financial instruments:

<TABLE>
<CAPTION>
FAIR VALUE OF FINANCIAL INSTRUMENTS

December 31 In millions	1994 Carrying Amount	1994 Fair Value	1993 Carrying Amount	1993 Fair Value
<S>	<C>	<C>	<C>	<C>
ASSETS				
Cash and short-term assets	$ 3,865	$ 3,865	$ 3,119	$ 3,119
Securities	20,921	19,690	23,060	23,104
Loans held for sale	487	487	1,392	1,392
Net loans (excludes leases)	33,603	33,397	31,679	32,185
LIABILITIES				
Demand deposits	19,313	19,313	18,621	18,621
Time deposits	15,698	15,499	14,494	14,790
Borrowed funds	12,106	12,097	12,212	12,211
Notes and debentures	11,754	11,684	9,585	9,598
OFF-BALANCE-SHEET				
Commitments to extend credit	(16)	(16)	(23)	(23)
Letters of credit	(12)	(12)	(30)	(30)
Interest rate swaps	(40)	(761)	31	41
Interest rate caps	130	132		

</TABLE>

Certain assets are excluded from the above table including real and personal property, leases, loan customer relationships, deposit customer intangibles, retail branch networks, fee-based businesses, such as mortgage banking and asset management, trademarks and brand names. Accordingly, the aggregate of fair value amounts presented does not attempt to capture and does not represent the underlying value of the Corporation.

Fair value is defined as the estimated amount at which the financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. However, it is not management's intention to immediately dispose of a significant portion of such financial instruments, and the unrealized gains or losses should not be interpreted as a forecast of future earnings and cash flows.

The fair value of securities is based primarily on quoted market prices. For substantially all other financial instruments, fair values have been estimated using discounted cash flow analyses, pricing models and other valuation techniques. These derived fair values are subjective in nature, involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly impact the derived fair value estimates.

The following methods and assumptions were used in estimating fair value amounts for financial instruments:

GENERAL For short-term financial instruments realizable in three months or less, the carrying amount reported in the balance sheet approximates fair value. Unless otherwise stated, the rates used to discount cash flows are based on market yield curves.

CASH AND SHORT-TERM ASSETS The carrying amounts reported in the consolidated balance sheet for cash and short-term assets approximate those assets' fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include due from banks, interest-earning

deposits with banks, federal funds sold and resale agreements, the trading account customers' acceptance liability and accrued interest receivable.

SECURITIES The fair value of investment securities and securities available for sale are based on quoted market prices, where available. If quoted market prices are not available, fair value is estimated using the quoted market prices of comparable instruments.

NET LOANS AND LOANS HELD FOR SALE For demand and variable-rate commercial and certain consumer loans that reprice quarterly, fair values are estimated by reducing carrying amounts by estimated credit loss factors. For other commercial loans, including nonaccrual loans, fair values are estimated using discounted cash flow analyses, with cash flows reduced by estimated credit loss factors and discount rates equal to rates currently charged by the Corporation for similar loans. In the case of nonaccrual loans, scheduled cash flows do not include interest payments.

For automobile, home equity, student and credit card loans, fair values are determined by using internal pricing models. The models derive fair value by incorporating assumptions about prepayments, credit losses and servicing fees and costs and discounting the future net revenues at an appropriate risk rate of return. For credit cards and revolving home equity loans, this fair value does not include any amount for new loans or the related fees that will be generated from the existing customer relationships. The fair value of residential mortgages is estimated based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. Loans held for sale are reported at the lower of cost or market value in the consolidated balance sheet. For purposes of this disclosure only, the carrying value approximates fair value.

DEPOSITS The carrying amounts for noninterest-bearing demand and interest-bearing, money market and savings deposits approximate fair values. For time deposits, fair values are based on the discounted value of scheduled cash flows. The discount rates used vary by instrument and are based on dealer quotes or rates currently offered for deposits with similar maturities.

BORROWED FUNDS The carrying amounts of federal funds purchased, commercial paper, acceptances outstanding and accrued interest payable are considered fair value because of their short-term nature. Repurchase agreements and term federal funds purchased are valued using discounted cash flow analyses.

NOTES AND DEBENTURES The fair value of variable-rate notes and debentures is equivalent to carrying value. For fixed-rate notes and debentures, scheduled cash flows are discounted using rates for similar debt with the same maturities.

UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT Fair values for commitments to extend credit and letters of credit are estimated based upon the amount of deferred fees and the creditworthiness of the counterparties.

INTEREST RATE SWAPS AND CAPS The fair value of index amortizing interest rate swaps and interest rate caps is based on dealer quotes. The fair value of other swaps is the discounted value of the expected net cash flows. These fair values represent the estimated amounts that the Corporation would receive or pay to terminate the contracts, taking into account current interest rates.

<TABLE>
<CAPTION>
SELECTED CONSOLIDATED FINANCIAL DATA

Year ended December 31	1994	1993	1992	1991	1990
SUMMARY OF OPERATIONS (In thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Interest income	$3,861,812	$3,201,120	$3,218,971	$3,657,533	$4,223,375
Interest expense	1,952,206	1,372,087	1,561,679	2,222,335	2,874,118
Net interest income	1,909,606	1,829,033	1,657,292	1,435,198	1,349,257
Provision for credit losses	60,123	203,944	323,531	428,038	760,507
Noninterest income excluding net securities gains/losses	957,560	757,555	693,273	748,571	634,108
Net securities gains(losses)	(134,919)	187,694	193,503	63,454	22,425
Noninterest expenses	1,769,735	1,453,726	1,442,415	1,270,984	1,215,858
Applicable income taxes (benefits)	292,327	371,349	248,682	158,415	(41,487)
Income before cumulative effect of changes in accounting principles	610,062	745,263	529,440	389,786	70,912
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343 and $52,804		(19,393)	(102,501)		
Net income	610,062	725,870	426,939	389,786	70,912
PER COMMON SHARE DATA					
Book value					
As reported	$ 18.76	$ 18.34	$ 15.96	$ 15.27	$ 13.40
Excluding net unrealized securities gains/losses	19.26	17.96	15.96	15.27	13.40
Cash dividends declared	1.310	1.175	1.080	.795	1.060
Earnings					
Primary before cumulative effect of changes in accounting principles	2.57	3.14	2.36	1.97	.37
Cumulative effect of changes in accounting principles		(.08)	(.46)		

Primary	2.57	3.06	1.90	1.97	.37
Fully diluted before cumulative effect of changes in accounting principles	2.56	3.13	2.34	1.94	.37
Cumulative effect of changes in accounting principles		(.09)	(.45)		
Fully diluted	2.56	3.04	1.89	1.94	.37
BALANCE SHEET HIGHLIGHTS (In millions)					
December 31					
Total assets	$ 64,145	$ 62,080	$ 51,380	$ 44,892	$ 45,533
Securities	20,921	23,060	20,741	14,173	12,189
Loans, net of unearned income	35,407	33,308	25,817	25,443	27,633
Deposits	35,011	33,115	29,470	30,019	32,043
Borrowed funds	11,608	11,662	11,811	9,486	8,735
Notes and debentures	11,754	9,585	4,297	1,287	1,319
Shareholders equity	4,394	4,325	3,745	3,317	2,601
SELECTED RATIOS					
Return on average total assets	1.00%	1.44%	.95%	.91%	.16%
Return on average common shareholders' equity	14.10	18.40	12.47	14.02	2.46
Average shareholders' equity to average total assets	7.12	7.86	7.68	6.53	6.08
Dividend payout	50.60	37.98	55.54	39.60	298.03
Overhead	63.99	51.66	55.76	55.11	57.84

</TABLE>

<TABLE>
<CAPTION>
SELECTED QUARTERLY FINANCIAL DATA

	1994			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
SUMMARY OF OPERATIONS (In thousands)				
<S>	<C>	<C>	<C>	<C>
Interest income	$1,024,145	$1,007,569	$934,994	$895,104
Interest expense	599,794	512,614	442,035	397,763
Net interest income	424,351	494,955	492,959	497,341
Provision for credit losses		10,078	25,030	25,015
Noninterest income excluding net securities gains/losses	225,775	275,301	228,325	228,159
Net securities gains (losses)	(121,024)	(44,202)	(85)	30,392
Noninterest expense	488,681	435,913	418,295	426,846
Income before cumulative effect of changes in accounting principles	28,530	187,998	187,845	205,689
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343				
Net income	28,530	187,998	187,845	205,689
PER COMMON SHARE DATA				
Book value:				
As reported	$ 18.76	$ 18.87	$ 18.37	$ 18.14
Excluding net unrealized securities gains/losses	19.26	19.46	19.02	18.53
Earnings				
Primary before cumulative effect of changes in accounting principles	.12	.79	.79	.87
Cumulative effect of changes in accounting principles				
Primary	.12	.79	.79	.87
Fully diluted before cumulative effect of changes in accounting principles	.12	.79	.79	.86
Cumulative effect of changes in accounting principles				
Fully diluted	.12	.79	.79	.86
AVERAGE BALANCE SHEET HIGHLIGHTS (In millions)				
Total assets	$ 62,952	$ 61,988	$ 59,625	$ 58,966
Securities	22,923	22,422	21,859	21,328
Loans, net of unearned income	34,955	34,494	32,531	32,023
Deposits	33,409	33,982	32,252	31,737
Borrowed funds	11,642	11,346	10,967	11,543
Notes and debentures	12,593	11,358	11,030	10,142
Shareholders' equity	4,386	4,360	4,268	4,330

</TABLE>

<TABLE>
<CAPTION>
SELECTED QUARTERLY FINANCIAL DATA

	1993			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<S>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS (In thousands)				
Interest income	$ 815,201	$ 791,890	$ 800,476	$ 793,553
Interest expense	353,487	333,908	344,830	339,862
Net interest income	461,714	457,982	455,646	453,691
Provision for credit losses	38,692	50,021	53,814	61,417
Noninterest income excluding net securities gains/losses	202,926	191,691	187,818	175,120
Net securities gains (losses)	3,404	72,513	6,616	105,161
Noninterest expense	375,649	345,914	345,148	387,015
Income before cumulative effect of changes in accounting principles	171,434	217,676	169,142	187,011
Cumulative effect of changes in accounting principles, net of tax benefit of $5,343				(19,393)
Net income	171,434	217,676	169,142	167,618
PER COMMON SHARE DATA				
Book value:				
As reported	$ 18.34	$ 17.50	$ 16.84	$ 16.42
Excluding net unrealized securities gains/losses	17.96	17.50	16.84	16.42
Earnings				
Primary before cumulative effect of changes in accounting principles	.72	.92	.71	.79
Cumulative effect of changes in accounting principles				(.08)
Primary	.72	.92	.71	.71
Fully diluted before cumulative effect of changes in accounting principles	.72	.91	.71	.78
Cumulative effect of changes in accounting principles				(.08)
Fully diluted	.72	.91	.71	.70
AVERAGE BALANCE SHEET HIGHLIGHTS (In millions)				
Total assets	$ 53,010	$ 50,270	$ 50,152	$ 47,794
Securities	20,428	21,011	21,184	18,980
Loans, net of unearned income	27,883	25,528	25,184	25,214
Deposits	29,762	27,813	28,091	28,090
Borrowed funds	9,453	10,410	11,485	10,149
Notes and debentures	8,548	7,027	5,578	4,744
Shareholders' equity	4,128	4,013	3,869	3,814

</TABLE>

STATISTICAL INFORMATION

ANALYSIS OF YEAR-TO-YEAR CHANGES IN NET INTEREST INCOME

<TABLE>
<CAPTION>

	1994/1993 Increase/(Decrease) in Income/Expense Due To Changes In:			
Taxable-equivalent basis In thousands	Volume	Rate	Rate/ Volume	Total
<S>	<C>	<C>	<C>	<C>
INTEREST-EARNING ASSETS				
Short-term investments	$ 9,134	$ 6,268	$ 2,540	$ 17,942
Mortgages held for sale	20,824	2,071	1,824	24,719
Securities				
U.S. Treasury	42,503	3,441	1,565	47,509
U.S. Government agencies and corporations	(12,278)	(25,179)	175	(37,282)
State and municipal	(10,889)	1,801	(429)	(9,517)
Other debt	45,221	18,334	9,425	72,980
Corporate stocks and other	11,284	(271)	(444)	10,569
Total securities	102,437	(16,322)	(1,856)	84,259
Loans, net of unearned income				
Commercial	$ 79,245	$ 51,122	$ 6,441	$136,808
Real estate project	(10,981)	20,295	(1,717)	7,597
Real estate mortgage	418,992	(50,046)	(58,507)	310,439
Consumer	70,619	(31,099)	(3,379)	36,141
Other	37,920	(1,833)	(1,234)	34,853
Total loans	573,952	(36,343)	(11,771)	525,838
Other interest-earning assets	977	598	380	1,955
Total interest-earning assets	$674,520	$ (14,202)	$ (5,605)	$654,713

INTEREST-BEARING LIABILITIES				
Interest-bearing deposits				
Demand	$ 2,345	$ 20,176	$ 2,206	$ 24,727
Savings	1,682	12,628	698	15,008
Money market	12,884	39,349	4,656	56,889
Other time	73,744	(18,606)	(2,606)	52,532
Deposits in foreign offices	25,972	3,545	14,431	43,948
Total interest-bearing deposits	114,149	69,216	9,739	193,104
Borrowed funds				
Federal funds purchased	35,750	21,635	15,370	72,755
Repurchase agreements	(66,185)	44,442	(11,725)	(33,468)
Commercial paper	12,573	9,052	5,004	26,629
Other	57,582	5,715	7,044	70,341
Total borrowed funds	35,070	92,320	8,867	136,257
Notes and debentures	197,362	30,484	22,912	250,758
Total interest-bearing liabilities	$321,606	$ 207,641	$ 50,872	$580,119
Change in net interest income	$388,957	$(255,636)	$(58,727)	$ 74,594

</TABLE>

ANALYSIS OF YEAR-TO-YEAR CHANGES IN NET INTEREST INCOME

<TABLE>
<CAPTION>

	1993/1992 Increase/(Decrease) in Income/Expense Due To Changes In:			
Taxable-equivalent basis In thousands	Volume	Rate	Rate/ Volume	Total
<S>	<C>	<C>	<C>	<C>
INTEREST-EARNING ASSETS				
Short-term investments	$ (7,801)	$ (2,428)	$ 629	$ (9,600)
Mortgages held for sale	8,962	(2,504)	(1,311)	5,147
Securities				
U.S. Treasury	60,982	(15,011)	(12,596)	33,375
U.S. Government agencies and corporations	139,315	(177,498)	(22,894)	(61,077)
State and municipal	(8,998)	1,188	(164)	(7,974)
Other debt	54,950	(12,399)	(11,973)	30,578
Corporate stocks and other	2,912	328	267	3,507
Total securities	274,875	(224,815)	(51,651)	(1,591)
Loans, net of unearned income				
Commercial	$ 30,928	$ (20,864)	$ (1,149)	$ 8,915
Real estate project	(10,904)	(800)	40	(11,664)
Real estate mortgage	73,363	(50,332)	(10,554)	12,477
Consumer	41,908	(54,223)	(2,498)	(14,813)
Other	(4,427)	(6,358)	406	(10,379)
Total loans	116,703	(125,052)	(7,115)	(15,464)
Other interest-earning assets	1,165	(395)	(384)	386
Total interest-earning assets	$397,940	$(371,290)	$(47,772)	$ (21,122)
INTEREST-BEARING LIABILITIES				
Interest-bearing deposits				
Demand	$ 9,064	$ (29,969)	$ (5,653)	$ (26,558)
Savings	6,412	(27,536)	(3,483)	(24,607)
Money market	19,268	(69,551)	(8,322)	(58,605)
Other time	(90,868)	(112,005)	13,175	(189,698)
Deposits in foreign offices	(18,758)	(7,492)	5,068	(21,182)
Total interest-bearing deposits	(28,018)	(300,939)	8,307	(320,650)
Borrowed funds				
Federal funds purchased	(7,568)	(9,810)	1,114	(16,264)
Repurchase agreements	66,211	(15,071)	(5,012)	46,128
Commercial paper	4,163	(1,843)	(338)	1,982
Other	(16,306)	(6,205)	1,498	(21,013)
Total borrowed funds	50,673	(34,455)	(5,385)	10,833
Notes and debentures	175,485	(25,058)	(30,202)	120,225
Total interest-bearing liabilities	$184,414	$(332,112)	$(41,894)	$(189,592)
Change in net interest income	$207,464	$ (33,754)	$ (5,240)	$ 168,470

</TABLE>

<TABLE>
<CAPTION>
AVERAGE CONSOLIDATED BALANCE SHEET AND NET INTEREST ANALYSIS

Year ended December 31 Taxable-equivalent basis Average balance in millions, Average interest in thousands	1994 Average Balances	1994 Interest	1994 Average Yields/Rates	1993 Average Balances	1993 Interest	1993 Average Yields/Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Interest-earning assets						
Short-term investments	$ 808	$ 40,493	5.01%	$ 575	$ 22,551	3.92%
Mortgages held for sale	667	47,832	7.18	351	23,113	6.59
Securities						
U.S. Treasury	3,212	153,656	4.78	2,294	106,147	4.63
U.S. Government agencies and corporations	15,538	934,431	6.01	15,737	971,713	6.17
State and municipal	365	37,835	10.37	474	47,352	9.99
Other debt	2,701	160,348	5.94	1,780	87,368	4.91
Corporate stocks and other	300	17,901	5.97	118	7,332	6.20
Total securities	22,116	1,304,171	5.90	20,403	1,219,912	5.98
Loans, net of unearned income						
Commercial	12,051	870,535	7.22	10,877	733,727	6.75
Real estate project	1,687	135,849	8.05	1,845	128,252	6.95
Real estate mortgage	9,531	668,350	7.01	4,390	357,911	8.15
Consumer	8,782	733,402	8.35	7,974	697,261	8.74
Other	1,460	91,208	6.25	873	56,355	6.46
Total loans, net of unearned income	33,511	2,499,344	7.46	25,959	1,973,506	7.60
Other interest-earning assets	85	3,495	4.12	52	1,540	2.96
Total interest-earning assets/ interest income	57,187	3,895,335	6.82	47,340	3,240,622	6.85
Noninterest-earning assets						
Allowance for credit losses	(1,013)			(932)		
Cash and due from banks	2,168			1,967		
Other assets	2,554			1,946		
Total assets	$60,896			$50,321		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits						
Demand	$ 3,454	45,580	1.32	3,104	20,853	.67
Savings	2,432	36,699	1.51	2,255	21,691	.95
Money market	6,562	166,558	2.54	5,873	109,669	1.87
Other time	13,098	636,729	4.86	11,629	584,197	5.02
Deposits in foreign offices	1,071	50,310	4.70	211	6,362	3.02

Total interest-bearing deposits	26,617	935,876	3.52	23,072	742,772	3.22
Borrowed funds						
Federal funds purchased	2,815	122,645	4.36	1,639	49,890	3.04
Repurchase agreements	5,053	209,448	4.14	6,944	242,916	3.50
Commercial paper	1,072	49,459	4.61	691	22,830	3.30
Other	2,435	117,700	4.83	1,099	47,359	4.31
Total borrowed funds	11,375	499,252	4.39	10,373	362,995	3.50
Notes and debentures	11,288	517,078	4.58	6,486	266,320	4.11
Total interest-bearing liabilities/ interest expense	49,280	1,952,206	3.96	39,931	1,372,087	3.44
Noninterest-bearing liabilities and shareholders' equity						
Demand and other noninterest-bearing deposits	6,235			5,370		
Accrued expenses and other liabilities	1,045			1,063		
Shareholders' equity	4,336			3,957		
Total liabilities and shareholders' equity	$60,896			$50,321		
Interest rate spread including interest rate swaps			2.86			3.41
Impact of noninterest-bearing liabilities			0.54			.54
Net interest income/margin on earning assets		$1,943,129	3.40%		$1,868,535	3.95%

</TABLE>

Nonaccrual loans are included in loans, net of unearned income. The impact of interest rate swaps is included in the interest income/expense and average yields/rates for commercial loans, U.S. Government agencies and corporation securities, all interest-bearing deposits, other borrowed funds and notes and debentures.

<TABLE>
<CAPTION>

1992			1991			1990		
Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$ 759	$ 32,151	4.24%	$ 906	$ 58,234	6.43%	$ 1,145	$ 97,353	8.50%
234	17,966	7.66	125	12,051	9.66	82	9,317	11.32
1,248	72,772	5.83	1,103	83,740	7.59	1,024	84,428	8.25
13,867	1,032,790	7.45	9,358	842,008	9.00	9,894	919,990	9.30
566	55,326	9.78	645	66,235	10.26	933	95,276	10.21
905	56,790	6.28	753	64,244	8.53	1,400	125,654	8.97
67	3,825	5.71	90	4,440	4.96	181	15,057	8.30

16,653	1,221,503	7.33	11,949	1,060,667	8.88	13,432	1,240,405	9.23
10,432	724,812	6.95	12,521	1,109,231	8.86	14,327	1,488,192	10.39
2,001	139,916	6.99	1,991	161,627	8.12	2,620	263,046	10.04
3,621	345,434	9.54	4,384	436,908	9.97	2,824	294,813	10.44
7,531	712,074	9.46	7,076	786,699	11.12	6,612	782,387	11.83
935	66,734	7.14	982	79,732	8.12	1,484	142,578	9.61
24,520	1,988,970	8.11	26,954	2,574,197	9.55	27,867	2,971,016	10.66
26	1,154	4.48	162	11,367	6.99	18	1,436	7.82
42,192	3,261,744	7.73	40,096	3,716,516	9.27	42,544	4,319,527	10.15
(852)			(823)			(584)		
1,748			1,822			1,965		
1,656			1,698			1,791		
$44,744			$42,793			$45,716		
$ 2,606	47,411	1.82	$ 2,272	99,631	4.39	$ 1,983	92,890	4.68
1,981	46,298	2.34	2,135	102,168	4.78	1,753	89,574	5.11
5,269	168,274	3.19	4,120	211,508	5.13	3,558	209,440	5.89
13,177	773,895	5.87	17,827	1,288,764	7.23	18,810	1,543,913	8.21
663	27,544	4.15	431	25,694	5.97	317	37,270	11.77
23,696	1,063,422	4.49	26,785	1,727,765	6.45	26,421	1,973,087	7.47
1,851	66,154	3.57	1,964	111,990	5.68	2,343	194,227	8.29
5,197	196,788	3.79	3,142	186,681	5.94	4,930	389,598	7.90
576	20,848	3.62	377	22,492	5.96	1,101	89,165	8.10
1,443	68,372	4.74	1,378	77,616	5.63	1,743	143,458	8.23
9,067	352,162	3.88	6,861	398,779	5.81	10,117	816,448	8.07
2,948	146,095	4.96	1,334	95,791	7.18	991	84,583	8.52
35,711	1,561,679	4.37	34,980	2,222,335	6.35	37,529	2,874,118	7.66
4,780			4,417			4,370		
817			601			1,037		
3,436			2,795			2,780		
$44,744			$42,793			$45,716		
		3.36			2.92			2.49

		0.67		0.81	0.91
$1,700,065		4.03%	$1,494,181	3.73%	$1,445,409 3.40%

</TABLE>

SECURITIES

<TABLE>
<CAPTION>
CARRYING VALUE OF SECURITIES

December 31 In millions	1994	1993	1992
<S>	<C>	<C>	<C>
Investment securities			
Debt securities			
U.S. Treasury	$ 1,794	$ 1	$ 37
U.S. Government agencies and corporations	11,920	10,227	11,413
State and municipal	348	389	558
Asset-backed private placements	1,597	$	$
Other debt	1,495	810	1,246
Corporate stocks and other	310	245	73
Total investment securities	$17,464	$11,672	$13,327
Securities available for sale			
Debt securities			
U.S. Treasury	$ 393	$ 2,402	$ 2,768
U.S. Government agencies and corporations	2,113	8,121	4,011
Other debt	851	804	635
Corporate stocks and other	100	61	
Total securities available for sale	$ 3,457	$11,388	$ 7,414

</TABLE>

At December 31, 1994 and 1993, securities available for sale are carried at fair value.

<TABLE>
<CAPTION>
CONTRACTUAL MATURITY DISTRIBUTION OF SECURITIES

December 31, 1994 Dollars in millions	One Year or Less	After One Year Through Five Years	After Five Years Through Ten Years	After Ten Years	No Fixed Maturity	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Investment securities (Amortized Cost)						
Debt securities						
U.S. Treasury		$1,794				$ 1,794
U.S. Government agencies and corporations					$11,920	11,920
State and municipal	$ 16	88	$ 64	$ 180		348
Asset-backed private placements					1,597	1,597
Other debt	1	7	5		1,482	1,495
Corporate stocks and other					310	310
Total investment securities	$ 17	$1,889	$ 69	$ 180	$15,309	$17,464
Percent of total investment securities	.10%	10.81%	.40%	1.03%	87.66%	100.00%
Weighted average yield	10.43	5.35	10.46	10.75	6.17	6.14
Securities available for sale						
Debt securities						
U.S. Treasury	$ 140	$ 236	$ 13	$ 4		$ 393
U.S. Government agencies and corporations					$ 2,113	2,113
Other debt	11	6	2	57	775	851
Corporate stocks and other					100	100
Total securities available for sale	$ 151	$ 242	$ 15	$ 61	$ 2,988	$ 3,457

Percent of total securities available for sale	4.37%	7.00%	.43%	1.76%	86.44%	100.00%
Weighted average yield	5.43	5.73	6.25	7.66	6.19	6.15

</TABLE>

Collateralized mortgage obligations and mortgage-backed and asset-backed securities are included in the No Fixed Maturity Category. Based on management's most likely interest rate environment and historical experience, the weighted-average expected maturity of all collateralized mortgage obligations and mortgage-backed and asset-backed securities was 4 years at December 31, 1994. Weighted average yields are based on book value with effective yields weighted for the contractual maturity of each security. Tax-exempt securities have been adjusted to a taxable-equivalent basis using a federal income tax rate of 35 percent.

LOANS

<TABLE>
<CAPTION>
LOAN OUTSTANDINGS

December 31 In millions	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Commercial	$12,445	$12,463	$10,985	$11,245	$12,713
Real estate project	1,628	1,730	1,955	2,047	2,194
Real estate mortgage	10,544	8,941	4,114	3,763	3,041
Consumer	9,187	8,525	7,950	7,458	8,933
Other	1,843	1,871	1,105	1,349	1,476
Total loans	35,647	33,530	26,109	25,862	28,357
Less unearned income	240	222	292	419	724
Total loans, net of unearned income	$35,407	$33,308	$25,817	$25,443	$27,633

</TABLE>

The following table presents the maturity distribution and interest sensitivity of selected loan categories based on contractual terms.

<TABLE>
<CAPTION>
LOAN MATURITIES AND INTEREST SENSITIVITY

December 31, 1994 In millions	One Year or Less	One Through Five Years	After Five Years	Gross Loans
<S>	<C>	<C>	<C>	<C>
Commercial	$5,387	$4,805	$2,253	$12,445
Real estate project	520	877	231	1,628
Total	$5,907	$5,682	$2,484	$14,073
Loans with predetermined rate	$ 932	$1,206	$ 235	$ 2,373
Loans with floating rate	4,975	4,476	2,249	11,700
Total	$5,907	$5,682	$2,484	$14,073

</TABLE>

NONPERFORMING ASSETS

Generally, a loan is classified as "nonaccrual" when it is determined that the collection of interest or principal is doubtful, or when a default of interest or principal has existed for 90 days or more, unless such loan is well secured and in the process of collection. When interest accrual is discontinued, unpaid interest credited to income in the current year is reversed, and unpaid interest accrued in prior years is charged to the allowance for credit losses.

A loan is categorized as "restructured" if the original interest rate on such loan, repayment terms, or both were restructured due to a deterioration in the financial condition of the borrower.

<TABLE>
<CAPTION>

December 31 Assets in millions, interest in thousands	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Nonaccrual loans	$ 310	$ 356	$ 529	$ 740	$ 986
Restructured loans	9	28	25	21	33
Total nonperforming loans	319	384	554	761	1,019
Foreclosed assets	127	170	266	322	286
Total nonperforming assets	$ 446	$ 554	$ 820	$ 1,083	$ 1,305
Nonperforming loans to period-end loans	.90%	1.15%	2.14%	2.99%	3.69
Nonperforming assets to period-end loans and foreclosed assets	1.25	1.65	3.14	4.21	4.67
Nonperforming assets to total assets	.69	.89	1.60	2.41	2.87
Interest computed on original terms	$31,490	$33,891	$53,362	$85,563	$111,074
Interest recognized	5,523	6,296	6,136	20,663	52,908

</TABLE>

PAST DUE LOANS

The following table presents information concerning accruing loans which are contractually past due 90 days or more as to principal or interest payments and excludes loans reported as either nonaccrual or restructured.

<TABLE>
<CAPTION>

December 31 Dollars in millions	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Past due loans	$148	$135	$192	$139	$111
As a percentage of total loans, net of unearned income	.42%	.41%	.74%	.55%	.40%

</TABLE>

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is based on periodic evaluations of the loan portfolio by management. These evaluations consider, among other factors, historic losses within specific industries, current economic conditions, loan portfolio trends, specific credit reviews and estimates based on subjective factors.

During 1994 and 1993, economic conditions improved, resulting in lower charge-offs and provision for credit losses. During 1991 and 1990, weaker economic conditions adversely impacted collateral valuations and affected some borrowers ability to repay loans. These adverse conditions resulted in higher provisions for credit losses.

<TABLE>
<CAPTION>
SUMMARY OF LOAN LOSS EXPERIENCE

Year Ended December 31 Dollars In millions	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Balance at beginning of year	$ 972	$ 897	$ 797	$ 784	$ 616
Acquisitions/divestitures	65	43	57	(17)	
Amounts charged off					

Commercial	61	92	212	241	214
Real estate project	20	60	39	90	166
Real estate mortgage	21	15	3	6	18
Consumer	67	78	82	99	79
Other	1	1	7	10	151
Total loans charged off	170	246	343	446	628
Recoveries on amounts previously charged off					
Commercial	38	37	37	20	6
Real estate project	2	2	1	5	6
Real estate mortgage	3	3		3	7
Consumer	31	29	22	18	14
Other	1	3	2	2	3
Total recoveries	75	74	62	48	36
Net charge-offs	95	172	281	398	592
Provision for credit losses	60	204	324	428	760
Balance at end of year	$ 1,002	$ 972	$ 897	$ 797	$ 784
Total loans, net of unearned income					
Average	$33,511	$25,959	$24,520	$26,954	$27,867
At December 31	35,407	33,308	25,817	25,443	27,633
As a percent of average loans					
Net charge-offs	.29%	.66%	1.15%	1.48%	2.12%
Provision for credit losses	.18	.79	1.32	1.59	2.73
Allowance for credit losses	2.99	3.74	3.66	2.96	2.82
Allowance as a percent of period-end					
Loans	2.83	2.92	3.47	3.13	2.84
Nonperforming loans	314.17	253.12	162.08	104.71	76.99
Allowance as a multiple of net charge-offs	10.55x	5.65x	3.19x	2.00x	1.32x

</TABLE>

During 1993, management revised its methodology for allocating the allowance for credit losses. The revisions had the effect of reclassifying certain previously unallocated reserves to loan categories. For purposes of this presentation, remaining unallocated reserves have been assigned to loan categories based on the relative specific allocation amounts. Prior year unallocated reserve amounts have been similarly assigned to loan categories.

<TABLE>
<CAPTION>
ALLOCATION OF ALLOWANCE FOR CREDIT LOSSES

December 31 In millions	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Commercial	$ 512	$467	$448	$432	$477
Real estate project	179	216	285	230	171
Real estate mortgage	138	103	17	13	14
Consumer	143	175	134	106	103
Other	30	11	13	16	19
Total	$1,002	$972	$897	$797	$784

</TABLE>

<TABLE>
<CAPTION>
PERCENTAGE DISTRIBUTION OF ALLOWANCE ALLOCATION AND CATEGORIES OF LOANS AS A PERCENTAGE OF GROSS LOANS

December 31	1994 Allowance	1994 Loans	1993 Allowance	1993 Loans	1992 Allowance	1992 Loans	1991 Allowance	1991 Loans	1990 Allowance	1990 Loans
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Commercial	51.1%	34.9%	48.1%	37.2%	50.0%	42.1%	54.2%	43.5%	60.8%	44.8%
Real estate project	17.8	4.6	22.2	5.2	31.8	7.5	28.9	7.9	21.8	7.7
Real estate mortgage	13.8	29.6	10.6	26.7	1.9	15.8	1.6	14.6	1.8	10.7
Consumer	14.3	25.8	18.0	25.4	14.9	30.5	13.3	28.8	13.1	31.5
Other	3.0	5.1	1.1	5.5	1.4	4.1	2.0	5.2	2.5	5.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

</TABLE>

MATURITY OF TIME DEPOSITS OF $100,000 OR MORE

A majority of foreign deposits were in denominations of $100,000 or more. The table below provides maturities of domestic time deposits of $100,000 or more.

<TABLE>
<CAPTION>

December 31, 1994 In millions	Certificates of Deposit	Other Time Deposits	Total
<S>	<C>	<C>	<C>
Three months or less	$ 376,217	$ 62,854	$ 439,071
Over three through six months	198,695	80,918	279,613
Over six through twelve months	234,431	78,768	313,199
Over twelve months	1,557,204	437,361	1,994,565
Total	$2,366,547	$659,901	$3,026,448

</TABLE>

BORROWED FUNDS

Federal funds purchased represent overnight borrowings. Repurchase agreements generally have maturities of 18 months or less. At December 31, 1994, 1993 and 1992, $51 million, $2.7 billion and $3.4 billion, respectively, of repurchase agreements had original maturities which exceeded one year. Commercial paper is issued in maturities not to exceed nine months and is stated net of discount. Other borrowed funds consist primarily of term federal funds purchased and U.S. Treasury, tax and loan borrowings which are payable on demand.

<TABLE>
<CAPTION>

Dollars in millions	1994 Amount	1994 Rate	1993 Amount	1993 Rate	1992 Amount	1992 Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Federal funds purchased						
Year-end balance	$2,181	5.89%	$2,066	3.06%	$2,037	3.12%
Average during year	2,815	4.36	1,639	3.04	1,851	3.57
Maximum month-end balance during year	4,675		3,662		2,833	
Repurchase agreements						
Year-end balance	3,785	5.62	4,995	3.61	6,452	3.46
Average during year	5,053	4.14	6,944	3.50	5,197	3.79
Maximum month-end balance during year	6,431		8,917		7,356	
Commercial paper						
Year-end balance	1,226	5.71	514	3.24	980	3.57
Average during year	1,072	4.61	691	3.30	576	3.62

Maximum month-end balance during year	1,861		1,117		980	
Other						
Year-end balance	4,416	5.46	4,087	3.11	2,342	3.49
Average during year	2,435	4.83	1,099	4.31	1,443	4.74
Maximum month-end balance during year	5,571		4,088		3,377	

</TABLE>

TAXABLE-EQUIVALENT ADJUSTMENT

Interest income earned on certain loans, and obligations of states, municipalities and other public entities is not subject to federal income tax. In addition, certain interest expense incurred to fund these assets is not deductible for federal income tax purposes.

In order to make pre-tax income and resultant yields comparable to taxable loans and investments, a taxable-equivalent adjustment, less the effect of disallowed interest expense, is added equally to interest income and to income tax expense, with no effect on after-tax income.

The taxable-equivalent adjustment is shown in the table below based on a federal income tax rate of 35 percent for 1994 and 1993, and 34 percent for all other years.

<TABLE>
<CAPTION>

Year ended December 31 In thousands	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Interest income, book basis	$3,861,812	$3,201,120	$3,218,971	$3,657,533	$4,223,375
Taxable-equivalent adjustment	33,523	39,502	42,773	58,983	96,152
Interest income, taxable-equivalent basis	3,895,335	3,240,622	3,261,744	3,716,516	4,319,527
Interest expense	1,952,206	1,372,087	1,561,679	2,222,335	2,874,118
Net interest income, taxable-equivalent basis	$1,943,129	$1,868,535	$1,700,065	$1,494,181	$1,445,409

</TABLE>

EXHIBIT 21

PNC BANK CORP.
SCHEDULE OF CERTAIN SUBSIDIARIES+
(AS OF FEBRUARY 28, 1995)

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
PNC Bancorp, Inc.	Delaware
PNC Bank, National Association*	United States
PNC Bank, Ohio, National Association	United States
PNC Bank, Kentucky, Inc.*	Kentucky
PNC Mortgage Bank, National Association*	United States
PNC Bank, Delaware*	Delaware
PNC Bank, Northern Kentucky, National Association	United States
PNC National Bank*	United States
PNC Bank, Indiana, Inc.*	Indiana
PNC Bank, New England	Massachusetts
PNC Bank, New Jersey, National Association	United States
PNC Bank, FSB	Florida
PNC Holding Corp.	Delaware
Alpine Indemnity Limited	Grand Cayman, B.W.I.
PINACO, Inc.	Pennsylvania
Pittsburgh National Life Insurance Company	Arizona
PNC Equity Management Corp	Pennsylvania
PNC Capital Corp.	Delaware
PNC Commercial Corp	Florida
PNC Venture Corp	Delaware
PNC ESOP Funding Corporation	Delaware
PNC Financial Services, Inc.	Kentucky
PNC Funding Corp	Pennsylvania
PNC Investment Corp.*	Delaware
PNC Management Services Corp	Delaware
PNC Network Holdings Corp*	Delaware
PNC Realty Holding Corp*	Pennsylvania
PNC Securities Corp	Pennsylvania
PNC Trust Company of New York	New York
PNC Asset Management Corp.	Pennsylvania

+ All first tier subsidiaries of the Corporation's two primary holding companies, PNC Bancorp, Inc. and PNC Holding Corp., have been listed. Not all of such Subsidiaries are "significant subsidiaries" within the meaning of Rule 1-02(v) of Regulation S-X.

* The names of the subsidiaries of the indicated entities are omitted becuase such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference, in the Registration Statements listed below, of our report dated January 27, 1995, with respect to the consolidated financial statements of PNC Bank Corp. and subsidiaries incorporated by reference in this Annual Report on Form 10-K of PNC Bank Corp. for the year ended December 31, 1994.

Form S-3 relating to the shelf registration of $1 billion of debt securities of PNC Funding Corp, unconditionally guaranteed by PNC Bank Corp., and/or preferred stock of PNC Bank Corp. (File No. 33-55114)

Form S-3 relating to the Dividend Reinvestment and Stock Purchase Plan of PNC Bank Corp. (File No. 33-52844)

Form S-3 relating to the shelf registration of six million shares of PNC Bank Corp. preferred stock (File No. 33-40602)

Post-Effective Amendment No. 1 on Form S-3 relating to the shelf registration of $500 million of debt securities of PNC Funding Corp, unconditionally guaranteed by PNC Bank Corp. (File No. 33-42803)

Form S-8 relating to the PNC Bank Corp. 1992 Long-Term Incentive Award Plan (File No. 33-54960)

Form S-8 relating to the 1987 Senior Executive Long-Term Award Plan of PNC Bank Corp. (now known as the PNC Bank Corp. 1992 Long-Term Incentive Award Plan) (File No. 33-28828)

Post-Effective Amendment No. 2 on Form S-8 relating to the Employee Stock Purchase Plan of PNC Bank Corp. (File No. 2-83510)

Post-Effective Amendment No. 1 on Form S-8 relating to the Stock Option Plan of PNC Bank Corp. (File No. 2-92181)

Form S-8 relating to the PNC Bank Corp. Incentive Savings Plan (File No. 33-25140)

Post-Effective Amendment No. 1 (on Form S-3) to Form S-4 relating to the conversion of outstanding debentures assumed in connection with the merger of PNC Bank Corp., Kentucky, Inc., with and into a wholly-owned subsidiary of PNC Bank Corp. (File No. 33-10016)

Post-Effective Amendment No. 2 (on Form S-8) to Form S-4 relating to the exercise of stock options assumed by PNC Bank Corp. in connection with the merger of PNC Bank Corp., Kentucky, Inc., with and into a wholly-owned subsidiary of PNC Bank Corp. (File No. 33-10016)

Post-Effective Amendment No. 1 (on Form S-8) to Form S-4 relating to the exercise of stock options assumed by PNC Bank Corp. in connection with the merger of a wholly-owned subsidiary of PNC Bank Corp. with and into Bank of Delaware Corporation (File No. 33-25642)

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania
March 27, 1995

EXHIBIT 24

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Robert N. Clay, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Robert N. Clay

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, William G. Copeland, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ William G. Copeland

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, George A. Davidson, Jr., a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ George A. Davidson, Jr.

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Dianna L. Green, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Dianna L. Green

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Carl G. Grefenstette, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ C. G. Grefenstette

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Thomas Marshall, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Thomas Marshall

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, W. Craig McClelland, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ W. Craig McClelland

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Donald I. Moritz, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Donald I. Moritz

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Jackson H. Randolph, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Jackson H. Randolph

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Roderic H. Ross, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint

Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Roderic H. Ross

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Vincent A. Sarni, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Vincent A. Sarni

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Richard P. Simmons, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Richard P. Simmons

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Thomas J. Usher, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Thomas J. Usher

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Milton A. Washington, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ Milton A. Washington

Signature

POWER OF ATTORNEY

(SEC Annual Report on Form 10-K)

I, Helge H. Wehmeier, a Director of PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), do hereby name, constitute and appoint Walter E. Gregg, Jr., William F. Strome and Melanie S. Cibik, or any of them, with full power of substitution, my true and lawful attorneys-in-fact to execute in my name, place and stead, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

And I do hereby ratify and confirm all that said attorneys or attorney, or any substitute, shall lawfully do or cause to be done by virtue hereof.

/s/ H. H. Wehmeier

Signature

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This schedule contains summary financial information extracted from the
consolidated financial information incorporated by reference to the 1994 Annual
Report which is filed herewith as Exhibit 99 and is qualified in its entirety by
reference to such financial information.
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