PNC BANK CORP.

Quarterly Report on Form 10-Q
For the quarterly period ended June 30, 1996

Page 1 represents a portion of the second quarter 1996 Corporate Financial Review which is not required by the Form 10-Q report and is not "filed" as part of the Form 10-Q.

The Quarterly Report on Form 10-Q and cross reference index is on pages 30-32.

financial highlights

<TABLE>
<CAPTION>

	Three months ended June 30		Six months ended June 30	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
FINANCIAL PERFORMANCE (Dollars in thousands, except per share data)				
Net interest income (taxable-equivalent basis)	$619,926	$534,741	$1,236,034	$1,085,877
Net income	248,050	193,953	486,370	373,500
Fully diluted earnings per common share	.72	.56	1.41	1.08
Return on average total assets	1.38%	1.03%	1.36%	1.00%
Return on average common shareholders' equity	17.33	13.65	16.99	13.24
Net interest margin	3.72	3.06	3.72	3.12
After-tax profit margin	25.93	22.87	25.68	22.17
Efficiency ratio	59.00	63.99	59.65	65.06
AVERAGE BALANCES (In millions)				
Assets	$72,440	$75,343	$72,087	$75,092
Earning assets	66,356	69,495	66,030	69,490
Loans, net of unearned income	49,191	44,765	48,908	44,240
Securities	14,740	23,137	14,779	23,558
Deposits	45,379	44,365	45,465	44,018
Shareholders' equity	5,767	5,727	5,766	5,719

</TABLE>

<TABLE>
<CAPTION>

	June 30	March 31	December 31	June 30
As of or for the three months ended	1996	1996	1995	1995
<S>	<C>	<C>	<C>	<C>
PERIOD-END BALANCES (In millions)				
Assets	$71,961	$72,668	$73,404	$76,519
Earning assets	65,234	66,041	66,772	69,623
Loans, net of unearned income	49,223	48,800	48,653	45,491
Securities	14,107	14,692	15,839	22,397
Deposits	44,852	45,621	46,899	46,177
Shareholders' equity	5,832	5,786	5,768	5,793
SELECTED DATA				
Capital ratios				
Risk-based capital				
Tier I	8.45%	8.18%	8.00%	8.84%
Total	11.99	11.70	11.56	12.46
Leverage	6.96	6.90	6.37	

6.79

Common shareholders' equity to assets	8.08	7.94	7.83	7.55
Average common shareholders' equity to average assets	7.94	8.01	7.76	7.51
Asset quality ratios				
Net charge-offs to average loans	.29	.28	.45	.23
Nonperforming loans to loans	.77	.76	.74	1.05
Nonperforming assets to loans and foreclosed assets	1.03	1.10	1.10	1.47
Nonperforming assets to total assets	.71	.74	.73	.88
Allowance for credit losses to loans	2.42	2.51	2.59	2.86
Allowance for credit losses to nonperforming loans	312.19	328.88	351.68	272.54
Book value per common share				
As reported	$17.07	$16.88	$16.87	$17.24
Excluding net unrealized securities gains/losses	17.49	17.16	16.79	17.35

</TABLE>

The Corporate Financial Review should be read in conjunction with the unaudited Consolidated Financial Statements of PNC Bank Corp. and subsidiaries ("Corporation") included herein and the Corporate Financial Review and audited Consolidated Financial Statements included in the Corporation's 1995 Annual Report.

TABLE OF CONTENTS

CORPORATE FINANCIAL REVIEW

OVERVIEW

PNC BANK CORP. The Corporation is one of the largest diversified financial services companies in the United States. It operates five lines of business: Consumer Banking, Corporate Banking, Real Estate Banking, Mortgage Banking, and Asset Management. Each line of business focuses on specific customer segments and offers financial products and services on a national level and in its primary geographic locations in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky.

SUMMARY FINANCIAL RESULTS Earnings for the first six months of 1996 reflect improvements in the Corporation's major businesses including growth in fee-based revenues led by asset management, brokerage and corporate finance. The results also reflect the benefits of previous actions taken to reposition the balance sheet. Net income for the first six months of 1996 increased 30.3% to $486.4 million, or $1.41 per fully diluted share, compared with $373.5 million, or $1.08 per fully diluted share, for the first six months of 1995. Returns on average assets and average common shareholders' equity were 1.36% and 16.99%, respectively, in the first six months of 1996 compared with 1.00% and 13.24% a year ago.

Net interest income increased 13.8% to $1.2 billion and net interest margin widened 60 basis points to 3.72% compared with the first six months of 1995 primarily due to loan growth, the Chemical Bank, New Jersey ("Chemical") acquisition and a change in balance sheet composition. The Corporation expects net interest income and margin to continue to increase in the second half of 1996. The level of net interest income and margin will depend on a number of factors including the composition of earning assets, loan growth, loan yields, and deposit volumes and related costs.

At June 30, 1996, total assets were $72.0 billion. Average earning assets declined $3.5 billion in the period-to-period comparison to $66.0 billion primarily due to the reduction in securities and related wholesale funding partially offset by a 10.6% increase in loans. Excluding acquisitions, average loans increased 5.6%. Loan growth was tempered by competitive pricing pressures, declining demand and the Corporation's assessment of national asset quality trends in consumer lending. The Corporation substantially completed the repositioning of its balance sheet in the fourth quarter of 1995 by reducing wholesale investing activities and increasing the proportion of loans to earning assets. In addition, a greater proportion of the Corporation's funding is comprised of more stable and lower-cost retail consumer deposits.

Noninterest income increased 9.8% to $658.1 million reflecting success of initiatives to expand such sources of revenue. The growth in fee-based revenue was led by asset management, treasury management, brokerage and corporate finance. The Corporation expects these businesses to continue to expand during the second half of 1996. Continued growth will depend on, among other factors, financial market and general economic conditions.

Noninterest expense increased 3.1% to $1.1 billion and the efficiency ratio improved to 59.7% compared with 65.1% a year ago. Excluding the impact of acquisitions, noninterest expense declined 2.4% reflecting the impact of the Midlantic Corporation ("Midlantic") integration, cost control strategies and lower Federal deposit insurance premiums. The integration of Midlantic's operations is proceeding on schedule and will be substantially completed by the end of the third quarter of 1996. Management continues to expect cost savings from the integration to exceed its original estimate. The level of noninterest expense for the remainder of 1996 is expected to remain relatively stable. The integration of Midlantic and implementation of initiatives to support the previously announced agreement with the American Automobile Association ("AAA"), along with other factors, could impact the level of expenses.

The Corporation's asset quality and coverage ratios remained strong. Net charge-offs for the second quarter of 1996 were .29% of average loans compared with .28% in the first quarter of 1996. The allowance for credit losses as a percent of loans was 2.42% at June 30, 1996. Based on the loan portfolio's current risk profile, management does not expect to record a provision for credit losses during the remainder of 1996.

BUSINESS STRATEGIES The financial services industry is challenged by intense competition. Loan pricing and credit standards are under competitive pressure as lenders seek to leverage capital and capital markets are becoming 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. In this environment, the Corporation's strategic focus is on expanding its consumer banking franchise and fee-based businesses, leveraging national distribution capabilities and utilizing technology to enhance delivery capabilities and control costs.

In Consumer Banking, which contributes 51% of total line of business earnings, changes in consumer preferences and technological advancements are transforming the way the Corporation delivers products and services. Traditional delivery channels, such as retail branches, are being downsized and replaced with more technologically advanced, cost-efficient means such as telebanking, automated teller machines ("ATMs") and on-line banking through personal computers.

The retail branch network has been reduced from 955 branches at December 31, 1995 to 927 at June 30, 1996 and is expected to approximate 820 by year-end 1996. Since establishing the centralized telebanking facility, approximately 240 full-time equivalent ("FTE") employees were added to expand telebanking capabilities. The Corporation manages the fifth largest network of ATMs in the United States consisting of approximately 1,800 machines, 960 of which are located at non-branch sites. By year-end 1996, management expects to have approximately 2,100 machines, 1,250 of which will be located at non-branch sites.

The agreement with the AAA gives the Corporation the exclusive right to offer certain financial products and services to the organization's 34 million members. This agreement represents a significant opportunity for the Corporation to further expand the national distribution of a wide array of consumer products and services. Substantially all of these will be offered though alternative distribution channels thereby leveraging the infrastructure in place.

The Corporation continues to emphasize the growth of fee-based businesses, particularly asset management and corporate finance. The Corporation's asset management capabilities are among the largest in the country. Asset Management's initiatives focus on growing internally and through acquisitions. For example, the BlackRock Financial Management L.P. ("BlackRock") acquisition in the first quarter of 1995 added $25 billion of assets under management and the establishment of CastleInternational, in the first quarter of 1996, expanded international asset management capabilities. The Corporation is the second largest U.S. bank manager of mutual funds and one of the largest mutual fund service providers. During the first half of 1996, discretionary assets under management increased $8 billion to $104 billion and total assets under administration increased $23 billion to $305 billion. This growth reflects success in attracting new institutional and mutual fund servicing relationships and growth in the value of assets administered. Compass Capital Funds(SM), the Corporation's proprietary mutual funds family, consists of 28 fund portfolios with more than $10.8 billion of assets. These funds provide investors with a full range of equity, bond and money market investment options. In recognition of their risk-adjusted performance, the institutional class of 7 of 13 ranked portfolios received a four or five star rating from Morningstar.

Corporate Banking initiatives focus is on developing alternatives to traditional balance sheet leverage including delivering treasury management, employee benefit, capital markets, sophisticated risk management and other products and services sought by corporate customers. Total fee-based revenues in Corporate Banking increased 6.6% in the first six months of 1996 compared to the prior-year period reflecting these initiatives. Investments in syndication capabilities contributed to a 7% increase in agented transactions and a doubling of fee revenue and volumes underwritten.

In the Mortgage Banking line of business, the focus is on consolidating operations and utilizing technology to enhance the efficiency of the operating platform. Mortgage Banking also continues to expand its origination capabilities leveraging the Corporation's branch distribution network and private banking capabilities and by pursuing strategic third party alliances. For example, nine regional production processing centers have been consolidated into four sites and duplicative and overlapping functions at the Corporation's two mortgage servicing centers have been centralized.

The focus in Real Estate Banking is on expanding fee-based revenue through distribution of debt to private and institutional investors through syndication, private placements and securitization activities. Real Estate Banking is among the largest real estate syndicators in the country and recently participated in its first commercial mortgage-backed securitization issuance.

The Corporation believes the successful execution of its business strategies will create a higher quality, more stable earnings stream resulting in increased shareholder value. Such success depends on many factors including customers' acceptance of the Corporation's alternative delivery systems and products and services, responses of competitors, including their technological advancements, continued successful integration of the Midlantic acquisition, and future economic conditions.

LINE OF BUSINESS RESULTS

For purposes of reporting line of business results, the Corporation has designated the following five lines of business:

- CONSUMER BANKING provides a wide range of financial products and services to individuals and small businesses through a network of community banking offices, alternative delivery systems such as the Direct Bank and ATMs and regional banking centers.

- CORPORATE BANKING provides financial services to businesses and government entities within the Corporation's primary markets, as well as from a network of offices located in major U.S. cities.

- MORTGAGE BANKING activities include acquisition, origination, securitization and servicing of residential mortgages, as well as retention of selected loans in the portfolio.

- REAL ESTATE BANKING provides services to small, middle market and large customers seeking short- and intermediate-term credit for construction, acquisition and holding of commercial or residential real estate projects.

- ASSET MANAGEMENT, through one unified money management organization, provides liquidity, fixed-income, equity management and servicing for institutions and mutual funds and customers of Consumer Banking and Corporate Banking.

The Corporation evaluates the performance of lines of business through a management accounting process which uses various methods of balance sheet and income statement allocations, transfers and assignments. Line of business results presented herein reflect each line of business as if it operated on a stand-alone basis. These results are not necessarily comparable to similar results for other financial services institutions and differ from financial statements prepared in accordance with generally accepted accounting principles.

Asset/liability management activities reflect the residual of the assignment of wholesale assets and liabilities to the lines of business. These activities also include securities transactions and the impact of financial derivatives used for interest rate risk management. Capital is assigned to each business unit based on management's assessment of inherent risks and equity levels at independent companies that provide similar products and services. Capital assignments are not equivalent to regulatory capital guidelines and the total amount assigned may vary from consolidated shareholders' equity.

<TABLE>
<CAPTION>
LINE OF BUSINESS

Six months ended June 30	Average Assets	Revenue (1)	Earnings	Return on Capital Assigned

Dollars in millions	1996	1995	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Consumer Banking	$39,326	$36,346	$1,117	$987	$255	$206	23%	21%
Corporate Banking	17,307	16,106	426	399	148	118	14	13
Mortgage Banking	13,462	11,799	193	189	32	25	10	9
Real Estate Banking	3,830	3,820	89	100	43	42	14	14
Asset Management	423	276	116	84	24	17	43	44
Total lines of business	74,348	68,347	1,941	1,759	502	408	18	16
Asset/liability management activities	(3,555)	5,936	(28)	(69)	(23)	(56)		
Unallocated provision					41	35		
Other unallocated items	1,294	809	(19)	(5)	(34)	(14)		
Total	$72,087	$75,092	$1,894	$1,685	$486	$373	17	13

</TABLE>

(1) Revenue is fully-taxable equivalent net interest income and fee-based income

<TABLE>
<CAPTION>

CONSUMER BANKING Six months ended June 30 Dollars in millions	Community Banking 1996	Community Banking 1995	Private Banking 1996	Private Banking 1995	Total 1996	Total 1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$779	$695	$45	$39	$824	$734
Noninterest income	165	146	128	107	293	253
Total revenue	944	841	173	146	1,117	987
Provision	51	29			51	29
Noninterest expense	545	538	120	105	665	643
Pretax earnings	348	274	53	41	401	315
Income taxes	126	94	20	15	146	109
Earnings	$222	$180	$33	$26	$255	$206
AVERAGE BALANCE SHEET						
Loans	$15,001	$12,911	$2,251	$1,817	$17,252	$14,728
Assigned assets	20,805	20,681			20,805	20,681
Other assets	850	513	419	424	1,269	937
Total assets	$36,656	$34,105	$2,670	$2,241	$39,326	$36,346
Net deposits	$34,494	$32,025	$1,609	$1,411	$36,103	$33,436
Assigned funds			176	106	176	106
Other funds	221	328	623	493	844	821
Assigned equity	1,941	1,752	262	231	2,203	1,983
Total funds	$36,656	$34,105	$2,670	$2,241	$39,326	$36,346
PERFORMANCE RATIOS						
After-tax profit margin	24%	21%	19%	18%	23%	21%
Efficiency	58	64	69	72	60	65
Return on assigned equity	23	21	26	23	23	21

</TABLE>

Consumer Banking includes: Community Banking which serves small business customers and all other consumers who use traditional branch and direct banking services; and Private Banking which provides affluent customers with personal and charitable trust, brokerage and specialized retail banking financial services.

Consumer Banking earnings accounted for approximately 51% of line of business earnings in the first half of 1996 and 1995. Earnings increased 24% in the period-to-period comparison due to the Chemical acquisition, higher net interest income and consumer service fees while operating expenses remained relatively stable.

Average loans in the Consumer Bank increased 17% in the comparison, or 5% excluding the Chemical acquisition. Net charge-offs were $51 million in the first half of 1996 compared with $29 million in the prior-year period. The increase was primarily due to higher credit card charge-offs and acquisitions. Consumer net charge-offs and delinquencies improved in the second quarter of 1996 compared with the first quarter of 1996 and the fourth quarter of 1995.

Earnings for Community Banking, which includes the Direct Bank's alternative delivery channels, increased 23% to $222 million as revenues grew 12%. Growth in net interest income was primarily attributable to an increase in earning assets from the Chemical acquisition. Excluding the impact of credit card and merchant services alliances, Community Banking noninterest income increased $34 million or 27% in the period-to-period comparison. Fee-based revenue growth was attributable to a broad base of products and services including deposit accounts, ATM transactions and insurance. Expenses in this segment were essentially unchanged as the effect of costs associated with the Chemical acquisition were offset by lower Federal deposit insurance premiums.

Earnings from Private Banking increased 27% in the first six months of 1996 as new trust business and higher brokerage revenue more than offset expense growth from sales and marketing activities.

The Corporation continues to undertake initiatives to offer Consumer Banking products and services nationally by leveraging its alternative delivery systems. Through the Direct Bank, products and services are offered via the telebanking center, ATMs and personal computers. Cost savings from the rationalization of the traditional branch delivery network are being reinvested in these initiatives.

In January 1996, an agreement was reached with AAA to exclusively offer financial products and services to the organization's 34 million members. The agreement provides for an initial term of ten years, with two five-year renewal

options. A full range of consumer products and services will be offered including credit card, automobile, student, home equity and residential mortgage loans, as well as deposit account and money market mutual funds. Beginning in the second half of 1996, these products and services will be marketed in conjunction with AAA as AAA member clubs enroll and will be delivered primarily through the Corporation's direct banking channels.

In connection with AAA initiatives, the Corporation canceled an agreement under which a third party provided administrative and marketing services for the Corporation's credit card business. Under the agreement, the third party received fee income and incurred costs related to providing these services. As a result of canceling this agreement such amounts will be reflected in the Corporation's results of operations in subsequent periods. Management does not expect the financial impact to be material.

<TABLE>
<CAPTION>

CORPORATE BANKING Six months ended June 30 Dollars in millions	Middle Market		Large Corporate		Equity Management		Total	
	1996	1995	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT								
Net interest income	$225	$235	$51	$45	$(2)	$(2)	$274	$278
Noninterest income	87	85	26	21	39	15	152	121
Total revenue	312	320	77	66	37	13	426	399
Provision	(2)	19	2	1				20
Noninterest expense	156	156	40	31	5	2	201	189
Pretax earnings	158	145	35	34	32	11	225	190
Income taxes	57	57	9	11	11	4	77	72
Earnings	$101	$88	$26	$23	$21	$7	$148	$118
AVERAGE BALANCE SHEET								
Loans	$12,228	$11,765	$4,029	$3,662	$42	$32	$16,299	$15,459
Other assets	505	396	328	98	175	153	1,008	647
Total assets	$12,733	$12,161	$4,357	$3,760	$217	$185	$17,307	$16,106
Net deposits	$1,781	$1,756	$416	$326			$2,197	$2,082
Assigned funds	8,781	8,506	3,471	2,994	$130	$115	12,382	11,615
Other funds	589	463	5	23	23	14	617	500
Assigned equity	1,582	1,436	465	417	64	56	2,111	1,909
Total funds	$12,733	$12,161	$4,357	$3,760	$217	$185	$17,307	$16,106
PERFORMANCE RATIOS								
After-tax profit margin	32%	28%	34%	34%	57%	56%	35%	30%
Efficiency	50	49	51	47	12	15	47	47

Return on assigned equity	13	12	11	11	66	27	14	13

</TABLE>

Corporate Banking includes: Middle Market customers with annual sales of $5 million to $250 million and those in certain specialized industries; Large Corporate customers having annual sales of more than $250 million; and Equity Management which includes private equity investments.

Corporate Banking's earnings contributed 29% of total line of business earnings in the first six months of 1996 and 1995. Corporate Banking earnings increased $30 million, or 25%, primarily due to higher venture capital gains and a lower provision allocation. Net interest income was relatively flat in the comparison as narrower spreads offset earnings from a $840 million increase in average loans. Excluding venture capital gains, Corporate Banking fee-based revenue increased 6.6% due to expanded treasury management, corporate finance, and retirement and investment service activities.

Corporate Banking's traditional spread-based lending business is under intense competition from banks and nonbanks seeking opportunities to extend credit in a market with declining demand and narrowing spreads.

Corporate Banking is characterized by higher levels of assigned capital due to the amount of balance sheet leverage. The Corporation expects revenue in this line of business to be generated increasingly from fee-based sources to reduce the amount of assigned capital and improve returns from activities such as treasury management, capital markets and employee benefit plan services for its Large Corporate and Middle Market customers. Corporate Banking's capital markets capabilities continue to be expanded to meet the changing needs of its client base. The Corporation has also significantly expanded product capabilities in the merger and acquisitions advisory, private placement, interest rate risk management and leasing product areas and is currently evaluating long-term opportunities in expanded corporate underwriting activities. Investments in the Corporation's syndications capabilities contributed to a 7% increase in agented transactions and a doubling of fee revenue and volume underwritten over the same period last year.

<TABLE>
<CAPTION>

MORTGAGE BANKING

Six months ended June 30 Dollars in millions	1996	1995
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$109	$76
Noninterest income	84	113
Total revenue	193	189
Provision	3	2
Noninterest expense	140	147
Pretax earnings	50	40
Income taxes	18	15
Earnings	$32	$25
AVERAGE BALANCE SHEET		
Loans	$11,262	$10,094
Other assets	2,200	1,705
Total assets	$13,462	$11,799
Net deposits	$2,374	$2,616
Assigned funds	8,519	7,768
Other funds	1,908	868
Assigned equity	661	547
Total funds	$13,462	$11,799
PERFORMANCE RATIOS		
After-tax profit margin	16%	13%
Efficiency	73	78
Return on assigned equity	10	9

</TABLE>

Mortgage Banking contributed 6% of line of business earnings in 1996 and 1995. Earnings increased 28% to $32 million for the first six months of 1996 compared with the year-earlier period, primarily due to higher net interest income from a $1.2 billion increase in portfolio loans. Noninterest income from the Corporation's mortgage origination and servicing activities declined $29 million primarily as a result of lower sales of servicing rights. Losses on instruments used to hedge the economic value of mortgage servicing rights ("MSR"). Were offset by lower MSR amortization. Mortgage Banking results reflect the impact of significant noncash items. Excluding the effect of these items, cash returns currently exceed the Corporation's required return for this line of business.

MORTGAGE SERVICING PORTFOLIO

In millions	1996	1995
January 1	$37,299	$40,389
Originations	2,984	2,334
Acquisitions	3,737	120
Repayments	(3,324)	(1,962)
Sales	(75)	(2,726)
June 30	$40,621	$38,155

During the first six months of 1996, the Corporation funded $3.0 billion of residential mortgages of which 63% represented new financing. The comparable amounts were $2.3 billion and 90%, respectively, in the first six months of 1995.

At June 30, 1996, the Corporation's mortgage servicing portfolio totaled $40.6 billion, had a weighted-average coupon rate of 7.93% and an estimated fair value of $486 million. The servicing portfolio included $28.1 billion of loans serviced for others with a fair value of $411 million. Capitalized MSR totaled $323 million at June 30, 1996.

The value of MSR is affected, in part, by changes in interest rates. If interest rates decline and the rate of prepayment increases, the underlying servicing fee income stream and related MSR fair value would be reduced. In a period of rising interest rates, a converse relationship would exist. The Corporation seeks to manage this risk by using financial instruments whose values move in the opposite direction of MSR value changes.

The mortgage banking business continues to be affected by intense competition and, as a result of higher interest rates, lower demand for mortgage originations. In this environment, the Corporation continues to pursue several strategic objectives including the use of advanced, cost-effective technologies, leveraging processing, underwriting and servicing capabilities and entering into alliances with third parties to expand the reach of its distribution network.

REAL ESTATE BANKING
Six months ended June 30

Dollars in millions	1996	1995
INCOME STATEMENT		
Net interest income	$82	$89
Noninterest income	7	11
Total revenue	89	100
Provision	7	5
Noninterest expense	19	27
Pretax earnings	63	68
Income taxes	20	26
Earnings	$43	$42
AVERAGE BALANCE SHEET		
Loans	$3,895	$3,914
Other assets	(65)	(94)
Total assets	$3,830	$3,820
Net deposits	$134	$141
Assigned funds	3,098	3,086
Other funds	(6)	(11)
Assigned equity	604	604
Total funds	$3,830	$3,820
PERFORMANCE RATIOS		
After-tax profit margin	48%	42%
Efficiency	22	27
Return on assigned equity	14	14

Real Estate Banking contributed 9% of line of business earnings in the first six months of 1996 compared with 10% in the first six months of 1995. Merger-related efficiencies as well as the decline in workout expenses due to lower levels of nonperforming assets more than offset lower revenues.

Revenues in 1995 include a nonrecurring gain on Midlantic's sale of assets held for accelerated disposition.

Real Estate Banking has been driven by balance sheet leverage and required significant levels of assigned capital. A significant initiative in this line of business is to alter the business mix to reduce assigned capital and improve returns. Such initiatives include expanding fee-based revenue through distribution of debt to institutional investors through loan syndications, private placements and securitization. It is one of the five largest real estate syndicators in the U.S. having a leading role in over $800 million of syndication volume in the first half of 1996. In addition, Real Estate Banking participated in its first commercial mortgage-backed securitization issuance in June 1996.

ASSET MANAGEMENT
Six months ended June 30

Dollars in millions	1996	1995
INCOME STATEMENT		
Net interest income	$(3)	$(2)
Noninterest income	119	86
Total revenue	116	84
Noninterest expense	77	56
Pretax earnings	39	28
Income taxes	15	11
Earnings	$24	$17
AVERAGE BALANCE SHEET		
Loans	$86	$51
Other assets	337	225
Total assets	$423	$276
Net deposits	$163	$101
Assigned funds	110	64
Other funds	31	32
Assigned equity	119	79
Total funds	$423	$276
PERFORMANCE RATIOS		
After-tax profit margin	21%	20%
Efficiency	66	67
Return on assigned equity	43	44

Asset Management contributed 5% of line of business earnings in the first six months of 1996 compared with 4% a year ago. Noninterest income increased 38% due to growth in mutual fund and personal trust services, an increase in the value of administered assets and the acquisition of BlackRock. Noninterest expense increased primarily due to BlackRock and an increase in compensation.

Assets under administration increased $62 billion to $305 billion compared with a year ago. Discretionary assets under management totaled $104 billion at June 30, 1996 compared with $89 billion a year ago. At June 30, 1996, the composition of discretionary assets under administration was 46% fixed income, 28% money market, 25% equity and 1% other assets.

ASSETS UNDER ADMINISTRATION

June 30 In billions	Discretionary	Non- Discretionary	Total
1996			
Mutual funds	$43	$143	$186
Personal and charitable	31	17	48
Institutional	30	41	71
Total	$104	$201	$305
1995			
Mutual funds	$42	$102	$144
Personal and charitable	28	13	41
Institutional	19	39	58

Total	$89	$154	$243

</TABLE>

New business resulted, in part, from the strong performance of investment products relative to respective benchmarks. During the first half of 1996, BlackRock's marketing of its institutional management capabilities resulted in the addition of over $7 billion in new business. In addition, CastleInternational, the Corporation's newly created international equity manager in Edinburgh, Scotland now manages over $1 billion of assets.

The mutual fund servicing business unit continues to attract new business in a consolidating market, benefiting from its long-standing association with innovative and growing fund families. Revenues in the mutual fund servicing unit increased 28% in the comparison.

Revenue and earnings from asset management and mutual fund servicing are included in Asset Management. Revenue and earnings from marketing asset management products, trust and employee benefit services to Corporate Banking and Consumer Banking customers are included in those lines of business.

The following table reconciles total asset management revenue and earnings with consolidated asset management and trust amounts.

<TABLE>
<CAPTION>

Six months ended June 30 In millions	Revenue Fees and Commissions	 Other	 Total	 Earnings
<S>	<C>	<C>	<C>	<C>
1996				
Asset Management	$118	$(2)	$116	$24
Consumer Banking	97	4	101	24
Corporate Banking	30	6	36	4
Total	$245	$8	$253	$52
1995				
Asset Management	$82	$2	$84	$17
Consumer Banking	89	5	94	18
Corporate Banking	28	4	32	6
Total	$199	$11	$210	$41

</TABLE>

These sources of revenue are primarily affected by the volume of new business and the value of assets managed or serviced, investment performance and financial market conditions. Revenue may be positively affected by strong investment performance or improving financial markets. Conversely, declining performance or financial markets may adversely affect revenue.

CONSOLIDATED INCOME STATEMENT REVIEW

<TABLE>
<CAPTION>
INCOME STATEMENT HIGHLIGHTS

Six months ended June 30 Dollars in millions	1996	1995	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent basis)	$1,236	$1,086	$150	13.8%
Provision for credit losses		3	(3)	(100.0)
Noninterest income	658	599	59	9.8
Noninterest expense	1,130	1,096	34	3.1
Income taxes	259	188	71	37.8
Net income	486	373	113	30.3

</TABLE>

Consolidated net income increased 30.3% to $486.4 million for the first six months of 1996 reflecting strong revenue growth and expense control. Total revenue increased 12.4% or $209.5 million to $1.9 billion for the first six months of 1996 due to a wider net interest margin and growth in fee-based businesses.

Taxable-equivalent net interest income increased $150.2 million or 13.8% and, as a percent of total revenue, was 65.3% and 64.5% in the first six months of 1996 and 1995, respectively. The net interest margin widened 60 basis points to 3.72% in the first six months of 1996 compared with 3.12% in the prior-year period.

<TABLE>
<CAPTION>
NET INTEREST INCOME ANALYSIS

Taxable-equivalent basis Six months ended June 30 Dollars in millions	Average Balances			Interest Income/Expense			Average Yields/Rates		
	1996	1995	Change	1996	1995	Change	1996	1995	Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets									
Short-term investments	$1,128	$1,187	$(59)	$33	$38	$(5)	5.84%	6.42%	(58) bp
Loans held for sale	1,205	493	712	41	19	22	6.88	7.86	(98)
Securities	14,779	23,558	(8,779)	473	743	(270)	6.40	6.32	8
Loans, net of unearned income	48,908	44,240	4,668	1,977	1,857	120	8.06	8.40	(34)
Other interest-earning assets	10	12	(2)	1	1		8.04	7.34	70
Total interest income/interest-earning assets	66,030	69,490	(3,460)	2,525	2,658	(133)	7.64	7.65	(1)
Noninterest-earning assets	6,057	5,602	455						
Total assets	$72,087	$75,092	$(3,005)						
Interest-bearing liabilities									
Interest-bearing deposits	$35,627	$35,182	$445	721	736	(15)	4.07	4.21	(14)
Borrowed funds	7,819	14,018	(6,199)	221	437	(216)	5.63	6.22	(59)
Notes and debentures	11,487	9,848	1,639	338	307	31	5.86	6.24	(38)
Total interest expense/interest-bearing liabilities	54,933	59,048	(4,115)	1,280	1,480	(200)	4.67	5.03	(36)
Noninterest-bearing liabilities and shareholders' equity	17,154	16,044	1,110						
Total liabilities and shareholders' equity	$72,087	$75,092	$(3,005)						
Interest rate spread				1,245	1,178	67	2.97	2.62	35
Impact of noninterest-bearing sources							.78	.76	2
Net interest margin before financial derivatives							3.75	3.38	37
Effect of financial derivatives on									
Interest income				(8)	(78)	70	(.03)	(.22)	19
Interest expense				1	14	(13)		.04	(4)
Total effect of financial derivatives				(9)	(92)	83	(.03)	(.26)	23
Net interest income				$1,236	$1,086	$150	3.72%	3.12%	60 bp

</TABLE>

The net interest income and margin increases reflect the benefits of the Chemical acquisition and the balance sheet repositioning. These changes, combined with loan growth, benefited the margin as higher-yielding loans replaced lower-yielding securities and rates paid on interest-bearing liabilities declined.

Total interest income declined $132.8 million primarily due to the decline in average securities. Higher earnings from growth in consumer and commercial loans partially offset the impact of the lower securities portfolio. The cost of interest-bearing liabilities declined $200.0 million due to a reduction in higher-cost wholesale funds and an increase in the proportion of retail deposits to total sources of funds. The cost of financial derivatives also declined in the comparison.

The yield on earning assets was relatively flat in the comparison as the benefits of the change in composition of earning assets offset the adverse effect of declining yields on loans. The average rate paid on liabilities declined 36 basis points largely due to the reduction in wholesale funds and an increase in the proportion of retail deposits supporting earning assets.

Net interest income and margin depend on a number of factors including the volume and composition of earning assets and related yields along with the cost of funding such assets. In the first half of 1996 loans comprised 74.1% of the Corporation's earning assets. Accordingly, loan growth and the related yields earned have a significant impact on net interest income. During the first six months of 1996, loan growth and yields earned were tempered by competitive pricing pressures, the Corporation's underwriting standards, return on capital expectations and declining demand. The Corporation expects these conditions to continue. The cost of funding is affected by the composition of and rate paid on sources of funding. Average deposits comprise 63.1% of the Corporation's total sources of funding and the remainder is comprised of wholesale funding obtained at prevailing market rates. The ability to attract and retain deposits will continue to be affected by competition and customer preferences for higher yielding products, such as mutual funds.

<TABLE>
<CAPTION>

NONINTEREST INCOME Six months ended June 30 Dollars in millions	1996	1995	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Asset management and trust				
Asset management services	$50	$33	$17	51.5%
Mutual fund services	89	71	18	25.4
Trust	106	95	11	11.6
Total asset management and trust	245	199	46	23.1
Service fees				
Deposit	138	117	21	17.9
Brokerage	29	20	9	45.0
Consumer	28	24	4	16.7
Corporate finance	29	25	4	16.0
Credit card and merchant services	9	26	(17)	(65.4)
Insurance	14	12	2	16.7
Other	17	17		
Total service fees	264	241	23	9.5
Mortgage banking				
Servicing	60	61	(1)	(1.6)
Marketing	11	13	(2)	(15.4)
Sale of servicing	1	22	(21)	(95.5)
Total mortgage banking	72	96	(24)	(25.0)
Net securities gains	7	9	(2)	(22.2)
Other	70	54	16	29.6
Total	$658	$599	$59	9.8

</TABLE>

Noninterest income totaled $658.1 million in the first six months of 1996 and increased 9.8% compared with the prior-year period. The growth in noninterest income reflects the Corporation's continuing emphasis on expanding fee-based businesses. Noninterest income accounted for 34.7% of total revenue in the first six months of 1996 and 35.5% a year ago.

The decline in credit card and merchant services reflects the impact of alliances with third parties to provide certain administrative, marketing, data processing and customer support services for these businesses. Generally, the third parties receive fee-based revenues and incur operating costs associated with offering such services. Excluding the impact of these alliances noninterest income increased 13.3%.

<TABLE>
<CAPTION>

NONINTEREST EXPENSE Six months ended June 30 Dollars in millions	1996	1995	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>

Compensation	$463	$423	$40	9.5%
Employee benefits	100	106	(6)	(5.7)
Total staff expense	563	529	34	6.4
Net occupancy	100	92	8	8.7
Equipment	86	80	6	7.5
Intangible asset and MSR amortization	52	47	5	10.6
Taxes other than income	28	26	2	7.7
Federal deposit insurance	6	48	(42)	(87.5)
Other	295	274	21	7.7
Total	$1,130	$1,096	$34	3.1

</TABLE>

Noninterest expense increased modestly to $1.1 billion for the first six months of 1996. The increase was substantially due to acquisitions partially offset by lower Federal deposit insurance premiums. Excluding acquisitions, noninterest expense declined 2.4% in the comparison. The efficiency ratio improved to 59.7% in the first six months of 1996 compared with 65.1% in the year-earlier period reflecting effective cost control and higher revenue.

Compensation expenses increased primarily due to acquisitions and incentive compensation in fee-based businesses including asset management and brokerage. Excluding the addition of 300 FTEs in telebanking and asset management, average FTEs for the first six months of 1996 declined 700 to 25,170 due to the integration of Chemical and Midlantic.

Conversion of Midlantic's products and systems are expected to be substantially completed by the end of the third quarter of 1996. Although the extent and timing of cost savings from the integration of Midlantic are dependent on several factors, many of which are outside of management's control, the Corporation continues to believe it will exceed its original estimate of cost savings from the consolidation or elimination of overlapping facilities and operations.

AVERAGE BALANCE SHEET REVIEW

<TABLE>
<CAPTION>
AVERAGE BALANCE SHEET HIGHLIGHTS
Six months ended June 30

Dollars in millions	1996	1995	Change Amount	Change Percent
<S>	<C>	<C>	<C>	<C>
Assets	$72,087	$75,092	$(3,005)	(4.00)%
Earning assets	66,030	69,490	(3,460)	(4.98)
Loans, net of unearned income	48,908	44,240	4,668	10.55
Securities	14,779	23,558	(8,779)	(37.27)
Deposits	45,465	44,018	1,447	3.29
Borrowed funds	7,819	14,018	(6,199)	(44.22)
Notes and debentures	11,487	9,848	1,639	16.64
Shareholders' equity	5,766	5,719	47	.82

</TABLE>

Average assets and earning assets totaled $72.1 billion and $66.0 billion, respectively, for the six months ended June 30, 1996 compared with $75.1 billion and $69.5 billion, respectively, in the year-earlier period. The decline was due to the balance sheet repositioning partially offset by loan growth.

<TABLE>
<CAPTION>
AVERAGE LOANS
Six months ended June 30

Dollars in millions	1996	1995	Change
<S>	<C>	<C>	<C>
Consumer	$13,307	$11,562	15.09%
Residential mortgage	11,751	10,347	13.57
Commercial	16,998	15,380	10.52
Commercial real estate	4,858	5,024	(3.30)
Other	1,994	1,927	3.48
Total, net of unearned income	$48,908	$44,240	10.55

</TABLE>

Loans increased $4.7 billion, or 10.6%, to $48.9 billion for the six months ended June 30, 1996. Excluding acquisitions, loans increased 5.6% in the comparison. Loans were 74.1% of earning assets in the first six months of 1996 compared with 63.7% a year ago. Securities declined $8.8 billion, or 37.3%, compared with the year-earlier period. Securities represented 22.4% of earning assets compared with 33.9% for the first six months of 1995.

Deposits increased $1.4 billion, or 3.3%, to $45.5 billion in the first six months of 1996 compared with a year ago. The Chemical acquisition, which was completed in October 1995, added $2.7 billion of retail core deposits. The ratio of deposits to sources of funds increased to 63.1% compared with 58.6% a year ago. During the first six months of 1996, the ratio of wholesale funding to sources of funds decreased to 28.5%, compared with 35.1% a year ago.

BALANCE SHEET REVIEW

BALANCE SHEET HIGHLIGHTS

Dollars in millions	June 30 1996	December 31 1995	Change Amount	Change Percent
Assets	$71,961	$73,404	$(1,443)	(1.97)%
Loans, net of unearned income	49,223	48,653	570	1.17
Securities	14,107	15,839	(1,732)	(10.94)
Deposits	44,852	46,899	(2,047)	(4.36)
Borrowed funds	7,082	8,665	(1,583)	(18.27)
Notes and debentures	12,243	10,398	1,845	17.74
Shareholders' equity	5,832	5,768	64	1.11

Total assets were $72.0 billion at June 30, 1996 compared with $73.4 billion at year-end 1995. The decline was primarily due to a reduced securities portfolio.

LOANS

In millions	June 30 1996	December 31 1995
Consumer		
Home equity	$4,543	$4,541
Automobile	3,938	4,236
Student	1,633	1,512
Credit card	987	1,004
Other	2,077	2,246
Total consumer	13,178	13,539
Residential mortgage	12,139	11,689
Commercial		
Manufacturing	3,474	3,363
Retail/Wholesale	3,043	3,148
Service providers	2,393	2,402
Communications	1,092	1,083
Financial services	954	1,082
Real estate related	1,385	1,291
Health care	967	1,028
Other	3,988	3,415
Total commercial	17,296	16,812
Commercial real estate		
Commercial mortgage	2,644	2,775
Medium-term financings	1,164	1,250
Construction and development	1,029	889
Total commercial real estate	4,837	4,914
Lease financing and other	2,131	2,102
Unearned income	(358)	(403)
Total, net of unearned income	$49,223	$48,653

Loans outstanding increased $570 million from year-end 1995 to $49.2 billion at June 30, 1996. The composition of the loan portfolio remained relatively consistent in the comparison and continues to be geographically diversified among numerous industries and types of business. Unfunded commitments, net of participations and syndications, increased $4.0 billion, or 11.8%, since year-end 1995. In addition, the Corporation had letters of credit outstanding totaling $4.5 billion at June 30, 1996 and December 31, 1995, primarily consisting of standby letters of credit.

NET UNFUNDED COMMITMENTS TO EXTEND CREDIT

In millions	June 30 1996	December 31 1995
Consumer	$8,603	$7,335
Residential mortgage	827	554
Commercial	26,806	24,282
Commercial real estate	713	751
Other	871	892

Total	$37,820	$33,814

</TABLE>

<TABLE>
<CAPTION>
SECURITIES

	June 30, 1996		December 31, 1995	
In millions	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<S>	<C>	<C>	<C>	<C>
Debt securities				
U.S. Treasury	$3,037	$3,052	$3,211	$3,280
U.S. Government agencies and corporations				
Mortgage-related	6,784	6,573	7,510	7,453
Other	1,431	1,417	1,030	1,034
Asset-backed private placement	620	620	1,597	1,604
State and municipal	231	240	343	367
Other debt				
Mortgage-related	904	891	1,121	1,113
Other	932	930	525	525
Corporate stocks and other	380	380	455	457
Associated derivatives		4		6
Total	$14,319	$14,107	$15,792	$15,839

</TABLE>

The securities portfolio declined $1.7 billion from year-end 1995 to $14.1 billion at June 30, 1996. The expected weighted average life of the securities portfolio was 3 years and 1 month at June 30, 1996 compared with 2 years and 8 months at year-end 1995.

At June 30, 1996 and December 31, 1995, $5.5 billion and $6.1 billion, respectively, notional value of interest rate swaps and caps were associated with securities available for sale. Securities classified as available for sale may be sold as part of the overall asset/liability management process. Realized gains and losses resulting from such sales would be reflected in the results of operations and would include the fair value of associated financial derivatives.

The securities portfolio included collateralized mortgage obligations and mortgage-backed securities with a fair value of $5.5 billion and $2.0 billion, respectively at June 30, 1996. The characteristics of these securities include principal guarantees, primarily by U.S. Government agencies, and marketability. Expected lives of such securities can vary as interest rates change. In a declining interest rate environment, prepayments on the underlying mortgage securities may accelerate and, therefore, shorten the expected lives. Conversely, expected lives would lengthen in a rising interest rate environment. The Corporation monitors the impact of this risk through the use of an income simulation model as part of the asset/liability management process.

Other U.S. Government agencies and Corporation's securities and asset-backed private placements primarily represent triple A-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 the initial term, and on a quarterly basis thereafter, the maturity may be extended to a contractual maturity date or the security may be called at the option of the issuer.

Other mortgage-related debt securities consist primarily of private label collateralized mortgage obligations.

<TABLE>
<CAPTION>
FUNDING SOURCES

In millions	June 30 1996	December 31 1995
<S>	<C>	<C>
Deposits		
Demand, savings and money market	$26,156	$27,145
Time	18,164	18,661
Foreign	532	1,093
Total deposits	44,852	46,899
Borrowed funds		
Federal funds purchased	1,362	3,817
Repurchase agreements	2,188	2,851
Commercial paper	462	753

Treasury, tax and loan	2,550	567
Other	520	677
Total borrowed funds	7,082	8,665
Notes and debentures		
Bank notes	8,697	6,256
Federal Home Loan Bank	1,897	2,393
Other	1,649	1,749
Total notes and debentures	12,243	10,398
Total	$64,177	$65,962

</TABLE>

Total deposits decreased 4.4% to $44.9 billion at June 30, 1996 compared with $46.9 billion at year-end 1995. Demand, savings and money market deposits declined $989 million as consumers sought more attractive yields and due to a seasonal decline in corporate accounts.

Total borrowed funds and notes and debentures was relatively flat in the comparison and the change in composition of these categories reflects actions to utilize the most cost-effective alternatives. The composition of these sources will vary depending on management's evaluation of the most cost-effective funding alternatives.

CAPITAL The access to and cost of funding, new business initiatives including acquisitions, deposit insurance costs, and the level and nature of expanded regulatory oversight depend, in large part, on a financial institution's capital strength. The Corporation manages its capital position primarily through the issuance of debt and equity instruments, treasury stock activities, dividend policies and retained earnings.

The Corporation had a 24 million common share repurchase plan authorized by the board of directors in January 1995. The Corporation discontinued all purchases under that plan with the initiation of the Midlantic merger in July 1995 and during the second quarter of 1996, formally rescinded that plan.

During the second quarter, approximately 1.6 million common shares were acquired as part of a systematic program for employee benefit and dividend reinvestment plans.

Management is currently evaluating the Corporation's capital position. Factors being considered include capital adequacy, level of future earnings, balance sheet growth, alternative capital reinvestment opportunities, and composition of capital. Future share repurchases and other capital actions, if any, are dependent on the results of that analysis and board authorization.

<TABLE>
<CAPTION>
RISK-BASED CAPITAL

Dollars in millions	June 30 1996	December 31 1995
<S>	<C>	<C>
Capital components		
Shareholders' equity	$5,832	$5,768
Goodwill and other intangibles	(989)	(980)
Net unrealized securities (gains) losses	141	(26)
Tier I risk-based capital	4,984	4,762
Subordinated debt	1,346	1,370
Eligible allowance for credit losses	743	750
Total risk-based capital	$7,073	$6,882
Assets		
Risk-weighted assets and off-balance-sheet instruments	$58,990	$59,539
Average tangible assets	71,571	74,756
Capital ratios		
Tier I risk-based	8.45%	8.00%
Total risk-based	11.99	11.56
Leverage	6.96	6.37

</TABLE>

The minimum regulatory capital ratios are 4.00% for Tier I, 8.00% for total risk-based and 3.00% 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 at least 6.00% for Tier I, 10.0% for total risk-based and 5.00% for leverage. At June 30, 1996, the Corporation and each of its bank affiliates were classified as well capitalized.

RISK MANAGEMENT

The Corporation's ordinary course of business involves varying degrees of risk taking, the most significant of which are credit, liquidity and interest rate risk. To manage these risks, the Corporation has risk management processes designed to provide for risk identification, measurement, monitoring and control.

CREDIT RISK MANAGEMENT Credit risk represents the possibility that a customer or counterparty may not perform in accordance with contractual terms. Credit risk is inherent in the financial services business and results from extending credit to customers, purchasing securities and entering into certain off-balance-sheet financial derivative transactions. 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.

NONPERFORMING ASSETS Nonperforming assets declined $27 million to $509 million at June 30, 1996 compared with $536 million at year-end. The following tables set forth nonperforming assets by category at June 30, 1996 and December 31, 1995 and the changes in nonperforming assets during the first six months of 1996 and 1995.

NONPERFORMING ASSETS

Dollars in millions	June 30 1996	December 31 1995
Nonaccrual loans		
Commercial	$169	$118
Commercial real estate		
Commercial mortgage	127	108
Real estate project	30	45
Consumer	6	10
Residential mortgage	46	54
Total nonaccrual loans	378	335
Restructured loans	3	23
Total nonperforming loans	381	358
Foreclosed assets		
Commercial real estate	85	105
Residential mortgage	21	24
Other	22	49
Total foreclosed assets	128	178
Total nonperforming assets	$509	$536
Nonperforming loans to loans	.77%	.74%
Nonperforming assets to loans and foreclosed assets	1.03	1.10
Nonperforming assets to assets	.71	.73

CHANGE IN NONPERFORMING ASSETS

In millions	1996	1995
January 1	$536	$757
Transferred from accrual	240	203
Acquisitions		14
Returned to performing	(30)	(46)
Principal reductions	(118)	(162)
Sales	(83)	(41)
Charge-offs and valuation adjustments	(36)	(52)
June 30	$509	$673

At June 30, 1996, $78 million of nonperforming loans were current as to principal and interest compared with $89 million at December 31, 1995.

ACCRUING LOANS CONTRACTUALLY PAST DUE 90 DAYS OR MORE

	Amount		Percent of Loans	
Dollars in millions	June 30 1996	December 31 1995	June 30 1996	December 31 1995

Consumer				
Guaranteed student loans	$29	$44	1.78%	2.90%
Other	49	51	.44	.44
Total consumer	78	95	.61	.72
Residential mortgage	59	63	.49	.54
Commercial	27	22	.16	.13
Commercial real estate	27	45	.55	.92
Total	$191	$225	.39	.46

</TABLE>

ALLOWANCE FOR CREDIT LOSSES In determining the adequacy of the allowance for credit losses, the Corporation allocates reserves to specific problem loans based on discounted cash flow analyses or collateral valuations for impaired loans and to pools of watchlist and non-watchlist loans for various credit risk factors.

<TABLE>
<CAPTION>
ALLOWANCE FOR CREDIT LOSSES

In millions	1996	1995
<S>	<C>	<C>
January 1	$1,259	$1,352
Charge-offs	(113)	(115)
Recoveries	43	53
Net charge-offs	(70)	(62)
Provision for credit losses		3
Acquisitions		7
June 30	$1,189	$1,300

</TABLE>

The allowance as a percent of period-end loans and nonperforming loans was 2.42% and 312%, respectively, at June 30, 1996. The comparable year-end 1995 amounts were 2.59% and 352%, respectively.

PROVISION FOR CREDIT LOSSES Favorable economic conditions, combined with management's ongoing attention to asset quality, resulted in a stable level of nonperforming assets and net charge-offs. Based on the loan portfolio's current risk profile, management does not expect to record a provision for credit losses during the remainder of 1996. Should the risk profile of the loan portfolio or the economy deteriorate, asset quality may be adversely impacted and a provision for credit losses may be required.

<TABLE>
<CAPTION>
CHARGE-OFFS AND RECOVERIES

Six months ended June 30 Dollars in millions	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
<S>	<C>	<C>	<C>	<C>
1996				
Consumer				
Credit card	$27	$3	$24	4.91%
Other	50	18	32	.52
Total consumer	77	21	56	.85
Residential mortgage	4	1	3	.05
Commercial	27	15	12	.14
Commercial real estate	5	6	(1)	(.04)
Total	$113	$43	$70	.29
1995				
Consumer				
Credit card	$16	$3	$13	3.21%
Other	34	19	15	.28
Total consumer	50	22	28	.49
Residential mortgage	6	1	5	.10
Commercial	44	27	17	.22
Commercial real estate	15	3	12	.48
Total	$115	$53	$62	.28

</TABLE>

Consumer net charge-offs increased $28 million in the comparison primarily due to acquisitions and an increase in credit card charge-offs.

LIQUIDITY Liquidity represents an institution's ability to generate cash or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers and demands of depositors and debtholders, and invest in other strategic initiatives. Liquidity risk represents the likelihood the Corporation would be unable to generate cash or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers, as well as the obligations to depositors and debtholders. 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 through direct borrowing or securitization of assets such as automobile and credit card loans. The ability to raise funds in the capital markets depends on market conditions, capital considerations, credit ratings and investor demand, among other factors.

During the first six months of 1996, cash and due from banks decreased $447 million to $3.2 billion compared with an increase of $34 million during the year-earlier period. Net cash provided by operating activities decreased $193 million in the comparison, primarily due to increases in loans held for sale associated with the Corporation's mortgage banking activities and trading account securities. Cash provided by investing activities decreased to $2.1 billion compared with $2.2 billion provided a year ago. Net cash used by financing activities totaled $2.6 billion in the first six months of 1996 compared with $2.5 billion used a year earlier.

Liquid assets consist of cash and due from banks, short-term investments, loans held for sale and securities available for sale. At June 30, 1996, such assets totaled $19.2 billion, of which $8.5 billion was pledged as collateral. Liquidity is also provided by residential mortgages which may be used as collateral for funds obtained through the Federal Home Loan Bank ("FHLB") system. At June 30, 1996, approximately $6.1 billion of residential mortgages were available as collateral for borrowings from the FHLB.

The principal source of the parent company's revenues and cash flow is dividends from its subsidiary banks. PNC Bancorp, Inc. is a wholly-owned subsidiary of the parent company and is the holding company for all bank subsidiaries. There are legal limitations on the ability of the bank subsidiaries to pay dividends and make other distributions to PNC Bancorp, Inc. and in turn the parent company. Without regulatory approval, the amount available for payment of dividends to PNC Bancorp, Inc. by all bank subsidiaries was $408 million at June 30, 1996. Dividends may also be impacted by capital needs, regulatory requirements and policies, and other factors.

Liquidity for the parent company and its affiliates is also generated through the issuance of securities in public or private markets and lines of credit. Under effective shelf registration statements at June 30, 1996, 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. In addition, the Corporation had a $500 million unused committed line of credit. Funds obtained from any of these sources can be used for both bank and nonbank activities.

Management believes the Corporation has sufficient liquidity to meet its current 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.

INTEREST RATE RISK Interest rate risk arises primarily through the Corporation's normal business activities of extending loans and taking deposits. Many factors, including economic and financial conditions, general movements in market interest rates, and consumer preferences, affect the spread between interest earned on assets and interest paid on liabilities. Financial derivatives, primarily interest rate swaps, caps and floors, are used to alter the interest rate characteristics of assets and liabilities. For example, receive-fixed interest rate swaps effectively convert variable-rate assets to fixed-rate assets.

In managing interest rate risk, the Corporation seeks to minimize the reliance on a particular interest rate scenario as a source of earnings. Accordingly, wholesale activities including securities, funding, financial derivatives and capital markets activities are used in managing core business exposures within specified guidelines. Interest rate risk is centrally managed by asset and liability (A&L) management.

An income simulation model is the primary tool used to assess the direction and magnitude of changes in net interest income resulting from changes in interest rates. Key assumptions employed in the model include prepayment speeds on mortgage-related assets, cash flows and maturities of financial instruments, changes in market conditions, loan volumes and pricing, deposit sensitivity, customer preferences, and management's financial and capital plans. These assumptions are inherently uncertain and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of higher or lower interest rates on net interest income.

The Corporation's guidelines provide that net interest income should not decrease by more than 3% if interest rates gradually increase or decrease from current rates by 100 basis points over a twelve month period. At June 30, 1996, based on the results of the simulation model, the Corporation was within these guidelines. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors.

The Corporation also employs interest sensitivity (gap) analyses to assess interest rate risk. A gap analysis 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 over time do not impact all categories of assets, liabilities and off-balance-sheet instruments equally or simultaneously. The Corporation's limit for the cumulative one-year gap position is 10%. A cumulative asset-sensitive gap position indicates assets are expected to reprice more quickly than liabilities. Alternatively, a cumulative liability-sensitive gap position indicates liabilities are expected to reprice more quickly than assets. At June 30, 1996, the cumulative liability sensitivity of the one-year gap position was 3.8%.

FORWARD-LOOKING STATEMENTS

The Corporation has made, and may continue to make, various forward-looking statements with respect to earnings per share, costs savings related to the Midlantic acquisition, credit quality and other financial and business matters for 1996 and, in certain instances, subsequent periods. The Corporation cautions that these forward-looking statements

are subject to numerous assumptions, risks and uncertainties, and that statements for periods subsequent to 1996 are subject to greater uncertainty because of the increased likelihood of changes in underlying factors and assumptions. Actual results could differ materially from forward-looking statements.

In addition to those factors previously disclosed by the Corporation and those factors identified elsewhere herein, the following factors could cause actual results to differ materially from such forward-looking statements: continued pricing pressures on loan and deposit products; actions of competitors; changes in economic conditions; the extent and timing of actions of the Federal Reserve Board; continued customer disintermediation; customers' acceptance of the Corporation's products and services; and the extent and timing of legislative and regulatory actions and reforms.

The Corporation's forward-looking statements speak only as of the date on which such statements are made. By making any forward-looking statements, the Corporation assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.

FINANCIAL DERIVATIVES

The Corporation uses a variety of off-balance-sheet financial derivatives as part of its overall interest rate risk management process to manage the interest rate risk inherent in the Corporation's line of business activity. Financial derivatives involve, to varying degrees, interest rate and credit risk in excess of the amount recognized in the balance sheet, but less than the notional amount of the contract. For interest rate swaps, caps and floors, only periodic cash payments and, with respect to caps and floors, premiums, are exchanged. Therefore, cash requirements and exposure to credit risk are significantly less than the notional value.

Interest rate swaps are agreements to exchange fixed and floating interest rate payments calculated on a notional principal amount. The floating rate is based on a money market index, primarily short-term LIBOR indices. Interest rate caps and floors 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 or is less than a defined 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.

During the first six months of 1996, the Corporation added $4.3 billion and $2.5 billion notional value of receive-fixed interest rate swaps and interest rate floors, respectively. These contracts are predominantly associated with variable rate loans and are designed to reduce exposure to declining interest rates.

In addition, the Corporation terminated $2.1 billion notional value of receive-fixed index amortizing interest rate swaps and $1.1 billion notional value of pay-fixed interest rate swaps as part of its overall interest rate risk management process. The terminations resulted in a $5.3 million loss and $9.2 million gain respectively, which were deferred and are being amortized as an adjustment to net interest income over remaining periods of 7 months and 12 months, respectively. The following table sets forth the changes in off-balance-sheet financial derivatives during the first six months of 1996.

<TABLE>
<CAPTION>
FINANCIAL DERIVATIVES ACTIVITY

In millions	January 1 1996	Additions	Maturities	Terminations	June 30 1996
<S>	<C>	<C>	<C>	<C>	<C>
Interest rate risk management					
Interest rate swaps					
Receive fixed	$2,785	$4,302	$(766)		$6,321
Receive-fixed index amortizing	3,211		(720)	$(2,117)	374
Pay fixed	2,629	278	(694)	(1,148)	1,065
Basis swaps	765	30	(765)		30

Interest rate caps	5,510	30	(10)		5,530
Interest rate floors		2,500			2,500
Total interest rate risk management	14,900	7,140	(2,955)	(3,265)	15,820
Mortgage banking activities					
Forward contracts - commitments to purchase loans	431	2,108	(2,194)		345
Forward contracts - commitments to sell loans	751	3,114	(3,218)		647
Interest rate floors - MSR	500	1,100		(800)	800
Receive-fixed interest rate swaps - MSR	125			(125)	
Total mortgage banking activities	1,807	6,322	(5,412)	(925)	1,792
Total	$16,707	$13,462	$(8,367)	$(4,190)	$17,612

</TABLE>

The following table sets forth the maturity distribution and weighted average interest rates of financial derivatives used for interest rate risk management. The expected maturity distribution is based on contractual terms, except with respect to receive-fixed index amortizing swaps, which are based on implied forward rates. Implied forward rates are derived from the fair value of the underlying financial instrument. Weighted average interest rates represent implied forward rates and contractual rates in effect at June 30, 1996 based on the average outstanding notional amount.

<TABLE>
<CAPTION>
MATURITY DISTRIBUTION AND WEIGHTED AVERAGE INTEREST RATES OF FINANCIAL DERIVATIVES

	Notional Value		Weighted Average Rates			
			Expected Based on Implied Forward		At June 30, 1996	
Dollars in millions	Maturing	Average Outstanding	Paid	Received	Paid	Received
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate swaps (1)						
Receive fixed						
1996	$1,100	$5,871	5.76%	5.56%	5.50%	5.56%
1997	415	5,138	6.31	5.52	5.50	5.52
1998	4,606	772	6.66	5.93	5.51	5.93
1999 and beyond	200	167	7.34	6.79	5.51	6.79
Total	$6,321					
Receive-fixed index amortizing						
1996	$301	$158	5.69%	5.15%	5.52%	5.15%
1997	23	56	6.28	4.99	5.53	4.99
1998	50	36	6.70	4.94	5.54	4.94
Total	$374					
Pay fixed						
1996	$560	$603	7.01%	5.71%	7.01%	5.49%
1997	90	470	7.15	6.30	7.15	5.52
1998	80	377	7.21	6.73	7.21	5.53
1999 and beyond	335	253	7.17	7.06	7.17	5.53
Total	$1,065					
Basis swaps						
1996		$30	5.69%	5.78%	5.45%	5.46%
1997		30	6.20	6.32	5.45	5.46
1998	$30	13	6.56	6.67	5.45	5.46
Total	$30					
Interest rate caps (2)						
1996		$5,530	NM	NM	NM	NM
1997	$5,500	4,537	NM	NM	NM	NM
1998		30	NM	NM	NM	NM
1999 and beyond	30	1	NM	NM	NM	NM
Total	$5,530					
Interest rate floors (3)						
1996		$2,500	NM	NM	NM	NM
1997		2,500	NM	NM	NM	NM
1998	$1,000	1,648	NM	NM	NM	NM
1999 and beyond	1,500	559	NM	NM	NM	NM
Total	$2,500					

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 83% were based on 3-month LIBOR, 9% on 1-month LIBOR and the remainder on other short-term indices.

(2) Interest rate caps with notional values of $5.5 billion and $30 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over 6.50% and 1-month LIBOR over 6.75% , respectively. At June 30, 1996, 3-month LIBOR was 5.58% and the 1-month LIBOR was 5.50%.

(3) Interest rate floors with notional values of $1 billion and $1.5 billion require the counterparty to pay the Corporation the excess, if any, of 4.80% and 5.00%, respectively, over 3-month LIBOR. At June 30, 1996, 3-month LIBOR was 5.58%.

NM - not meaningful

The following table sets forth by designated assets and liabilities, the notional value, weighted average interest rates exchanged, and the estimated fair value of financial derivatives used for interest rate risk management and mortgage banking activities. Weighted average interest rates on the variable portion of the contracts are based on implied forward rates.

<TABLE>
<CAPTION>
FINANCIAL DERIVATIVES
June 30, 1996

		Weighted Average Rates		
Dollars in millions	Notional Value	Paid	Received	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
Interest rate risk management				
Asset rate conversion				
Interest rate swaps (1)				
Receive fixed designated to				
Loans	$5,020	6.13%	5.42%	$(10)
Short-term investments	200	6.30	7.23	7
Receive-fixed index amortizing designated to loans	301	5.63	5.19	(2)
Pay fixed designated to loans	540	7.30	6.36	(19)
Interest rate caps designated to (2)				
Securities	5,500	NM	NM	8
Loans	30	NM	NM	
Interest rate floors designated to loans (3)	2,500	NM	NM	3
Total asset rate conversion	14,091			(13)
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to				
Borrowed funds and notes and debentures	626	5.57	5.73	22
Interest-bearing deposits	475	6.39	6.22	(3)
Receive-fixed index amortizing designated to interest-bearing deposits	73	6.16	5.10	(1)
Pay fixed designated to borrowed funds and notes and debentures	525	5.46	5.40	(3)
Basis swaps designated to notes and debentures	30	6.16	6.27	
Total liability rate conversion	1,729			15
Total interest rate risk management	15,820			2
Mortgage banking activities				
Forward contracts - commitments to purchase loans	345	NM	NM	
Forward contracts - commitments to sell loans	647	NM	NM	2
Interest rate floors - MSR	800	NM	NM	5
Total mortgage banking activities	1,792			7
Total financial derivatives	$17,612			$9

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 83% were based on 3-month LIBOR, 9% on 1-month LIBOR and the remainder on other short-term indices.

(2) Interest rate caps with notional values of $5.5 billion and $30 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over 6.50% and 1-month LIBOR over 6.75% , respectively. At June 30, 1996, 3-month LIBOR was 5.58% and the 1-month LIBOR was 5.50%.

(3) Interest rate floors with notional values of $1 billion and $1.5 billion require the counterparty to pay the Corporation the excess, if any, of 4.80% and 5.00%, respectively, over 3-month LIBOR. At June 30, 1996, 3-month LIBOR was 5.58%.

NM - not meaningful

SECOND QUARTER 1996 VS. SECOND QUARTER 1995

Net income for the second quarter of 1996 totaled $248.1 million or $.72 per fully diluted share, compared with $194.0 million or $.56 per fully diluted share a year ago. Return on average assets and average common shareholders' equity improved to 1.38% and 17.33%, respectively, in the second quarter of 1996.

Taxable-equivalent net interest income for the second quarter of 1996 increased $85.2 million to $619.9 million and net interest margin widened to 3.72% compared with $534.7 million and 3.06%, respectively, in the year-earlier period. The increase in net interest income was due to loan growth, the Chemical acquisition and the balance sheet repositioning. The improvement in net interest margin is primarily due to a higher proportion of loans to earning assets and an increase in lower-cost consumer deposits relative to total sources of funds.

Noninterest income increased $23.3 million, or 7.4%, to $336.6 million for the second quarter of 1996 compared with the year-earlier period. Excluding the impact of alliances in credit card and merchant services, noninterest income before securities gains increased 13.1%. Asset management and trust revenue increased $15.4 million or 14.1%, to $124.5 million due to growth in mutual fund and personal trust services and an increase in the value of assets under administration. Discretionary assets totaled $104.5 billion at June 30, 1996 compared with $89.3 billion a year ago.

Service fees increased 12.2% to $133.6 million in the second quarter of 1996. Deposit fees increased $14.1 million primarily due to growth in treasury management revenue and acquisitions. Brokerage and corporate finance fees increased 48.8% and 23.7%, respectively. Credit card and merchant services declined $11.0 million in the quarter-to-quarter comparison as a result of alliances with third parties for these businesses. Excluding this impact service fees increased 23.7%.

Mortgage banking revenue declined in the comparison primarily due to lower servicing sales and the impact of an increasingly competitive market for mortgage originations. Other noninterest income increased $12.6 million to $38.8 million, primarily due to higher venture capital income.

Noninterest expense increased 4.0% compared with the second quarter of 1995, due to acquisitions, investments in alternative delivery capabilities and incentive compensation related to higher levels of fee-based revenue. The increases were partially offset by lower Federal deposit insurance premiums. Excluding acquisitions, noninterest expense declined slightly in the comparison. The efficiency ratio improved to 59.0% for the second quarter of 1996 compared with 64.0% a year ago.

Average earning assets declined $3.1 billion to $66.4 billion compared to the second quarter of 1995 due to initiatives to downsize the securities portfolio and reduce associated wholesale funding. Average securities declined $8.4 billion to $14.7 billion which represents 22.2% of average earning assets compared with 33.3% a year ago. Average loans increased $4.4 billion to $49.2 billion, representing 74.1% of average earning assets compared with 64.4% a year ago. Excluding acquisitions, average loans increased 5.0% in the comparison. Consumer loan growth was tempered by competitive pricing pressures and the Corporation's assessment of national asset quality trends in consumer lending.

Average deposits increased $1.0 billion to $45.4 billion for the second quarter of 1996. Higher levels of retail deposits from acquisitions were partially offset by lower wholesale liabilities. Excluding acquisitions and wholesale deposits, average deposits increased 1.3% in the comparison. Average deposits represented 62.6% of total sources of funds in the second quarter of 1996 compared with 58.9% a year ago.

CONSOLIDATED STATEMENT OF INCOME

<TABLE>

<CAPTION>

In thousands, except per share data	Three months ended June 30 1996	1995	Six months ended June 30 1996	1995
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Loans and fees on loans	$971,829	$927,370	$1,952,665	$1,814,791
Securities	232,251	337,595	469,693	682,999
Other	39,062	29,678	76,122	58,130
Total interest income	1,243,142	1,294,643	2,498,480	2,555,920
INTEREST EXPENSE				
Deposits	351,891	390,754	722,874	748,475
Borrowed funds	107,702	226,279	220,159	437,246
Notes and debentures	172,769	154,788	337,810	308,097
Total interest expense	632,362	771,821	1,280,843	1,493,818
Net interest income	610,780	522,822	1,217,637	1,062,102
Provision for credit losses		1,500		3,000
Net interest income less provision for credit losses	610,780	521,322	1,217,637	1,059,102
NONINTEREST INCOME				
Asset management and trust	124,515	109,151	245,392	199,519
Service fees	133,598	119,091	263,867	240,563
Mortgage banking	35,758	50,858	71,740	95,581
Net securities gains	3,904	7,966	6,847	9,220
Other	38,810	26,184	70,301	53,924
Total noninterest income	336,585	313,250	658,147	598,807
NONINTEREST EXPENSE				
Staff expense	284,281	265,415	562,938	528,816
Net occupancy and equipment	92,182	84,537	185,465	171,271
Intangible asset and MSR amortization	28,062	23,855	51,726	47,190
Federal deposit insurance	3,435	24,217	6,625	48,537
Other	156,362	144,639	323,214	300,200
Total noninterest expense	564,322	542,663	1,129,968	1,096,014
Income before income taxes	383,043	291,909	745,816	561,895
Applicable income taxes	134,993	97,956	259,446	188,395
Net income	$248,050	$193,953	$486,370	$373,500
EARNINGS PER COMMON SHARE				
Primary	$.72	$.57	$1.42	$1.09
Fully diluted	.72	.56	1.41	1.08
CASH DIVIDENDS DECLARED PER COMMON SHARE	.35	.35	.70	.70
AVERAGE COMMON SHARES OUTSTANDING				
Primary	343,022	337,458	342,949	339,608
Fully diluted	347,343	342,479	347,306	345,057

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

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

June 30 December 31

Dollars in millions, except par values	1996	1995
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,232	$3,679
Short-term investments	841	1,611
Loans held for sale	1,053	659
Securities available for sale	14,107	15,839
Loans, net of unearned income of $358 and $403	49,223	48,653
Allowance for credit losses	(1,189)	(1,259)
Net loans	48,034	47,394
Goodwill and other intangibles	1,004	997
Mortgage servicing rights	323	268
Other	3,367	2,957
Total assets	$71,961	$73,404
LIABILITIES		
Deposits		
Noninterest-bearing	$10,245	$10,707
Interest-bearing	34,607	36,192
Total deposits	44,852	46,899
Borrowed funds		
Federal funds purchased	1,362	3,817
Repurchase agreements	2,188	2,851
Commercial paper	462	753
Other	3,070	1,244
Total borrowed funds	7,082	8,665
Notes and debentures	12,243	10,398
Other	1,952	1,674
Total liabilities	66,129	67,636
SHAREHOLDERS' EQUITY		
Preferred stock - $1 par value		
Authorized: 17,492,925 and 17,529,342 shares		
Issued and outstanding: 812,367 and 848,784 shares		
Aggregate liquidation value: $17 and $17	1	1
Common stock - $5 par value		
Authorized: 450,000,000 shares		
Issued: 342,265,027 and 340,863,348 shares	1,711	1,704
Capital surplus	571	545
Retained earnings	3,817	3,571
Deferred benefit expense	(77	(79)
Net unrealized securities gains (losses)	(141	26
Common stock held in treasury at cost: 1,630,612 shares	(50	
Total shareholders' equity	5,832	5,768
Total liabilities and shareholders' equity	$71,961	$73,404

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

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

Six months ended June 30 In millions	1996	1995
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$486	$374
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for credit losses		3
Depreciation, amortization and accretion	134	113
Deferred income taxes	64	75
Net securities gains	(7)	(9)
Net gain on sales of assets	(45)	(32)
Valuation adjustments	(9)	(1)
Net change in		
Loans held for sale	(388)	(286)
Other	(164)	27
Net cash provided by operating activities	71	264
INVESTING ACTIVITIES		
Net change in loans	(428)	(1,192)

Repayment		
Securities available for sale	1,814	573
Investment securities		884
Sales		
Securities available for sale	3,242	960
Loans	170	153
Foreclosed assets	86	46
Purchases		
Securities available for sale	(3,584)	(1,179)
Investment securities		(133)
Loans	(479)	(247)
Bulk sales of loans and OREO		6
Net cash received in acquisitions	460	59
Other	806	2,292
Net cash provided by investing activities	2,087	2,222
FINANCING ACTIVITIES		
Net change in		
Noninterest-bearing deposits	(471)	(456)
Interest-bearing deposits	(2,061)	295
Federal funds purchased	(2,455)	(1)
Sale/issuance		
Repurchase agreements	38,696	43,041
Commercial paper	1,073	2,683
Other borrowed funds	43,686	54,876
Notes and debentures	7,157	4,833
Common stock	33	29
Redemption/maturity		
Repurchase agreements	(39,360)	(40,765)
Commercial paper	(1,364)	(3,333)
Other borrowed funds	(41,943)	(55,435)
Notes and debentures	(5,306)	(7,761)
Preferred stock		(50)
Acquisition of treasury stock	(50)	(215)
Cash dividends paid to shareholders	(240)	(193)
Net cash used by financing activities	(2,605)	(2,452)
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	(447)	34
Cash and due from banks at beginning of year	3,679	3,412
Cash and due from banks at end of period	$3,232	$3,446
CASH ITEMS		
Interest paid	$1,382	$1,538
Income taxes paid	90	33
NONCASH ITEMS		
Transfers from loans to foreclosed assets	37	43

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

notes to consolidated financial statements

ACCOUNTING POLICIES

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

BASIS OF FINANCIAL STATEMENT PRESENTATION The unaudited consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles and include the accounts of PNC Bank Corp. and its subsidiaries ("Corporation"), substantially all of which are wholly owned. In the opinion of management, the financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the interim periods presented. The merger between PNC Bank Corp. and Midlantic Corporation ("Midlantic") was completed December 31, 1995 and accounted for as a pooling of interests. Accordingly, all financial information has been restated as if the companies were combined for all periods presented.

In preparing the unaudited consolidated interim financial statements, management is required to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results will differ from such estimates and such differences may be material to the financial statements.

The notes included herein should be read in conjunction with the audited consolidated financial statements included in the Corporation's 1995 Annual Report.

ALLOWANCE FOR CREDIT LOSSES The allowance for credit losses is maintained at a level believed by management to be sufficient to absorb estimated potential credit losses. Management's determination of the adequacy of the allowance is based on periodic evaluations of the credit portfolio and other relevant factors. This evaluation is inherently subjective as it requires material estimates, including the amounts and timing of expected future cash flows on impaired loans, which may be susceptible to significant change. The allowance for credit losses on impaired loans is one component of the methodology for determining the allowance for credit losses.

The remaining components of the allowance for credit losses provide for estimated losses on consumer loans and residential mortgages, and general amounts for historical loss experience, uncertainties in estimating losses and inherent risks in the various credit portfolios.

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.

CHANGE IN ACCOUNTING PRINCIPLES In the first quarter of 1996, the Corporation adopted Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." This Standard requires that long-lived assets and certain identifiable intangible assets, such as goodwill, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is measured based on the present value of expected future cash flows from the asset and its eventual disposition. The adoption of SFAS No. 121 did not have a material effect on the Corporation's financial position or results of operations.

In June 1996, SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities" was issued, effective for transactions entered into after December 31, 1996. SFAS No. 125 establishes rules distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. Management is in the process of evaluating the impact this standard will have on the Corporation's financial position and results of operations.

CASH FLOWS

For the statement of cash flows, the Corporation defines cash and cash equivalents as cash and due from banks. The table below sets forth information pertaining to acquisitions and divestitures which affect cash flows.

<TABLE>
<CAPTION>

Six months ended June 30 In millions	1996	1995
<S>	<C>	<C>
Assets acquired	$538	$912
Liabilities assumed	501	751
Cash paid	37	120
Cash and due from banks received	497	179

</TABLE>

MERGERS AND ACQUISITIONS

On December 31, 1995, Midlantic merged with the Corporation. Each share of Midlantic common stock outstanding on such date was converted into 2.05 shares of the Corporation's common stock. The Corporation issued approximately 112 million shares of common stock in connection with the merger. The transaction was accounted for as a pooling of interests and, accordingly, all financial data prior to the merger has been restated as if the entities were combined for all such periods.

On October 6, 1995, the Corporation acquired Chemical New Jersey Holdings, Inc., and its wholly-owned subsidiary Chemical Bank New Jersey, N.A. with total assets of $3.2 billion and retail core deposits of $2.7 billion. The Corporation paid $492 million in cash and the transaction was accounted for under the purchase method.

In February 1995, the Corporation acquired BlackRock Financial Management L.P., a fixed-income investment management firm with approximately $25 billion in assets under management at closing. The Corporation paid $71 million in cash and issued $169 million of unsecured notes.

SECURITIES

The following table sets forth the amortized cost and fair value of the Corporation's securities portfolio, all of which are available for sale, and the fair value of financial derivatives designated to such instruments.

At June 30, 1996 and December 31, 1995, $5.5 billion and $6.1 billion, respectively, notional value of interest rate swaps and caps were associated with securities available for sale.

<TABLE>
<CAPTION>

SECURITIES AVAILABLE FOR SALE	June 30, 1996				December 31, 1995			
		Unrealized				Unrealized		
In millions	Amortized Cost	Gains	Losses	Fair Value	Amortized Cost	Gains	Losses	Fair Value
Debt securities								
U.S. Treasury	$3,037	$33	$18	$3,052	$3,211	$69		$3,280
U.S. Government agencies and corporations								
Mortgage-related	6,784	7	218	6,573	7,510	18	$75	7,453
Other	1,431	1	15	1,417	1,030	5	1	1,034
Asset-backed private placement	620			620	1,597	7		1,604
State and municipal	231	10	1	240	343	25	1	367
Other debt								
Mortgage-related	904	2	15	891	1,121	2	10	1,113
Other	932	4	6	930	525	3	3	525
Corporate stocks and other	380	2	2	380	455	4	2	457
Associated derivatives		4		4		6		6
Total securities available for sale	$14,319	$63	$275	$14,107	$15,792	$139	$92	$15,839

</TABLE>

NONPERFORMING ASSETS

Nonperforming assets were as follows:

<TABLE>
<CAPTION>

In millions	June 30 1996	December 31 1995
Nonaccrual loans	$378	$335
Restructured loans	3	23
Total nonperforming loans	381	358
Foreclosed assets	128	178
Total nonperforming assets	$509	$536

</TABLE>

ALLOWANCE FOR CREDIT LOSSES

The following table presents changes in the allowance for credit losses:

<TABLE>
<CAPTION>

In millions	1996	1995
January 1	$1,259	$1,352
Charge-offs	(113)	(115)
Recoveries	43	53
Net charge-offs	(70)	(62)
Provision for credit losses		3

Acquisitions		7
June 30	$1,189	$1,300

</TABLE>

FINANCIAL DERIVATIVES

The following table sets forth notional and fair values of financial derivatives.

<TABLE>
<CAPTION>

In millions	Notional Value	Positive Fair Value	Notional Value	Negative Fair Value
<S>	<C>	<C>	<C>	<C>
JUNE 30, 1996				
Interest rate swaps	$2,004	$39	$5,786	$(48)
Interest rate caps	5,530	8		
Interest rate floors	2,500	3		
Mortgage banking activities	1,447	7	345	
Total	$11,481	$57	$6,131	$(48)
DECEMBER 31, 1995				
Interest rate swaps	$4,249	$77	$5,141	$(48)
Interest rate caps	5,510	6		
Mortgage banking activities	769	16	1,038	(4)
Total	$10,528	$99	$6,179	$(52)

</TABLE>

SPECIAL CHARGES

In connection with the Midlantic merger, the Corporation recorded special charges totaling $260 million. These charges represented estimated costs of integrating and consolidating branch networks, back office and administrative facilities, professional services and the cost to terminate an interest rate cap position. The following table sets forth changes in accrued special charges:

<TABLE>
<CAPTION>

1996 In millions	Balance at January 1	Incurred	Balance at June 30
<S>	<C>	<C>	<C>
Staff related	$42	$13	$29
Net occupancy	72	20	52
Equipment	17	6	11
Professional services	31	21	10
Other	18	11	7
Interest rate cap termination	80	80	
Total	$260	$151	$109

</TABLE>

LITIGATION

A purported class action was filed in 1992 against PNC National Bank ("PNCNB"), regarding certain credit card fees charged to Pennsylvania cardholders. On June 3, 1996, the United States Supreme Court decided a similar case involving another credit card issuer in favor of the issuer. Based on this decision, the plaintiff in the lawsuit against PNCNB moved to dismiss her appeal from the district court's dismissal of the lawsuit, and on June 17, 1996, the Third Circuit Court of Appeals dismissed the appeal, making final the dismissal of the lawsuit.

OTHER FINANCIAL INFORMATION

In connection with the Midlantic merger, notes and debentures of Midlantic with a remaining aggregate principal amount of $364 million have been jointly and severally assumed by the parent company and its wholly-owned subsidiary, PNC Bancorp, Inc. Summarized financial information for PNC Bancorp, Inc. and subsidiaries is as follows:

<TABLE>
<CAPTION>
PNC BANCORP. INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

In millions	June 30 1996	December 31 1995
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,237	$3,678
Securities	13,950	15,683
Loans, net of unearned income	49,237	48,583
Allowance for credit losses	(1,189)	(1,259)
Net loans	48,048	47,324
Other assets	5,592	6,053
Total assets	$70,827	$72,738
LIABILITIES		
Deposits	$44,999	$47,024
Borrowed funds	6,718	8,093
Notes and debentures	11,585	9,726
Other liabilities	1,154	1,167
Total liabilities	64,456	66,010
SHAREHOLDER'S EQUITY	6,371	6,728
Total liabilities and shareholder's equity	$70,827	$72,738

</TABLE>

<TABLE>
<CAPTION>
PNC BANCORP. INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

Six months ended June 30 In millions	1996	1995
<S>	<C>	<C>
Interest income	$2,481	$2,538
Interest expense	1,242	1,460
Net interest income	1,239	1,078
Provision for credit losses		9
Net interest income less provision for credit losses	1,239	1,069
Noninterest income	590	556
Noninterest expense	1,085	1,062
Income before income taxes	744	563
Applicable income taxes	263	189
Net income	$481	$374

</TABLE>

The amount of dividends that may be paid by bank subsidiaries to PNC Bancorp, Inc., a first-tier holding company, and in turn to the parent company, are subject to certain legal limitations. Without regulatory approval, the amount available for payment of dividends by all subsidiary banks to PNC Bancorp, Inc. was $408 million at June 30, 1996. Dividends may also be impacted by capital needs, regulatory requirements and policies, and other factors.

statistical information

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

	Six months ended June 30					
	1996			1995		
Taxable-equivalent basis Average balance in millions, interest in thousands	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Interest-earning assets						
Short-term investments	$1,128	$34,407	6.13%	$1,187	$38,390	

						6.52%
Loans held for sale	1,205	41,453	6.88	493	19,376	7.86
Securities						
U.S. Treasury	2,539	84,130	6.66	4,361	111,475	5.15
U.S. Government agencies and corporations	8,474	258,158	6.09	14,573	416,789	5.72
State and municipal	307	15,399	10.03	369	18,752	10.16
Other debt	3,110	106,129	6.79	3,942	133,515	6.76
Corporate stocks and other	349	10,854	6.25	313	10,617	6.85
Total securities	14,779	474,670	6.42	23,558	691,148	5.87
Loans, net of unearned income						
Consumer	13,307	582,696	8.81	11,562	518,444	9.04
Residential mortgage	11,751	437,513	7.45	10,347	382,840	7.40
Commercial	16,998	662,706	7.71	15,380	631,379	8.17
Commercial real estate	4,858	216,991	8.89	5,024	232,617	9.24
Other	1,994	66,036	6.64	1,927	65,070	6.79
Total loans, net of unearned income	48,908	1,965,942	8.02	44,240	1,830,350	8.28
Other interest-earning assets	10	405	8.04	12	431	7.34
Total interest-earning assets/interest income	66,030	2,516,877	7.61	69,490	2,579,695	7.43
Noninterest-earning assets						
Allowance for credit losses	(1,234)			(1,334)		
Cash and due from banks	3,146			3,044		
Other assets	4,145			3,892		
Total assets	$72,087			$75,092		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits						
Demand and money market	$12,630	165,341	2.63	$12,162	176,701	2.93
Savings	3,580	36,921	2.07	3,835	46,590	2.45
Other time	18,523	496,088	5.38	17,173	463,547	5.44
Deposits in foreign offices	894	24,524	5.42	2,012	61,637	6.09
Total interest-bearing deposits	35,627	722,874	4.08	35,182	748,475	4.28
Borrowed funds						
Federal funds purchased	3,216	85,974	5.38	2,431	73,630	6.11
Repurchase agreements	2,901	77,424	5.28	7,418	226,236	6.07
Commercial paper	490	13,394	5.50	848	25,063	5.96
Other	1,212	43,367	7.15	3,321	112,317	6.77
Total borrowed funds	7,819	220,159	5.62	14,018	437,246	6.23
Notes and debentures	11,487	337,810	5.86	9,848	308,097	6.27
Total interest-bearing liabilities/interest expense	54,933	1,280,843	4.67	59,048	1,493,818	5.07
Noninterest-bearing liabilities and shareholders' equity						
Demand and other noninterest-bearing deposits	9,838			8,836		
Accrued expenses and other liabilities	1,550			1,489		
Shareholders' equity	5,766			5,719		
Total liabilities and shareholders' equity	$72,087			$75,092		
Interest rate spread			2.94			2.36
Impact of noninterest-bearing liabilities			.78			.76
Net interest income/margin on earning assets		$1,236,034	3.72%		$1,085,877	3.12%

</TABLE>
Nonaccrual loans are included in loans, net of unearned income. The impact of financial derivatives used in interest rate risk management is included in the interest income/expense and average yields/rates of the related assets and liabilities.

<TABLE>
<CAPTION>

1996						1995		
Second Quarter			First Quarter			Second Quarter		
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>
$1,155	$17,196	5.99%	$1,102	$17,211	6.29%	$1,042	$19,147	7.37%
1,260	21,725	6.90	1,150	19,728	6.86	539	10,367	7.70
2,821	46,571	6.64	2,258	37,559	6.69	4,412	57,478	5.23
8,385	126,314	6.03	8,564	131,844	6.16	14,177	202,753	5.72
285	7,261	10.21	330	8,138	9.88	370	9,436	10.21
2,906	48,960	6.71	3,311	57,169	6.87	3,868	66,694	6.86
343	5,512	6.46	355	5,342	6.04	310	5,345	6.92
14,740	234,618	6.37	14,818	240,052	6.48	23,137	341,706	5.91
13,243	289,072	8.78	13,370	293,624	8.83	11,603	265,604	9.18
11,883	219,395	7.40	11,619	218,118	7.51	10,629	195,079	7.34
17,190	331,768	7.64	16,806	330,938	7.79	15,620	323,284	8.19
4,831	104,582	8.62	4,885	112,409	9.16	5,016	118,732	9.42
2,044	33,711	6.48	1,945	32,325	6.66	1,897	32,413	6.85
49,191	978,528	7.94	48,625	987,414	8.10	44,765	935,112	8.33
10	221	8.69	10	184	7.37	12	230	7.59
66,356	1,252,288	7.53	65,705	1,264,589	7.69	69,495	1,306,562	7.45
(1,216)			(1,253)			(1,317)		
3,196			3,095			3,191		
4,104			4,186			3,974		
$72,440			$71,733			$75,343		
$12,635	80,422	2.56	$12,625	84,919	2.71	$11,819	87,729	2.98
3,582	17,796	2.00	3,579	19,125	2.15	3,759	23,126	2.47
18,407	243,554	5.32	18,638	252,534	5.45	17,522	243,905	5.58
759	10,119	5.27	1,030	14,405	5.53	2,307	35,994	6.17
35,383	351,891	4.00	35,872	370,983	4.16	35,407	390,754	4.42
2,892	37,586	5.23	3,540	48,388	5.50	2,684	41,631	6.22
3,063	40,465	5.23	2,739	36,959	5.34	7,477	116,282	6.15
431	5,686	5.31	549	7,708	5.65	621	9,423	6.08
1,430	23,965	6.71	995	19,402	7.79	3,358	58,943	6.98
7,816	107,702	5.50	7,823	112,457	5.74	14,140	226,279	6.36
11,904	172,769	5.78	11,068	165,041	5.94	9,586	154,788	6.44
55,103	632,362	4.59	54,763	648,481	4.75	59,133	771,821	5.16
9,996			9,681			8,958		
1,574			1,525			1,525		
5,767			5,764			5,727		
$72,440			$71,733			$75,343		
		2.94			2.94			2.29
		.78			.79			.77
	$619,926	3.72%		$616,108	3.73%		$534,741	3.06%

</TABLE>

quarterly report on form 10-Q

Securities and Exchange Commission
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 1996.

Commission File Number 1-9718

PNC BANK CORP.
Incorporated in the Commonwealth of Pennsylvania
IRS Employer Identification No. 25-1435979
Address: One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
Telephone: (412) 762-1553

As of July 31, 1996, PNC Bank Corp. had 340,201,381 shares of common stock ($5 par value) outstanding.

PNC Bank Corp. (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 and (2) has been subject to such filing requirements for the past 90 days.

The following sections of the Corporate Financial Review set forth in the cross-reference index are incorporated in the Quarterly Report on Form 10-Q.

<TABLE>

</TABLE>

PART II OTHER INFORMATION
Item 1 Legal Proceedings

The Corporation's Annual Report on Form 10-K for the year ended December 31, 1995 ("1995 Form 10-K") includes a description of a purported class action filed against PNC National Bank ("PNCNB"), regarding certain credit card fees charged to Pennsylvania cardholders. On June 3, 1996, the United States Supreme Court decided a similar case involving another credit card issuer in favor of the issuer. Based on this decision, the plaintiff in the lawsuit against PNCNB moved to dismiss her appeal from the district court's dismissal of the lawsuit, and on June 17, 1996, the Third Circuit Court of Appeals dismissed the appeal, making final the dismissal of the lawsuit.

The 1995 Form 10-K also includes a description of a purported class action lawsuit filed against the Corporation and two of its executive officers alleging violations of federal securities laws and common law relating to certain disclosures. On August 7, 1996, the United States District Court for the Western District of Pennsylvania adopted the magistrate judge's recommendation and denied defendants' motion to dismiss as to all claims except the negligent misrepresentation claim, which was dismissed. On the same date, the district court certified the case as a class action consisting of persons who purchased the Corporation's common stock from April 18, 1994 through November 15, 1994.

Item 4 Submission of Matters for a Vote of Security Holders

An annual meeting of shareholders of the Corporation was held on April 23, 1996, for the purpose of (a) electing 21 directors, (b) approving the PNC Bank Corp. 1996 Executive Incentive Award Plan, and (c) acting upon a shareholder proposal concerning non-employee director retirement benefits.

All 21 nominees were elected and the votes cast for and against/withheld were as follows:

Nominee	Aggregate Votes For	Aggregate Votes Against/Withheld
Paul W. Chellgren	292,911,832	4,529,714
Robert N. Clay	292,733,354	4,708,189
George A. Davidson, Jr.	292,924,307	4,517,238
David F. Girard-diCarlo	288,254,187	9,187,357
Dianna L. Green	292,624,643	4,816,902
Carl G. Grefenstette	292,812,808	4,628,737
Arthur J. Kania	289,241,520	8,200,024
Bruce C. Lindsay	292,808,895	4,632,651
W. Craig McClelland	292,834,382	4,607,161
Thomas Marshall	292,809,117	4,632,425
Donald I. Moritz	292,686,163	4,755,379
Thomas H. O'Brien	292,596,218	4,845,325
Jackson H. Randolph	292,880,145	4,561,399
James E. Rohr	292,808,779	4,632,766
Roderic H. Ross	292,850,889	4,590,655
Vincent A. Sarni	292,639,182	4,802,363
Garry J. Scheuring	292,873,291	4,568,253
Richard P. Simmons	292,848,649	4,592,895
Thomas J. Usher	292,864,520	4,577,024
Milton A. Washington	292,852,944	4,588,598
Helge H. Wehmeier	292,868,096	4,573,448

The PNC Bank Corp. 1996 Executive Incentive Award Plan was approved, and the votes cast for, against or abstained and the number of broker non-votes were as follows:

Aggregate votes for:	260,838,365
Aggregate votes against:	32,190,067
Number of abstentions:	4,375,307
Number of broker non-votes:	37,807

The shareholder proposal was not approved, and the votes cast for, against or abstained and the number of broker non-votes were as follows:

Aggregate votes for:	76,021,364
Aggregate votes against:	169,139,322
Number of abstentions:	7,374,685
Number of broker non-votes:	44,906,175

With respect to the above matters, holders of the Corporation's common stock and preferred stock voted together as a single class. The following table sets forth as of the March 4, 1996 record date the number of shares of each class of stock that was issued and outstanding and entitled to vote, the voting power per share and the aggregate voting power of each class:

Title of Class	Voting Rights Per Share	Number of Shares Entitled to Vote	Aggregate Voting Power
Common Stock	1	341,586,811	341,586,811
$1.80 Cumulative Convertible Preferred Stock - Series A	8	17,818	142,544
$1.80 Cumulative Convertible Preferred Stock - Series B	8	4,728	37,824
$1.60 Cumulative Convertible Preferred Stock - Series C	4/2.4	343,273	572,121*
$1.80 Cumulative Convertible Preferred Stock - Series D	4/2.4	466,271	777,118*
Total possible votes			343,116,418*

* Represents greatest number of votes possible. Actual aggregate voting power was less since each holder of such preferred stock is entitled to a number of votes equal to the number of full shares of common stock into which such holder's preferred stock is convertible.

Item 6 Exhibits and Reports on Form 8-K

The following exhibit index lists Exhibits to the Quarterly Report on Form 10-Q:

11 Calculation of primary and fully diluted earnings per common share for the three months and six months ended June 30, 1996 and 1995.

12.1 Computation of Earnings to Fixed Charges for the six months ended June 30, 1996 and for each of the five years in the period ended December 31, 1995.

12.2 Computation of Earnings to Combined Fixed Charges and Preferred Stock Dividends for the six months ended June 30, 1996, and for each of the five years in the period ended December 31, 1995.

27 Financial Data Schedule.

Copies of these Exhibits will be furnished without charge upon written request to Glenn Davies, Vice President, Financial Reporting, at corporate headquarters. Requests may also be directed to (412) 762-1553 or to gdavies@usaor.net on the Internet.

Since March 31, 1996, the Corporation filed the following current reports on Form 8-K:

Form 8-K dated as of April 17, 1996, reporting the Corporation's consolidated financial results for the three months ended March 31, 1996, filed pursuant to Item 5.

Form 8-K dated as of July 15, 1996, reporting the Corporation's consolidated financial results for the three months and six months ended June 30, 1996, filed pursuant to Item 5.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on August 14, 1996, on its behalf by the undersigned thereunto duly authorized.

PNC Bank Corp.
Robert L. Haunschild
Senior Vice President and Chief Financial Officer

CORPORATE HEADQUARTERS

PNC Bank Corp.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707

INQUIRIES

Inquiries or comments concerning PNC Bank Corp. are welcome.

Individual shareholders should contact:
Shareholder Relations at 800-843-2206
or the PNC Bank Hotline at 800-982-7652.

Analysts and institutional investors should contact:
William H. Callihan, Vice President,
Investor Relations, at 412-762-8257.

News media representatives and others seeking general information should contact:
Jonathan Williams, Vice President,
Media Relations, at 412-762-4550.

FINANCIAL INFORMATION

Copies of the Corporation's filings with the Securities and Exchange Commission, including Exhibits to the Quarterly Report on Form 10-Q, may be obtained without charge upon written request to Glenn Davies, Vice President, Financial Reporting, at corporate headquarters. Requests may also be directed to (412) 762-1553 or to gdavies@usaor.net on the Internet.

STOCK LISTING

PNC Bank Corp. common stock is traded on the New York Stock Exchange under the symbol PNC.

COMMON STOCK PRICES/DIVIDENDS DECLARED

The table below sets forth by quarter the high, low and quarter-end closing sale prices for PNC Bank Corp. common stock and the cash dividends declared per common share.

<TABLE>
<CAPTION>

1996 Quarter	High	Low	Close	Cash Dividends Declared
<S>	<C>	<C>	<C>	<C>
First	$32.625	$28.375	$30.750	$.35
Second	31.500	28.375	29.750	.35
Total				$.70
1995 Quarter				
First	$25.750	$21.125	$24.375	$.35
Second	28.125	24.250	26.375	.35
Third	28.625	23.625	27.875	.35
Fourth	32.375	26.125	32.250	.35
Total				$1.40

</TABLE>

REGISTRAR AND TRANSFER AGENT

Chemical Bank
85 Challenger Road
Overpeck Center
Ridgefield Park, NJ 07660
800-982-7652

TO EXCHANGE MIDLANTIC STOCK CERTIFICATES

Midlantic Bank, N.A.
Metro Park Plaza
P.O. Box 600
Edison, NJ 08818
Attn: Corporate Securities Services
908-205-4517

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The PNC Bank Corp. dividend reinvestment and stock purchase plan enables holders of common and preferred stock to purchase additional shares of common stock conveniently and without paying brokerage commissions or service charges. A prospectus and enrollment card may be obtained by writing to Shareholder Relations at corporate headquarters.

EXHIBIT INDEX

11 Calculation of primary and fully diluted earnings per common share for the three months and six months ended June 30, 1996 and 1995.

12.1 Computation of Earnings to Fixed Charges for the six months ended June 30, 1996 and for each of the five years in the period ended December 31, 1995.

12.2 Computation of Earnings to Combined Fixed Charges and Preferred Stock Dividends for the six months ended June 30, 1996, and for each of the five years in the period ended December 31, 1995.

27 Financial Data Schedule.

PNC BANK CORP. AND SUBSIDIARIES EXHIBIT 11

CALCULATION OF PRIMARY AND FULLY DILUTED EARNINGS PER COMMON SHARE

In thousands, except per share data	Three months ended June 30 1996	1995	Six months ended June 30 1996	1995
CALCULATION OF PRIMARY EARNINGS PER COMMON SHARE				
Net income	$248,050	$193,953	$486,370	$373,500
Less: Preferred dividends declared	350	1,288	708	2,587
Net income applicable to primary earnings per common share	$247,700	$192,665	$485,662	$370,913
Weighted average shares of common stock outstanding	341,618	334,194	341,510	336,711
Weighted average common shares to be issued using average market price and assuming:				
Exercise of stock options	1,404	3,264	1,439	2,897
Primary weighted average common shares outstanding	343,022	337,458	342,949	339,608
PRIMARY EARNINGS PER COMMON SHARE	$.72	$.57	$1.42	$1.09
CALCULATION OF FULLY DILUTED EARNINGS PER COMMON SHARE				
Net income	$248,050	$193,953	$486,370	$373,500
Add: Interest expense on convertible debentures (net of tax)	865	988	1,723	1,978
Less: Dividends declared on non-convertible preferred stock		907		1,813
Net income applicable to fully diluted earnings per common share	$248,915	$194,034	$488,093	$373,665
Weighted average shares of common stock outstanding	341,618	334,194	341,510	336,711
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	174	199	177	204
Conversion of preferred stock Series C	566	614	570	632
Conversion of preferred stock Series D	760	826	768	829
Conversion of debentures	2,821	3,181	2,842	3,184
Exercise of stock options	1,404	3,465	1,439	3,497
Fully diluted weighted average common shares outstanding	347,343	342,479	347,306	345,057

FULLY DILUTED EARNINGS PER COMMON SHARE	$.72	$.56	$1.41	$1.08

</TABLE>

PNC BANK CORP. AND SUBSIDIARIES EXHIBIT 12.1
COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES

Dollars in thousands	Six Months ended June 30, 1996	Year ended December 31 1995	1994	1993	1992	1991
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$745,816	$627,012	$1,209,916	$1,140,487	$787,994	$(38,578)
Fixed charges excluding interest on deposits	573,583	1,487,279	1,104,573	704,228	582,854	613,590
Subtotal	1,319,399	2,114,291	2,314,489	1,844,715	1,370,848	575,012
Interest on deposits	722,874	1,551,816	1,159,242	1,005,658	1,546,576	2,739,565
Total	$2,042,273	$3,666,107	$3,473,731	$2,850,373	$2,917,424	$3,314,577
FIXED CHARGES						
Interest on notes and debentures	$337,402	$620,415	$556,432	$316,031	$201,977	$137,323
Interest on borrowed funds	220,159	834,654	514,133	360,288	353,633	449,107
Amortization of notes and debentures	408	927	1,761	1,418	1,505	1,119
Interest component of rentals	15,614	31,283	32,247	26,491	25,739	26,041
Subtotal	573,583	1,487,279	1,104,573	704,228	582,854	613,590
Interest on deposits	722,874	1,551,816	1,159,242	1,005,658	1,546,576	2,739,565
Total	$1,296,457	$3,039,095	$2,263,815	$1,709,886	$2,129,430	$3,353,155
RATIO OF EARNINGS TO FIXED CHARGES						
Excluding interest on deposits	2.30x	1.42x	2.10x	2.62x	2.35x	.94x
Including interest on deposits	1.58	1.21	1.53	1.67	1.37	.99

PNC BANK CORP. AND SUBSIDIARIES EXHIBIT 12.2

COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

<TABLE>
<CAPTION>

	Six months ended	Year ended December 31				
Dollars in thousands	June 30, 1996	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$745,816	$627,012	$1,209,916	$1,140,487	$787,994	$(38,578)
Fixed charges and preferred stock dividends excluding interest on deposits	574,672	1,492,391	1,112,564	712,339	592,902	624,000
Subtotal	1,320,488	2,119,403	2,322,480	1,852,826	1,380,896	585,422
Interest on deposits	722,874	1,551,816	1,159,242	1,005,658	1,546,576	2,739,565
Total	$2,043,362	$3,671,219	$3,481,722	$2,858,484	$2,927,472	$3,324,987
FIXED CHARGES						
Interest on notes and debentures	$337,402	$620,415	$556,432	$316,031	$201,977	$137,323
Interest on borrowed funds	220,159	834,654	514,133	360,288	353,633	449,107
Amortization of notes and debentures	408	927	1,761	1,418	1,505	1,119
Interest component of rentals	15,614	31,283	32,247	26,491	25,739	26,041
Preferred stock dividend requirements	1,089	5,112	7,991	8,111	10,048	10,410
Subtotal	574,672	1,492,391	1,112,564	712,339	592,902	624,000
Interest on deposits	722,874	1,551,816	1,159,242	1,005,658	1,546,576	2,739,565
Total	$1,297,546	$3,044,207	$2,271,806	$1,717,997	$2,139,478	$3,363,565
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS						
Excluding interest on deposits	2.30x	1.42x	2.09x	2.60x	2.33x	.94x
Including interest on deposits	1.57	1.21	1.53	1.66	1.37	.99

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 9
<LEGEND>
This schedule contains summary financial information extracted from the consolidated financial information incorporated by reference to the 1996 Second Quarter Corporate Financial Review and is qualified in its entirety by reference to such financial information.
</LEGEND>
<MULTIPLIER> 1,000,000

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	DEC-31-1996
<PERIOD-START>	JAN-01-1996
<PERIOD-END>	JUN-30-1996
<CASH>	3,232
<INT-BEARING-DEPOSITS>	0
<FED-FUNDS-SOLD>	0
<TRADING-ASSETS>	0
<INVESTMENTS-HELD-FOR-SALE>	14,107
<INVESTMENTS-CARRYING>	0
<INVESTMENTS-MARKET>	0
<LOANS>	49,223
<ALLOWANCE>	(1,189)
<TOTAL-ASSETS>	71,961
<DEPOSITS>	44,852
<SHORT-TERM>	7,082
<LIABILITIES-OTHER>	1,952
<LONG-TERM>	12,243
<PREFERRED-MANDATORY>	0
<PREFERRED>	1
<COMMON>	1,711
<OTHER-SE>	4,120
<TOTAL-LIABILITIES-AND-EQUITY>	71,961
<INTEREST-LOAN>	1,953
<INTEREST-INVEST>	470
<INTEREST-OTHER>	76
<INTEREST-TOTAL>	2,498
<INTEREST-DEPOSIT>	723
<INTEREST-EXPENSE>	1,281
<INTEREST-INCOME-NET>	1,218
<LOAN-LOSSES>	0
<SECURITIES-GAINS>	7
<EXPENSE-OTHER>	1,130
<INCOME-PRETAX>	746
<INCOME-PRE-EXTRAORDINARY>	746
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	486
<EPS-PRIMARY>	1.42
<EPS-DILUTED>	1.41
<YIELD-ACTUAL>	3.72
<LOANS-NON>	378
<LOANS-PAST>	191
<LOANS-TROUBLED>	3
<LOANS-PROBLEM>	0
<ALLOWANCE-OPEN>	1,259
<CHARGE-OFFS>	(113)
<RECOVERIES>	43
<ALLOWANCE-CLOSE>	1,189
<ALLOWANCE-DOMESTIC>	1,189
<ALLOWANCE-FOREIGN>	0
<ALLOWANCE-UNALLOCATED>	0

</TABLE>