PNC BANK CORP.

Quarterly Report on Form 10-Q
For the quarterly period ended March 31, 1997

Page 1 represents a portion of the first quarter 1997 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 page 28.

Financial

HIGHLIGHTS

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As of or for the three months ended March 31	1997	1996
FINANCIAL PERFORMANCE (dollars in thousands, except per share data)		
Revenue		
Net interest income (taxable-equivalent basis)	$637,283	$616,108
Noninterest income	425,116	321,562
Total revenue	1,062,399	937,670
Net income	266,309	238,320
Per common share		
Fully diluted earnings	.80	.69
Book value	16.45	16.88
Cash dividends declared	.37	.35
SELECTED RATIOS		
Performance		
Return on		
Average common shareholders' equity	19.48%	16.65%
Average assets	1.54	1.34
Net interest margin	3.98	3.73
After-tax profit margin	25.07	25.42
Efficiency ratio	59.88	60.32
Capital		
Leverage	7.17	6.90
Risk-based		
Tier I	7.66	8.18
Total	10.95	11.70
Common shareholders' equity to assets	7.25	7.94
Asset quality		
Net charge-offs to average loans	.47	.28
Nonperforming assets to loans and foreclosed assets	.82	1.10
Allowance for credit losses to loans	2.13	2.51
Allowance for credit losses to nonperforming loans	346.11	328.88
AVERAGE BALANCES (in millions)		
Assets	$70,301	$71,733
Earning assets	63,825	65,705
Loans, net of unearned income	51,922	48,625

Securities	10,089	14,818
Deposits	44,133	45,553
Borrowed funds	18,594	18,891
Shareholders' equity	5,758	5,764
Common shareholders' equity	5,442	5,747
PERIOD-END BALANCES (in millions)		
Assets	71,166	72,668
Earning assets	64,255	66,041
Loans, net of unearned income	52,575	48,800
Securities	9,593	14,692
Deposits	44,902	45,621
Borrowed funds	18,547	19,452
Shareholders' equity	5,478	5,786
Common shareholders' equity	5,162	5,769

</TABLE>

Financial REVIEW

This Financial Review should be read in conjunction with the PNC Bank Corp. and subsidiaries ("Corporation" or "PNC Bank") unaudited Consolidated Financial Statements included herein and the Corporate Financial Review and audited Consolidated Financial Statements included in the Corporation's 1996 Annual Report.

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OVERVIEW

PNC BANK CORP. The Corporation is one of the largest diversified financial services companies in the United States and 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 in PNC Bank's primary geographic locations in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky and nationally through retail distribution networks and alternative delivery channels.

PNC Bank also has the exclusive right to offer financial products and services to the American Automobile Association's ("AAA") 34 million members. Through AAA Financial Services, the Corporation markets these products and services to AAA members throughout the United States utilizing alternative distribution channels.

SUMMARY FINANCIAL RESULTS Net income for the first three months of 1997 was $266 million or $0.80 per fully diluted share compared with $238 million and $0.69 per fully diluted share, respectively, a year ago. Returns on average common shareholders' equity and average assets were 19.48% and 1.54%, respectively, compared with 16.65% and 1.34% a year ago.

Total revenue for the first quarter of 1997 increased 13.3% compared with the first quarter of 1996. Taxable-equivalent net interest income increased 3.4% to $637 million as the net interest margin widened 25 basis points in the comparison to 3.98%. These increases primarily result from a higher-yielding earning asset mix and a lower cost of funds. Noninterest income increased 32% in the quarter-to-quarter comparison to $425 million for the first three months of 1997. The increase was broad-based, led by strong growth in asset management, mutual fund servicing, treasury management and capital markets fees. The quarter also benefited from securitization income, securities gains and higher venture capital income.

Operating expenses increased $70 million in the first three months of 1997 compared with the same period of 1996. The increase was primarily due to marketing and servicing costs associated with AAA-related businesses. The efficiency ratio improved to 59.9% for the first three months of 1997 compared with 60.3% a year ago.

At March 31, 1997, total assets were $71.2 billion. Compared with the first quarter of 1996, average earning assets declined $1.9 billion to $63.8 billion. The decline was primarily due to reductions in the securities portfolio partially offset by loan growth and the purchase of AAA credit card portfolios. Average loans increased $3.3 billion to $51.9 billion, representing 81.4% of average earning assets compared with 74.0% a year ago. Excluding the credit card portfolio purchases, average loans grew at an annual rate of 3.8%.

Asset quality and coverage ratios remained strong. The ratio of nonperforming assets to loans and foreclosed assets was .82% at the end of the first quarter of 1997 compared with 1.10% a year ago. As a percent of nonperforming loans and total loans, the allowance for credit losses was 346% and 2.13%, respectively, at March 31, 1997. Annualized net charge-offs for the first quarter of 1997 were .47% of average loans compared with .28% for the first quarter of 1996.

During the first quarter of 1997, PNC Bank continued to aggressively pursue capital management initiatives. The Corporation repurchased 12.4 million shares of common stock and, in April, the board of directors authorized the repurchase of up to 15 million additional common shares through March 31, 1998.

Management believes the Corporation is well positioned to achieve continued increases in earnings per share in 1997. Revenue growth is anticipated from consumer initiatives, primarily AAA-related, and continued expansion of fee-based businesses. Expenses are expected to increase primarily due to additional investments associated with the nationwide rollout of products and services to AAA members. Management expects modest loan loss provisions throughout 1997 and anticipates earnings per share will continue to benefit from common share repurchases.

BUSINESS STRATEGIES Financial services providers are challenged by intense competition, pricing pressures and deregulation. Loan pricing and credit standards are under competitive pressure as lenders seek to deploy capital and a broader range of borrowers have access to capital markets. Traditional deposit activities are subject to pricing pressures and customer migration as banks and other financial services companies compete for consumer investment dollars.

PNC Bank's strategies are focused on altering the traditional business mix by investing in businesses with more attractive growth characteristics. Traditional businesses, such as branch banking and corporate lending have moderate revenue growth expectations, higher distribution costs and require significant amounts of capital to support balance sheet leverage. Conversely, businesses such as Asset Management, Mutual Fund Servicing, Private Banking, Treasury Management and Capital Markets, have more attractive growth characteristics, are less capital intensive and generate revenues that are primarily fee based.

In CONSUMER BANKING, which contributed 50% of total line of business earnings in the first quarter of 1997, changes in consumer preferences and technological advancements are transforming the way consumer products and services are delivered. Traditional delivery channels, such as retail branches, are being reduced and replaced with more technologically-advanced, cost-efficient means such as telebanking, automated teller machines ("ATM") and on-line banking through personal computers. Investments in alternative delivery channels allow PNC Bank to reduce costs and expand the geographic scope of the Corporation's markets.

AAA Financial Services offers financial products and services to AAA's 34 million members nationwide. This initiative represents a unique opportunity to market consumer products and services to a significant customer base with attractive demographic characteristics.

CORPORATE BANKING, which accounted for 30% of total line of business earnings in the first quarter, traditionally relied on balance sheet leverage. Traditional spread-based lending requires high capital levels and is under intense competition from banks and nonbanks seeking opportunities to extend credit in a market with narrowing net interest spreads. In this environment, PNC Bank aggressively manages capital to generate more appropriate returns employing various techniques such as measuring risk-adjusted customer profitability and using off-balance-sheet financing alternatives.

Corporate Banking is also focused on expanding fee-based revenue by developing products and services as alternatives to spread-based business. These include syndication, treasury management, interest rate risk management and capital markets. Corporate Banking also provides a full range of leasing and commercial finance products as alternatives to traditional financings.

The ASSET MANAGEMENT business, with $115 billion in managed assets, is among the largest in the country. It is the second largest U.S. bank manager of mutual funds and one of the largest mutual fund service providers. Asset Management's initiatives focus on expanding product marketing and distribution channels for investment products and leveraging mutual fund servicing capabilities. PFPC Inc., the mutual fund servicing business, specializes in providing institutional customers with custom designed products and custody, transfer agent, accounting and administrative services.

Compass Capital Funds(SM) ("Compass"), PNC Bank's proprietary mutual fund family, with approximately $12 billion in assets, provides institutional and individual investors with a full range of equity, bond and money market investment options. The funds are offered throughout the Corporation's retail branch network and marketed nationally through agreements with over 70 brokerage firms. Barron's/Lipper Analytical Services ranked Compass sixth best for its overall performance in 1996 among the 63 mutual fund families ranked.

REAL ESTATE BANKING has consistently been a leading provider of credit services to the real estate industry. This line of business is challenged by competitive lending pressures and disintermediation as nonbank competitors increasingly enter the market. In this environment, Real Estate Banking is focused on enhancing financial performance through business cycles by reducing reliance on balance sheet leverage, expanding fee-based revenue and enhancing distribution capabilities. Targeted growth areas include treasury management, loan syndication, commercial mortgage-backed securitizations and private debt placements.

MORTGAGE BANKING remains a highly-fragmented, commodity-based business requiring an efficient infrastructure and increasingly higher volumes. To remain competitive and produce appropriate returns, the Mortgage Banking line of business is focused on reducing costs by consolidating back office operations and utilizing technology to enhance origination and operating platform efficiencies. Mortgage Banking continues to expand origination capabilities by leveraging the Corporation's distribution network and private banking capabilities and by expanding the retail distribution network.

FORWARD-LOOKING STATEMENTS PNC Bank has made, and may continue to make, various forward-looking statements with respect to earnings per share, AAA Financial Services, credit quality, corporate objectives and other financial and business matters. The Corporation cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of which change over time. Actual results could differ materially from forward-looking statements.

In addition to factors previously disclosed by the Corporation and factors identified elsewhere in this Financial Review, the following factors, among others, could cause actual results to differ materially from such forward-looking statements: continued pricing pressures on loan and deposit products; success and timing of AAA and other business strategies; extent and timing of capital management actions; competition; changes in economic conditions; the extent and timing of actions of the Federal Reserve Board; continued customer disintermediation; customers' acceptance of PNC Bank's products and services; and the extent and timing of legislative and regulatory actions and reforms.

LINE OF BUSINESS REVIEW

<TABLE>
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Three months ended March 31 - dollars in millions	Average Assets 1997	Average Assets 1996	Revenue 1997	Revenue 1996	Earnings 1997	Earnings 1996	Return on Assigned Capital 1997	Return on Assigned Capital 1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Consumer Banking	$38,686	$39,586	$652	$562	$136	$130	24%	23%
Corporate Banking	17,334	17,122	207	183	81	62	15	12
Real Estate Banking	4,072	4,188	43	39	20	16	14	11
Mortgage Banking	14,219	13,305	93	91	17	15	11	10
Asset Management	653	581	95	81	18	14	36	32
Total line of business	74,964	74,782	1,090	956	272	237	19	17
Asset/liability management activities	(8,015)	(6,266)	(12)	(10)	(15)	(10)		
Unallocated								
Provision for credit losses					24	15		
Other	3,352	3,217	(16)	(8)	(15)	(4)		
Total consolidated	$70,301	$71,733	$1,062	$938	$266	$238	19%	17%

</TABLE>

The Corporation operates five lines of business: Consumer Banking, Corporate Banking, Real Estate Banking, Mortgage Banking and Asset Management. Financial results for these lines of business are derived from the Corporation's management accounting system.

The management accounting process uses various methods of balance sheet and income statement allocations and transfers to evaluate the performance of various business units. Unlike financial accounting, there is no comprehensive, authoritative body of guidance for management accounting equivalent to generally accepted accounting principles. Line of business information is based on management accounting practices which conform to and support PNC Bank's management structure and is not necessarily comparable with similar information for any other financial services institution. Allocations and transfers may change from time to time as the management accounting system is enhanced and business or product lines change.

The financial results presented herein reflect each line of business as if it operated on a stand-alone basis. Securities or borrowings, and related interest rate spread, have been assigned to each line of business based on the net asset or liability position. Consumer Banking was a net generator of funds and, accordingly, was assigned securities, while the other lines of business received an assignment of borrowings as net asset generators.

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 will vary from consolidated shareholders' equity.

Total line of business financial results differ from consolidated financial results primarily due to asset/liability management activities, unallocated provision for credit losses and certain other unallocated items.

Asset/liability management activities reflect the residual of the assignment of wholesale assets and liabilities to the lines of business. This category also includes securities transactions and the impact of financial derivatives used for interest rate risk management. The line of business provisions for credit losses are a charge or credit to earnings to reflect current loss experience. The difference between these provisions and the consolidated provision is unallocated.

Financial REVIEW

CONSUMER BANKING

Three months ended March 31 - dollars in millions	Community Banking 1997	Community Banking 1996	Private Banking 1997	Private Banking 1996	Total 1997	Total 1996
INCOME STATEMENT						
Net interest income	$414	$388	$27	$21	$441	$409
Noninterest income	142	90	69	63	211	153
Total revenue	556	478	96	84	652	562
Provision for credit losses	57	23	2		59	23
Noninterest expense	314	270	60	59	374	329
Pretax earnings	185	185	34	25	219	210
Income taxes	70	70	13	10	83	80
Earnings	$115	$115	$21	$15	$136	$130
AVERAGE BALANCE SHEET						
Loans	$17,065	$15,014	$2,397	$2,185	$19,462	$17,199
Assigned assets and other	19,161	22,331	63	56	19,224	22,387
Total assets	$36,226	$37,345	$2,460	$2,241	$38,686	$39,586
Net deposits	$33,915	$35,108	$1,610	$1,445	$35,525	$36,553
Assigned funds and other	266	226	578	540	844	766
Assigned capital	2,045	2,011	272	256	2,317	2,267
Total funds	$36,226	$37,345	$2,460	$2,241	$38,686	$39,586
PERFORMANCE RATIOS						
After-tax profit margin	21%	24%	22%	18%	21%	23%
Efficiency	56	56	63	71	57	59
Return on assigned capital	23	23	32	24	24	23

The Consumer Banking line of business 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 financial services.

Consumer Banking earnings accounted for 50% of total line of business earnings in the first quarter of 1997 compared with 55% in the year-earlier period. Earnings for the first quarter of 1997 increased $6 million or 5% due to improved results in Private Banking. An increase in loans, higher brokerage revenue and new trust business contributed to the increase in Private Banking earnings to $21 million for the quarter.

Community Banking's earnings were flat in the comparison as increased marketing, servicing and other costs associated with investments in AAA-related initiatives offset the benefit of higher consumer service fees and securitization income.

Throughout 1997, the Corporation expects to continue aggressively marketing products and services to AAA members, primarily credit card related. Due to these upfront costs and incentives offered to new customers, management expects costs associated with these initiatives will exceed related revenues in 1997 by approximately $30 million to $40 million.

<TABLE>
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CORPORATE BANKING Three months ended March 31 - dollars in millions	Commercial Banking 1997	 1996	Large Corporate 1997	 1996	Equity Management 1997	 1996	Total 1997	 1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT								
Net interest income	$108	$106	$27	$27	$(1)	$(1)	$134	$132
Noninterest income	45	27	13	12	15	12	73	51
Total revenue	153	133	40	39	14	11	207	183
Provision for credit losses	(14)	(2)	3	2			(11)	
Noninterest expense	64	63	22	20	2	1	88	84
Pretax earnings	103	72	15	17	12	10	130	99
Income taxes	39	27	6	6	4	4	49	37
Earnings	$64	$45	$9	$11	$8	$6	$81	$62
AVERAGE BALANCE SHEET								
Loans	$12,276	$11,607	$4,047	$4,784	$64	$34	$16,387	$16,425
Other assets	676	416	58	108	213	173	947	697
Total assets	$12,952	$12,023	$4,105	$4,892	$277	$207	$17,334	$17,122
Net deposits	$1,548	$1,589	$590	$436			$2,138	$2,025
Assigned funds and other	9,816	8,989	3,029	3,926	$194	$146	13,039	13,061
Assigned capital	1,588	1,445	486	530	83	61	2,157	2,036
Total funds	$12,952	$12,023	$4,105	$4,892	$277	$207	$17,334	$17,122

PERFORMANCE RATIOS								
After-tax profit margin	42%	34%	24%	27%	55%	58%	39%	34%
Efficiency	42	47	55	53	11	7	42	46
Return on assigned capital	16	12	8	8	40	41	15	12

</TABLE>

The Corporate Banking line of business includes: Commercial Banking which serves commercial and middle market customers with annual sales of $5 million to $250 million and customers in certain specialized industries regardless of size; Large Corporate which serves customers with annual sales of more than $250 million; and Equity Management which makes venture capital investments.

The results for the first quarter of 1997 reflect the transfer of certain specialized industry loans and deposits from Large Corporate to Commercial Banking. Information for 1996 has not been restated for this transfer.

Corporate Banking contributed 30% of total line of business earnings in the first quarter of 1997 compared with 26% in the same period of 1996. Earnings increased $19 million or 31% primarily due to higher revenue from treasury management, capital markets and corporate finance activities. Earnings also benefited from a credit to the allocated provision for credit losses as problem loans declined.

Commercial Banking earnings increased 42% in the comparison primarily due to growth in treasury management fees and a higher credit to the allocated provision for credit losses. Large Corporate earnings declined partially due to the transfer of certain specialized industry loans and deposits and an increase in operating expenses associated with treasury management and capital markets initiatives.

Management expects revenue in this line of business to be generated increasingly from fee-based sources such as treasury management, capital markets and corporate finance. Corporate Banking's capital markets capabilities continue to be expanded to meet the changing needs of customers. The Corporation has also expanded product capabilities in the merger and acquisition advisory, private placement, interest rate risk management and leasing product areas.

<TABLE>
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REAL ESTATE BANKING

Three months ended March 31 - dollars in millions	1997	1996
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$38	$36
Noninterest income	5	3
Total revenue	43	39
Provision for credit losses	(1)	1
Noninterest expense	12	12
Pretax earnings	32	26
Income taxes	12	10
Earnings	$20	$16
AVERAGE BALANCE SHEET		
Loans	$3,962	$3,899
Other assets	110	289
Total assets	$4,072	$4,188
Net deposits	$179	$133
Assigned funds and other	3,301	3,469
Assigned capital	592	586
Total funds	$4,072	$4,188

PERFORMANCE RATIOS

After-tax profit margin	46%	41%
Efficiency	28	32
Return on assigned capital	14	11

</TABLE>

Real Estate Banking serves national, regional and local real estate developers, owners, property managers and mortgage bankers by providing credit and non-credit services, commercial mortgage securitization, private debt placements and treasury management services.

Real Estate Banking contributed 7% of total line of business earnings in the first three months of 1997 and 1996. Earnings increased $4 million or 25% in the comparison due to a 10% increase in revenue, driven by higher commercial mortgage securitization and debt placement fees, and a lower provision for credit losses.

Real Estate Banking has traditionally been driven by balance sheet leverage and required significant levels of assigned capital. A key initiative in this line of business is to alter the business mix to reduce leverage and improve returns by expanding fee-based services such as treasury management, interest rate risk management and debt placement activities.

<TABLE>
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MORTGAGE BANKING

Three months ended March 31 - dollars in millions	1997	1996
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$58	$51
Noninterest income	35	40
Total revenue	93	91
Provision for credit losses	1	1
Noninterest expense	64	66
Pretax earnings	28	24
Income taxes	11	9
Earnings	$17	$15
AVERAGE BALANCE SHEET		
Loans	$12,012	$11,186
Other assets	2,207	2,119
Total assets	$14,219	$13,305
Net deposits	$2,032	$2,423
Assigned funds and other	11,554	10,305
Assigned capital	633	577
Total funds	$14,219	$13,305
PERFORMANCE RATIOS		
After-tax profit margin	19%	17%
Efficiency	68	72
Return on assigned capital	11	10

</TABLE>

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

Mortgage Banking contributed 6% of total line of business earnings in the first three months of 1997 and 1996. A reduction in expenses more than offset the decline in fee income associated with lower origination volumes. During the first three months of 1997, the Corporation funded $1.1 billion of residential mortgages with 68% representing new financings. The comparable amounts were $1.4 billion and 54%, respectively, in the first three months of 1996. The decline in noninterest expenses reflects the benefits of technology-related efficiencies in the loan origination and servicing functions and lower amortization of mortgage servicing rights ("MSR"). Mortgage Banking results reflect the impact of significant noncash expense items such as MSR amortization. Excluding the effect of these items, cash returns currently exceed the Corporation's required return for this line of business.

<TABLE>
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MORTGAGE SERVICING PORTFOLIO

In millions	1997	1996
January 1	$39,543	$37,299
Originations	1,090	1,378
Purchases	1,312	3,516
Repayments	(1,212)	(1,638)
Sales	(39)	(25)
March 31	$40,694	$40,530

</TABLE>

At March 31, 1997, PNC Bank's mortgage servicing portfolio totaled $40.7 billion, had a weighted-average coupon of 7.91% and an estimated fair value of $517 million. The servicing portfolio included $30.4 billion of loans serviced for others. Capitalized MSR totaled $344 million at March 31, 1997.

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 fees and related MSR value would also decline. 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.

<TABLE>
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ASSET MANAGEMENT Three months ended March 31 -	Investment Management		Mutual Fund Servicing		Total	
dollars in millions	1997	1996	1997	1996	1997	1996
INCOME STATEMENT						
Advisory, processing and other fee income	$60	$52	$33	$28	$93	$80
Net interest income	1		1	1	2	1
Total revenue	61	52	34	29	95	81
Operating expenses	44	40	22	19	66	59
Pretax earnings	17	12	12	10	29	22
Income taxes	6	4	5	4	11	8
Earnings	$11	$8	$7	$6	$18	$14
PERFORMANCE RATIOS						
After-tax profit margin	17%	14%	22%	22%	19%	17%
Efficiency	72	77	65	65	69	73
Return on assigned capital	31	27	45	42	36	32

</TABLE>

The Asset Management line of business includes: Investment Management and Mutual Fund Servicing. Investment Management provides liquidity, fixed income, and equity advisory services to institutional, family wealth and retail clients. Mutual Fund Servicing provides accounting, administration, transfer and custody services to financial institutions and integrated banking services to the brokerage community.

Asset Management contributed 7% of total line of business earnings in the first three months of 1997 compared with 6% in the year-earlier period. Earnings increased $4 million or 29% in the comparison. Fee income increased 16% due to an increase in assets under administration driven by new business and market appreciation. Noninterest expense increased primarily due to incremental costs associated with servicing new business.

Assets under administration increased $42 billion in the quarter-to-quarter comparison to $346 billion at March 31, 1997. Managed assets totaled $115 billion at March 31, 1997 compared with $103 billion a year ago. At March 31, 1997, the composition of managed assets was 46% fixed income, 29% liquidity management and 25% equity.

PFPC Inc., the Corporation's mutual fund servicing operation, specializes in providing institutional customers with custom designed products and custody, transfer agent, accounting and administrative services. Information with respect to assets and accounts serviced follows.

March 31	1997	1996
Assets (billions)		
Custody	$203	$179
Accounting/administration	138	116
Accounts (millions)		
Shareholder	4.5	4.0
Checking and credit/debit card	1.7	1.5

Revenue from investment management and mutual fund servicing is included in Asset Management. Revenue from marketing asset management products and services to consumers is included in the Consumer Banking line of business. The following table sets forth revenue and earnings included in each line of business.

ASSET MANAGEMENT REVENUE AND EARNINGS

Three months ended March 31 - in millions	Revenue	Earnings
1997		
Asset Management	$95	$18
Consumer Banking	54	13
Total	$149	$31
1996		
Asset Management	$81	$14
Consumer Banking	50	10
Total	$131	$24

Asset Management revenue is primarily affected by the volume of new business, the value of assets managed and serviced, investment performance and financial market conditions. Revenue may be positively affected by strong investment performance or improving financial markets. Conversely, declining performance or deteriorating financial markets may have an adverse effect on revenue.

CONSOLIDATED INCOME STATEMENT REVIEW

Highlights of the consolidated results of operations for the first quarter of 1997 and 1996 were as follows:

INCOME STATEMENT HIGHLIGHTS

Three months ended March 31 - in millions	1997	1996	Change

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

Net interest income (taxable-equivalent basis)	$637	$616	$21
Provision for credit losses	10		10
Noninterest income before net securities gains	409	319	90
Net securities gains	16	3	13
Noninterest expense	636	566	70
Income taxes	143	125	18
Net income	266	238	28

</TABLE>

Taxable-equivalent net interest income increased $21 million or 3.4% for the first three months of 1997 and the net interest margin widened 25 basis points to 3.98% compared with 3.73% in the prior-year period. Net interest income increased due to a $2.1 billion increase in average credit card loans and lower funding costs attributable to a decline in interest rates. These benefits were partially offset by a reduction in the securities portfolio. The net interest margin improvement reflects a higher-yielding earning asset mix combined with lower rates paid.

<TABLE>
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NET INTEREST INCOME ANALYSIS

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

Taxable-equivalent basis Three months ended March 31 - dollars in millions	Average Balances			Interest Income/Expense			Average Yields/Rates		
	1997	1996	Change	1997	1996	Change	1997	1996	Change
Interest-earning assets									
Securities	$10,089	$14,818	$(4,729)	$158	$240	$(82)	6.27%	6.48%	(21) bp
Loans, net of unearned income	51,922	48,625	3,297	1,061	987	74	8.20	8.10	10
Other interest-earning assets	1,814	2,262	(448)	30	37	(7)	6.68	6.58	10
Total interest-earning assets/ interest income	63,825	65,705	(1,880)	1,249	1,264	(15)	7.86	7.69	17
Noninterest-earning assets	6,476	6,028	448						
Total assets	$70,301	$71,733	$(1,432)						
Interest-bearing liabilities									
Deposits	$34,533	$35,872	$(1,339)	346	371	(25)	4.06	4.16	(10)
Borrowed funds	18,594	18,891	(297)	266	277	(11)	5.76	5.88	(12)
Total interest-bearing liabilities/interest expense	53,127	54,763	(1,636)	612	648	(36)	4.66	4.75	(9)
Noninterest-bearing liabilities, capital securities and shareholders' equity	17,174	16,970	204						
Total liabilities and shareholders' equity	$70,301	$71,733	$(1,432)						
Interest rate spread							3.20	2.94	26
Impact of noninterest-bearing sources							.78	.79	(1)
Net interest income				$637	$616	$21	3.98%	3.73%	25 bp

</TABLE>

Net interest income and margin depend on a number of factors including the volume and composition of earning assets and related yields as well as associated funding costs. In the first three months of 1997, loans comprised 81.4% of average earning assets. Accordingly, loan growth and the related yields earned have a significant impact on net interest income. During the first quarter of 1997, overall loan growth was modest and pricing pressure within the Corporation's traditional banking activities continued. Funding cost is affected by the composition of and rates paid on various funding sources. Average deposits comprised 62.8% of PNC Bank's total sources of funding with the remainder 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.

PROVISION FOR CREDIT LOSSES The provision for credit losses was $10 million in the first quarter of 1997 compared with no provision a year ago. Asset quality remained strong. However, PNC Bank's loan portfolio is comprised of an increasingly larger proportion of consumer loans, primarily credit cards, which have inherently higher charge-offs. Accordingly, the Corporation anticipates it will continue to record provisions for credit losses throughout 1997.

<TABLE>
<CAPTION>

NONINTEREST INCOME Three months ended March 31 - dollars in millions	1997	1996	Change Amount	 Percent
Asset management				
Asset management and trust	$107	$93	$14	15.1%
Mutual fund servicing	33	28	5	17.9
Total asset management	140	121	19	15.7
Service fees				
Deposit	81	65	16	24.6
Credit card and merchant services	19	9	10	111.1
Corporate finance and capital markets	17	13	4	30.8
Consumer services	17	13	4	30.8
Brokerage	13	14	(1)	(7.1)
Insurance	9	7	2	28.6
Other	11	9	2	22.2
Total service fees	167	130	37	28.5
Mortgage banking				
Servicing	28	29	(1)	(3.4)
Marketing	3	7	(4)	(57.1)
Sale of servicing	1		1	NM
Total mortgage banking	32	36	(4)	(11.1)
Other	70	32	38	118.8
Total noninterest income before net securities gains	409	319	90	28.2
Net securities gains	16	3	13	NM
Total	$425	$322	$103	32.0%

</TABLE>
NM - not meaningful

Noninterest income before net securities transactions totaled $409 million in the first three months of 1997, an increase of 28.2% compared with the prior year.

The increases in asset management and service fees reflect continuing emphasis on expanding fee-based revenue. Asset management benefited from new business and market appreciation. Service fees exhibited strong growth in nearly all categories. Deposit fees increased $16 million due to a revised fee structure and higher treasury management revenue. The $10 million increase in credit card and merchant services fees reflects increases in the credit card portfolio and the July 1996 termination of a third party alliance.

Mortgage banking revenue declined primarily due to lower origination volumes as mortgage originations declined from $1.4 billion in the first quarter of 1996 to $1.1 billion in the first quarter of 1997.

Other noninterest income increased in the comparison primarily due to $23 million of asset securitization income.

<TABLE>
<CAPTION>

NONINTEREST EXPENSE Three months ended March 31 - dollars in millions	1997	1996	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Staff expense				
Compensation	$245	$228	$17	7.5%
Employee benefits	58	51	7	13.7
Total staff expense	303	279	24	8.6
Net occupancy	47	51	(4)	(7.8)
Equipment	42	43	(1)	(2.3)
Goodwill amortization	13	12	1	8.3
Other amortization	17	11	6	54.5
Taxes other than income	15	15		
Distributions on mandatorily redeemable capital securities of subsidiary trust	7		7	NM
Other	192	155	37	23.9
Total	$636	$566	$70	12.4%

</TABLE>
NM - not meaningful

Noninterest expense increased $70 million to $636 million in the first quarter of 1997 primarily due to $45 million of marketing, servicing and other costs associated with AAA-related businesses. The remaining increase was due to higher incentive compensation commensurate with revenue growth, a special employee appreciation award and the cost of capital securities issued in the fourth quarter of 1996. Average full-time equivalent employees were 24,545 for the first three months of 1997, a decline of 625 in the comparison primarily reflecting the integration of Midlantic. The efficiency ratio was 59.9% for the first quarter of 1997.

BALANCE SHEET REVIEW

<TABLE>
<CAPTION>

AVERAGE BALANCE SHEET HIGHLIGHTS Three months ended March 31 - dollars in millions	1997	1996	Change Amount	 Percent
<S>	<C>	<C>	<C>	<C>
Assets	$70,301	$71,733	$(1,432)	(2.0)%
Earning assets	63,825	65,705	(1,880)	(2.9)
Loans, net of unearned income	51,922	48,625	3,297	6.8
Securities	10,089	14,818	(4,729)	(31.9)
Deposits	44,133	45,553	(1,420)	(3.1)
Borrowed funds	18,594	18,891	(297)	(1.6)
Shareholders' equity	5,758	5,764	(6)	(.1)

</TABLE>

Average assets and earning assets were $70.3 billion and $63.8 billion, respectively, for the three months ended March 31, 1997 compared with $71.7 billion and $65.7 billion, respectively, in the year-earlier period. The declines reflect continued reduction of the securities portfolio partially offset by loan growth. Securities to earning assets declined to 15.8% from 22.6% in the prior year.

<TABLE>
<CAPTION>

AVERAGE LOANS Three months ended March 31 - dollars in millions	1997	1996	Change

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

Consumer			
Credit card	$3,043	$986	$2,057
Other consumer	11,827	12,384	(557)
Total consumer	14,870	13,370	1,500
Residential mortgage	12,781	11,619	1,162
Commercial	17,916	16,806	1,110
Commercial real estate	4,591	4,885	(294)
Other	1,764	1,945	(181)
Total, net of unearned income	$51,922	$48,625	$3,297

</TABLE>

Average loans increased $3.3 billion or 6.8% to $51.9 billion for the three months ended March 31, 1997 and represented 81.4% of earning assets compared with 74.0% in the year-earlier period. Average credit card loans increased $2.1 billion reflecting the purchase of AAA-affinity portfolios and expanded marketing. Other consumer loans declined $557 million or 4.5% primarily due to reduced indirect lending exposure. Excluding purchased credit card portfolios, loans grew at an annual rate of 3.8%.

Average deposits declined $1.4 billion to $44.1 billion in the first three months of 1997 compared with a year ago. The decline primarily reflects the migration of consumer deposits as customers sought higher-yielding investment alternatives. The ratio of deposits to total sources of funds was 62.8% for the first quarter of 1997 compared with 63.5% a year ago. Wholesale funding represented 27.9% of total sources of funds compared with 28.4% a year ago.

<TABLE>
<CAPTION>
PERIOD-END BALANCE SHEET HIGHLIGHTS

Dollars in millions	March 31 1997	December 31 1996	Change
<S>	<C>	<C>	<C>
Assets	$71,166	$73,260	$(2,094)
Loans, net of unearned income	52,575	51,798	777
Securities	9,593	11,917	(2,324)
Deposits	44,902	45,676	(774)
Borrowed funds	18,547	19,604	(1,057)
Shareholders' equity	5,478	5,869	(391)

</TABLE>

The decline in total assets and securities reflects the continued reduction in the securities portfolio and related wholesale funding. Shareholders' equity declined $391 million primarily reflecting the impact of share repurchases.

LOANS Loans outstanding increased $777 million from year-end 1996 to $52.6 billion at March 31, 1997. Loan portfolio composition remained relatively consistent in the comparison and continues to be geographically diversified among numerous industries and types of businesses. The credit card portfolio increased 20% primarily reflecting marketing initiatives in the Corporation's geographic footprint and to AAA customers. The decline in student loans primarily reflects the securitization of $537 million of those loans.

LOANS

<TABLE>
<CAPTION>

In millions	March 31 1997	December 31 1996
<S>	<C>	<C>
Consumer		
Home equity	$4,601	$4,569
Automobile	3,566	3,731
Credit card	3,345	2,776
Student	1,303	1,725
Other	1,886	2,067
Total consumer	14,701	14,868
Residential mortgage	13,056	12,703
Commercial		
Manufacturing	3,903	3,718
Retail/Wholesale	3,397	3,243
Service providers	2,441	2,359
Real estate related	1,529	1,452
Communications	1,210	1,239
Financial services	598	708
Health care	1,251	1,207
Other	4,188	4,136

Total commercial	18,517	18,062
Commercial real estate		
Mortgage	2,397	2,467
Medium-term financing	1,288	1,312
Construction and development	849	845
Total commercial real estate	4,534	4,624
Lease financing and other	2,154	1,926
Unearned income	(387)	(385)
Total, net of unearned income	$52,575	$51,798

</TABLE>

Commitments to extend credit represent arrangements to lend funds provided there is no violation of specified contractual conditions. Commitments are reported net of participations, assignments and syndications, primarily to financial institutions, totaling $4.5 billion and $4.4 billion at March 31, 1997 and December 31, 1996, respectively.

Net outstanding letters of credit totaled $4.7 billion and $4.5 billion at March 31, 1997 and December 31, 1996, respectively, and consist primarily of standby letters of credit which commit the Corporation to make payments on behalf of customers when certain specified future events occur.

<TABLE>
<CAPTION>
NET UNFUNDED COMMITMENTS

In millions	March 31 1997	December 31 1996
<S>	<C>	<C>
Consumer	$23,203	$22,045
Residential mortgage	784	511
Commercial	28,272	27,087
Commercial real estate	847	764
Other	775	849
Total	$53,881	$51,256

</TABLE>

SECURITIES

<TABLE>
<CAPTION>

	March 31, 1997		December 31, 1996	
In millions	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<S>	<C>	<C>	<C>	<C>
Debt securities				
U.S. Treasury and government agencies	$1,518	$1,497	$3,238	$3,237
Mortgage backed	5,975	5,778	6,301	6,176
Asset backed	1,594	1,589	1,609	1,615
State and municipal	206	213	218	227
Other debt	31	30	100	105
Corporate stocks and other	480	486	554	557
Total	$9,804	$9,593	$12,020	$11,917

</TABLE>

The securities portfolio declined $2.3 billion from year-end 1996 to $9.6 billion at March 31, 1997. The expected weighted-average life of the securities portfolio was 3 years and 2 months at March 31, 1997 compared with 2 years and 11 months at year-end 1996.

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 gains or losses on associated financial derivatives. During the first quarter of 1997, $3.7 billion of securities were sold at a $16 million net gain.

At March 31, 1997 and December 31, 1996, $5.2 billion and $5.5 billion, respectively, notional value of financial derivatives were designated to securities available for sale. The net fair values of such financial derivatives, which are reflected in the Securities table, were less than $1 million in both periods.

FUNDING SOURCES

In millions	March 31 1997	December 31 1996
Deposits		
Demand, savings and money market	$26,187	$27,027
Time	17,591	17,803
Foreign	1,124	846
Total deposits	44,902	45,676
Borrowed funds		
Bank notes and senior debt	8,813	8,093
Federal funds purchased	2,937	3,933
Repurchase agreements	531	645
Other borrowed funds	4,915	5,576
Subordinated debt	1,351	1,357
Total borrowed funds	18,547	19,604
Total	$63,449	$65,280

Deposits decreased 1.7% to $44.9 billion at March 31, 1997 compared with $45.7 billion at year-end 1996. Borrowed funds declined $1.1 billion in the comparison reflecting reduced use of wholesale funding related to the downsized securities portfolio. The change in composition of borrowed funds reflects actions to utilize the most cost-effective alternatives.

CAPITAL Tier I and total risk-based capital components and ratios were as follows:

Dollars in millions	March 31 1997	December 31 1996
Capital components		
Shareholders' equity		
Common	$5,162	$5,553
Preferred	316	316
Trust preferred securities	350	350
Goodwill and other	(988)	(1,003)
Net unrealized securities losses	137	67
Tier I risk-based capital	4,977	5,283
Subordinated debt	1,319	1,343
Eligible allowance for credit losses	815	801
Total risk-based capital	$7,111	$7,427
Assets		
Risk-weighted assets and off-balance-sheet instruments	$64,946	$63,761
Average tangible assets	69,397	68,597
Capital ratios		
Tier I risk-based	7.66%	8.29%
Total risk-based	10.95	11.65
Leverage	7.17	7.70

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 minimum regulatory capital ratios are 4% for Tier I, 8% for total risk-based and 3% 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% for Tier I, 10% for total risk-based and 5% for leverage. At March 31, 1997, the Corporation and each bank subsidiary were classified as well capitalized.

The capital position is managed through balance sheet size and composition, issuance of debt and equity instruments, treasury stock activities, dividend policies and retention of earnings.

During the first quarter of 1997, PNC Bank repurchased 12.4 million shares of common stock. Subsequent to quarter end, the Corporation's board of directors authorized the repurchase of up to 15 million additional shares of common stock through March 31, 1998. The repurchases may be made in open-market or privately-negotiated transactions.

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, PNC Bank has risk management processes designed to provide for risk identification, measurement, monitoring and control.

CREDIT RISK Credit risk represents the possibility 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, limiting exposure to any single industry or customer and, requiring collateral or selling participations to third parties.

NONPERFORMING ASSETS

<TABLE>
<CAPTION>

Dollars in millions	March 31 1997	December 31 1996
<S>	<C>	<C>
Nonaccrual loans		
Commercial	$135	$156
Commercial real estate		
Mortgage	113	109
Project	24	25
Consumer	5	6
Residential mortgage	45	51
Total nonaccrual loans	322	347
Restructured loans	1	2
Total nonperforming loans	323	349
Foreclosed assets		
Commercial real estate	66	71
Residential mortgage	24	22
Other	16	17
Total foreclosed assets	106	110
Total nonperforming assets	$429	$459
Nonperforming loans to loans	.61%	.67%
Nonperforming assets to loans and foreclosed assets	.82	.88
Nonperforming assets to assets	.60	.63

</TABLE>

Nonperforming assets declined $30 million since year-end 1996 primarily due to a $21 million decline in commercial nonaccrual loans. At March 31, 1997, $72 million of nonperforming loans were current as to principal and interest compared with $80 million at December 31, 1996.

<TABLE>
<CAPTION>
CHANGE IN NONPERFORMING ASSETS

In millions	1997	1996
<S>	<C>	<C>
January 1	$459	$536
Transferred from accrual	70	111
Returned to performing	(14)	(10)
Principal reductions	(56)	(59)
Sales	(16)	(22)
Charge-offs and valuation adjustments	(14)	(16)
March 31	$429	$540

</TABLE>

ACCRUING LOANS PAST DUE 90 DAYS OR MORE

<TABLE>
<CAPTION>

	Amount		Percent of Loans	
Dollars in millions	March 31 1997	December 31 1996	March 31 1997	December 31 1996
<S>	<C>	<C>	<C>	<C>
Consumer				
Guaranteed student	$54	$51	4.13%	2.95%
Credit cards	48	43	1.43	1.56
Other	37	46	.38	.45
Total consumer	139	140	.97	.96
Residential mortgage	62	58	.48	.46
Commercial	32	34	.17	.19
Commercial real estate	18	12	.39	.26
Total	$251	$244	.48	.47

</TABLE>

ALLOWANCE FOR CREDIT LOSSES In determining the adequacy of the allowance for credit losses, the Corporation makes allocations to specific problem loans based on discounted cash flow analyses or collateral valuations for impaired loans and to pools of watchlist and nonwatchlist loans for various credit risk factors. Allocations to loan pools are developed by risk rating and industry classifications and based on management's judgment concerning historical loss trends and other relevant factors. These factors may include, among others, local, regional and national economic conditions, portfolio concentrations, industry competition and consolidation, and the impact of government regulation. Consumer and residential mortgage loan allocations are based on historical loss experience adjusted for portfolio activity and current economic conditions.

ALLOWANCE FOR CREDIT LOSSES

<TABLE>
<CAPTION>

In millions	1997	1996
<S>	<C>	<C>
January 1	$1,166	$1,259
Charge-offs	(89)	(55)
Recoveries	29	21
Net charge-offs	(60)	(34)
Provision for credit losses	10	
Acquisitions	3	
March 31	$1,119	$1,225

</TABLE>

The allowance as a percent of nonperforming loans and period-end loans was 346% and 2.13%, respectively, at March 31, 1997. The comparable year-end 1996 amounts were 334% and 2.25%, respectively.

<TABLE>
<CAPTION>

CHARGE-OFFS AND RECOVERIES Three months ended March 31 - dollars in millions	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
<S>	<C>	<C>	<C>	<C>
1997				
Consumer				
Credit card	$46	$7	$39	5.20%
Other	30	9	21	.72
Total consumer	76	16	60	1.64

Residential mortgage	2	1	1	.03
Commercial	10	9	1	.02
Commercial real estate	1	3	(2)	(.18)
Total	$89	$29	$60	.47
1996				
Consumer				
Credit card	$13	$1	$12	4.90%
Other	26	8	18	.58
Total consumer	39	9	30	.90
Residential mortgage	2	1	1	.03
Commercial	10	9	1	.02
Commercial real estate	4	2	2	.16
Total	$55	$21	$34	.28

</TABLE>

Consumer net charge-offs increased $30 million in the comparison primarily due to charge-offs associated with purchased credit card portfolios.

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

Liquid assets consist of cash and due from banks, short-term investments, loans held for sale and securities available for sale. At March 31, 1997, such assets totaled $14.8 billion, with $5.6 billion pledged as collateral for borrowing, trust and other commitments. 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 March 31, 1997, approximately $5.0 billion of residential mortgages were available as collateral for borrowings from the FHLB.

During the first three months of 1997, cash and due from banks decreased $920 million to $3.1 billion compared with a decrease of $428 million during the year-earlier period. Net cash provided by operating activities increased $305 million in the comparison. Cash provided by investing activities increased to $1.4 billion primarily due to sales of securities. Net cash used by financing activities totaled $2.4 billion in the first three months of 1997 compared with $1.5 billion used a year earlier.

The principal source of parent company revenue and cash flow is dividends from 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 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 dividend payments to PNC Bancorp, Inc. by all bank subsidiaries was $146 million at March 31, 1997. Dividends may also be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors.

Liquidity for the parent company and subsidiaries is also generated through the issuance of securities in public or private markets and lines of credit. At March 31, 1997 unused capacity under effective shelf registration statements consisted of $140 million of debt and $350 million 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 current obligations to borrowers, depositors, debtholders and others. The impact of replacing maturing liabilities is reflected in the income simulation model results 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 and purchased interest rate 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. Senior management and Board of Directors' committees oversee A&L management and periodically review interest rate risk exposures.

A number of measures are used to monitor and manage interest rate risk, including income simulation and interest sensitivity (gap) analyses. In addition, the Corporation supplements these models with longer-term measures of interest rate sensitivity including duration of equity and equity at risk. Such models are designed to estimate the impact on the value of equity resulting from changes in interest rates and supplement the simulation model and gap analyses.

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. 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'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. Based on the results of the simulation model, the Corporation was within these guidelines at March 31, 1997.

Additional interest rate scenarios are modeled to address a wider range of rate movement, yield curve, term structure and basis risk exposures. Depending on market conditions and other inherent risks, these scenarios may be modeled more or less frequently. Such analyses are used as supplemental measurements only and limits have not been established.

A gap analysis represents a point-in-time net position of assets, liabilities and off-balance-sheet financial derivatives used for interest rate risk management subject to repricing in specified time periods. Gap analysis does not accurately measure the magnitude of changes in net interest income since changes in interest rates over time do not impact all categories of assets, liabilities and off-balance-sheet instruments equally or simultaneously. 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. The Corporation's limit for the cumulative one-year gap position is 10%. At March 31, 1997, the cumulative liability sensitivity of the one-year gap position was 3.0%.

FINANCIAL DERIVATIVES

A variety of off-balance-sheet financial derivatives are used as part of the overall interest rate risk management process to manage interest rate risk inherent in the Corporation's line of business activities. Interest rate swaps and purchased interest rate caps and floors are the primary instruments used for these purposes. 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. Purchased 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, respectively. Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. Such contracts are used to manage risk positions associated with certain mortgage banking activities.

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.

The following table sets forth changes in off-balance-sheet financial derivatives used for interest rate risk management and mortgage banking activities during the first three months of 1997. Weighted-average maturity is based on contractual terms.

<TABLE>
<CAPTION>
FINANCIAL DERIVATIVES ACTIVITY

1997 - dollars in millions	January 1	Additions	Maturities	Terminations	March 31	Weighted-Average Maturity
Interest rate risk management						
Interest rate swaps						
Receive fixed	$6,947	$980	$(15)		$7,912	1 yr. 4 mo.
Receive-fixed index amortizing	56		(20)		36	1 yr. 7 mo.
Pay fixed	602		(17)		585	2 yr. 9 mo.
Basis swaps	335	130			465	1 yr. 7 mo.
Interest rate caps	5,813	175	(326)		5,662	10 mo.
Interest rate floors	2,500	39			2,539	1 yr. 9 mo.
Total interest rate risk management	16,253	1,324	(378)		17,199	
Mortgage banking activities						
Forward contracts						
Commitments to purchase loans	395	1,279	(1,017)		657	2 mo.
Commitments to sell loans	894	1,079	(1,146)		827	2 mo.
Interest rate floors - MSR	1,050	350		$(250)	1,150	4 yr. 9 mo.
Total mortgage banking activities	2,339	2,708	(2,163)	(250)	2,634	
Total	$18,592	$4,032	$(2,541)	$(250)	$19,833	

</TABLE>

During the first quarter of 1997, the financial derivatives used in interest rate risk management increased net interest income by $3 million compared with a decrease of $7 million in the year-earlier period. At March 31, 1997, $14 million of net deferred losses on terminated derivative contracts are being amortized over a weighted-average remaining period of 13 months.

The following table sets forth by designated assets and liabilities the notional value and the estimated fair value of financial derivatives used for interest rate risk management and mortgage banking activities. Weighted-average interest rates presented are those expected to be in effect based on the implied forward yield curve.

<TABLE>
<CAPTION>
FINANCIAL DERIVATIVES

March 31, 1997 - dollars in millions	Notional Value	Estimated Fair Value	Forward Yield Curve Paid	Forward Yield Curve Received
Interest rate risk management				
Asset rate conversion				
Interest rate swaps (1)				
Receive fixed designated to loans	$6,295	$(2)	6.42%	5.93%
Pay fixed designated to loans	535	(3)	7.07	6.78
Interest rate caps designated to (2)				
Securities	5,200		NM	NM

Loans	462	6	NM	NM
Interest rate floors designated to loans (3)	2,539	1	NM	NM
Total asset rate conversion	15,031	2		
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to interest-bearing liabilities	1,653	9	6.20	6.05
Pay fixed designated to borrowed funds	50	(1)	5.63	6.08
Basis swaps designated to borrowed funds	465	3	6.29	6.24
Total liability rate conversion	2,168	11		
Total interest rate risk management	17,199	13		
Mortgage banking activities				
Forward contracts				
Commitments to purchase loans	657	(1)	NM	NM
Commitments to sell loans	827	5	NM	NM
Interest rate floors - MSR (3)	1,150	6	NM	NM
Total mortgage banking activities	2,634	10		
Total financial derivatives	$19,833	$23		

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 46% were based on 3-month LIBOR, 50% on 1-month LIBOR and the remainder on other short-term indices.

(2) Interest rate caps with notional values of $5.6 billion and $68 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.49% and 1-month LIBOR over 6.31%, respectively. At March 31, 1997, 3-month LIBOR was 5.77% and 1-month LIBOR was 5.69%.

(3) Interest rate floors with notional values of $2.5 billion and $1.2 billion require the counterparty to pay the Corporation the excess, if any, weighted-average strike of 4.92% over 3-month LIBOR and weighted-average strike of 5.96% over 10-year CMT. At March 31, 1997, 3-month LIBOR was 5.77% and 10-year CMT was 6.92%.

NM - not meaningful

CUSTOMER-RELATED DERIVATIVES PNC Bank also enters into financial derivative transactions to facilitate customer needs primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. The Corporation manages the risk exposure from customer positions through transactions with other dealers. These positions with third parties are recorded at their estimated fair values and adjustments to such amounts are included in the results of operations. The following schedule sets forth information relating to positions associated with customer derivatives.

<TABLE>
<CAPTION>

March 31, 1997 - in millions	Notional Value	Net Asset (Liability)	Positive Fair Value	Negative Fair Value
<S>	<C>	<C>	<C>	<C>
Interest rate				
Swaps	$2,946	$2	$17	$(15)
Caps/floors				
Sold	1,137	(6)		(6)
Purchased	1,085	5	5	
Foreign exchange	1,134		13	(13)
Other	354			
Total	$6,656	$1	$35	$(34)

</TABLE>

Consolidated

STATEMENT OF INCOME

<TABLE>
<CAPTION>

Three months ended March 31 - in thousands, except per share data	1997	1996
<S>	<C>	<C>
INTEREST INCOME		

Loans and fees on loans	$1,055,908	$980,836
Securities	156,205	237,442
Other	30,043	37,060
Total interest income	1,242,156	1,255,338
INTEREST EXPENSE		
Deposits	346,155	370,983
Borrowed funds	266,076	277,498
Total interest expense	612,231	648,481
Net interest income	629,925	606,857
Provision for credit losses	10,000	
Net interest income less provision for credit losses	619,925	606,857
NONINTEREST INCOME		
Asset management	139,572	120,877
Service fees	167,421	130,269
Mortgage banking	32,045	35,982
Net securities gains	16,426	2,943
Other	69,652	31,491
Total noninterest income	425,116	321,562
NONINTEREST EXPENSE		
Staff expense	302,701	278,657
Net occupancy and equipment	89,284	93,283
Amortization	29,831	23,664
Other	207,432	170,042
Distributions on mandatorily redeemable capital securities of subsidiary trust	6,956	
Total noninterest expense	636,204	565,646
Income before income taxes	408,837	362,773
Applicable income taxes	142,528	124,453
Net income	$266,309	$238,320
EARNINGS PER COMMON SHARE		
Primary	$.81	$.69
Fully diluted	.80	.69
CASH DIVIDENDS DECLARED PER COMMON SHARE	.37	.35
AVERAGE COMMON SHARES OUTSTANDING		
Primary	323,972	342,872
Fully diluted	327,917	347,367

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

Consolidated
BALANCE SHEET
<TABLE>
<CAPTION>

Dollars in millions, except share data	March 31 1997	December 31 1996
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,096	$4,016
Short-term investments	702	774
Loans held for sale	1,375	941
Securities available for sale	9,593	11,917
Loans, net of unearned income of $387 and $385	52,575	51,798
Allowance for credit losses	(1,119)	(1,166)
Net loans	51,456	50,632
Other	4,944	4,980
Total assets	$71,166	$73,260
LIABILITIES		
Deposits		
Noninterest-bearing	$9,971	$10,937
Interest-bearing	34,931	34,739
Total deposits	44,902	45,676
Borrowed funds		

Bank notes and senior debt	8,813	8,093
Federal funds purchased	2,937	3,933
Repurchase agreements	531	645
Other borrowed funds	4,915	5,576
Subordinated debt	1,351	1,357
Total borrowed funds	18,547	19,604
Other	1,889	1,761
Total liabilities	65,338	67,041
Mandatorily redeemable capital securities of subsidiary trust	350	350
SHAREHOLDERS' EQUITY		
Preferred stock	7	7
Common stock - $5 par value		
Authorized: 450,000,000 shares		
Issued: 347,037,481 and 345,154,238 shares	1,735	1,726
Capital surplus	984	939
Retained earnings	4,218	4,075
Deferred benefit expense	(60)	(60)
Net unrealized securities losses	(137)	(67)
Common stock held in treasury at cost: 33,162,947 and 21,036,195 shares	(1,269)	(751)
Total shareholders' equity	5,478	5,869
Total liabilities and shareholders' equity	$71,166	$73,260

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

Consolidated

STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

Three months ended March 31 - in millions	1997	1996
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$266	$238
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Provision for credit losses	10	
Depreciation, amortization and accretion	73	61
Deferred income taxes	52	37
Net securities gains	(16)	(3)
Net gain on sales of assets	(48)	(14)
Valuation adjustments	(3)	(1)
Changes in		
Loans held for sale	(434)	(316)
Other	173	(234)
Net cash provided (used) by operating activities	73	(232)
INVESTING ACTIVITIES		
Net change in loans	(1,450)	(334)
Repayment of securities available for sale	650	1,081
Sales		
Securities available for sale	3,691	1,496
Loans	692	7
Foreclosed assets	21	24
Purchases		
Securities available for sale	(2,112)	(1,601)
Loans	(105)	(286)
Net cash received in acquisitions		460
Other	28	438
Net cash provided by investing activities	1,415	1,285
FINANCING ACTIVITIES		
Net change in		
Noninterest-bearing deposits	(966)	(817)
Interest-bearing deposits	197	(952)
Federal funds purchased	(996)	(255)
Sale/issuance		
Repurchase agreements	17,541	17,601
Bank notes and senior debt	2,480	2,607
Other borrowed funds	24,823	20,878
Common stock	52	20
Repayment/maturity		
Repurchase agreements	(17,655)	(17,699)

Bank notes and senior debt	(1,760)	(982)
Other borrowed funds	(25,483)	(21,757)
Acquisition of treasury stock	(516)	(5)
Cash dividends paid	(125)	(120)
Net cash used by financing activities	(2,408)	(1,481)
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	(920)	(428)
Cash and due from banks at beginning of year	4,016	3,679
Cash and due from banks at end of period	$3,096	$3,251
CASH ITEMS		
Interest paid	$629	$690
Income taxes paid (refunded)	2	(81)
NONCASH ITEMS		
Transfers from loans to foreclosed assets	17	12

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

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS PNC Bank Corp. is one of the largest financial services organizations in the United States with banking subsidiaries in Pennsylvania, New Jersey, Delaware, Ohio, Kentucky, Indiana, Massachusetts and Florida. The Corporation's major businesses include consumer banking, corporate banking, mortgage banking, real estate banking and asset management. PNC Bank Corp. is subject to intense competition from other financial services companies with respect to these businesses and is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by certain regulatory authorities.

ACCOUNTING POLICIES

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" or "PNC Bank"), 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. Certain prior period amounts have been reclassified to conform to reporting classifications utilized for the current reporting period. These reclassifications did not impact the Corporation's financial condition or results of operations.

In preparing the 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 PNC Bank's 1996 Annual Report.

ALLOWANCE FOR CREDIT LOSSES The allowance for credit losses is a reserve for estimated credit losses established through provisions charged against income. Loans deemed to be uncollectible are charged against the allowance account.

The allowance 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, among others, the amounts and timing of expected future cash flows on impaired loans, estimated losses on consumer loans and residential mortgages, and general amounts for historical loss experience, economic conditions, uncertainties in estimating losses and inherent risks in the various credit portfolios, all of which may be susceptible to significant change.

FINANCIAL DERIVATIVES The Corporation uses off-balance-sheet financial derivatives as part of the overall asset/liability management process and in mortgage banking activities. Substantially all such instruments are used to manage risk related to changes in interest rates. Financial derivatives primarily consist of interest rate swaps, purchased interest rate caps and floors, and forward contracts.

PNC Bank also enters into financial derivative transactions to facilitate customer needs primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. The Corporation manages the risk exposure from customer positions through transactions with other dealers. These positions with third parties are recorded at their estimated fair values and adjustments to such amounts are included in the results of operations.

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.

RECENT ACCOUNTING PRONOUNCEMENT In February 1997, SFAS No. 128, "Earnings per Share," was issued, effective for periods ending after December 15, 1997, with retroactive restatement required for all periods presented. SFAS No. 128 specifies revised computation, presentation and disclosure requirements for earnings per share. Under the provisions of SFAS No. 128, primary and fully diluted earnings per share will be replaced with basic and diluted amounts. This standard would not have impacted reported earnings per share amounts for the first quarter of 1997 and management does not expect it to have a material impact on the Corporation's historical earnings per share amounts.

CASH FLOWS

For the statement of cash flows, PNC Bank defines cash and cash equivalents as cash and due from banks. During the first quarter of 1996, acquisition activity which affected cash flows consisted of $538 million in assets, $501 million in liabilities, cash payments totaling $37 million and receipt of $497 million in cash and due from banks. The Corporation did not have any acquisition activity in the first quarter of 1997.

SECURITIES

<TABLE>
<CAPTION>

	March 31, 1997				December 31, 1996			
	Amortized	Unrealized		Fair	Amortized	Unrealized		Fair
In millions	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Securities available for sale								
Debt securities								
U.S. Treasury, government agencies and corporations	$1,518	$4	$25	$1,497	$3,238	$20	$21	$3,237
Mortgage backed	5,975	11	208	5,778	6,301	13	138	6,176
Asset backed	1,594	2	7	1,589	1,609	7	1	1,615
State and municipal	206	7		213	218	9		227
Other debt	31		1	30	100	7	2	105
Total debt securities	9,324	24	241	9,107	11,466	56	162	11,360
Corporate stocks and other	480	6		486	554	3		557
Total securities available for sale	$9,804	$30	$241	$9,593	$12,020	$59	$162	$11,917

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</TABLE>

The preceding table sets forth the amortized cost and fair value of the Corporation's securities portfolio, all of which is available for sale. At March 31, 1997 and December 31, 1996, $5.2 billion and $5.5 billion, respectively, notional value of financial derivatives were associated with securities available for sale.

The carrying value of securities pledged to secure public and trust deposits, repurchase agreements and for other purposes at March 31, 1997 was $5.6 billion.

LOANS

At March 31, 1997, $2.4 billion of loans were pledged to secure borrowings and for other purposes.

NONPERFORMING ASSETS

Nonperforming assets were as follows:

<TABLE>
<CAPTION>

In millions	March 31 1997	December 31 1996
<S>	<C>	<C>
Nonaccrual loans	$322	$347
Restructured loans	1	2
Total nonperforming loans	323	349
Foreclosed assets	106	110
Total nonperforming assets	$429	$459

</TABLE>

ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses were as follows:

<TABLE>
<CAPTION>

In millions	1997	1996
<S>	<C>	<C>
January 1	$1,166	$1,259
Charge-offs	(89)	(55)
Recoveries	29	21
Net charge-offs	(60)	(34)
Provision for credit losses	10	
Acquisitions	3	
March 31	$1,119	$1,225

</TABLE>

FINANCIAL DERIVATIVES

The notional and fair values of financial derivatives used for interest rate risk management and for mortgage banking activities were as follows:

<TABLE>
<CAPTION>

In millions	Notional Value	Positive Fair Value	Notional Value	Negative Fair Value
<S>	<C>	<C>	<C>	<C>
MARCH 31, 1997				
Interest rate swaps	$4,738	$45	$4,260	$(39)
Interest rate caps	5,662	6		
Interest rate floors	2,500	1	39	
Mortgage banking activities	1,977	11	657	(1)
Total	$14,877	$63	$4,956	$(40)

===

DECEMBER 31, 1996				
Interest rate swaps	$7,290	$112	$650	$(15)
Interest rate caps	5,813	2		
Interest rate floors	2,500	3		
Mortgage banking activities	1,853	10	486	(1)
Total	$17,456	$127	$1,136	$(16)

</TABLE>

The notional and fair values of customer-related derivatives were as follows:

<TABLE>
<CAPTION>

March 31, 1997 - in millions	Notional Value	Net Asset (Liability)	Positive Fair Value	Negative Fair Value
<S>	<C>	<C>	<C>	<C>
Interest rate				
Swaps	$2,946	$2	$17	$(15)
Caps/floors	2,222	(1)	5	(6)
Foreign exchange	1,134		13	(13)
Other	354			
Total	$6,656	$1	$35	$(34)

</TABLE>

OTHER FINANCIAL INFORMATION

In connection with the Midlantic merger, subordinated notes and senior debt of Midlantic with a remaining aggregate principal amount of $356 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:

PNC BANCORP, INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

In millions	March 31 1997	December 31 1996
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,100	$4,022
Securities	9,207	11,210
Loans, net of unearned income	52,559	51,736
Allowance for credit losses	(1,119)	(1,166)
Net loans	51,440	50,570
Other assets	6,207	5,988
Total assets	$69,954	$71,790
LIABILITIES		
Deposits	$45,079	$46,290
Borrowed funds	17,476	18,077
Other liabilities	1,073	1,014
Total liabilities	63,628	65,381
Mandatorily redeemable capital securities of subsidiary trust	350	350
SHAREHOLDER'S EQUITY	5,976	6,059
Total liabilities and shareholder's equity	$69,954	$71,790

</TABLE>

PNC BANCORP, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

<TABLE>
<CAPTION>

Three months ended March 31 - in millions	1997	1996
<S>	<C>	<C>
Interest income	$1,233	$1,248
Interest expense	592	625
Net interest income	641	623

Provision for credit losses	10	
Net interest income less provision for credit losses	631	623
Noninterest income	392	296
Noninterest expense	614	549
Income before income taxes	409	370
Applicable income taxes	145	129
Net income	$264	$241

</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 $146 million at March 31, 1997. Dividends may also be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors.

Statistical

INFORMATION

AVERAGE CONSOLIDATED BALANCE SHEET AND NET INTEREST ANALYSIS

<TABLE>
<CAPTION>

Average balance in millions, interest in thousands Taxable-equivalent basis	First Quarter 1997 Average Balances	Interest	Average Yields/Rates	Fourth Quarter 1996 Average Balances	Interest	Average Yields/Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Interest-earning assets						
Loans held for sale	$1,019	$17,970	7.05%	$1,011	$18,750	7.42%
Securities						
U.S. Treasury, government agencies and corporations	6,982	105,363	6.05	8,585	131,471	6.12
Other debt	2,530	41,841	6.62	2,419	40,660	6.71
Other	577	10,666	7.45	565	10,882	7.68
Total securities	10,089	157,870	6.27	11,569	183,013	6.32
Loans, net of unearned income						
Consumer						
Credit card	3,043	100,593	13.22	1,683	60,086	14.28
Other consumer	11,827	245,169	8.41	12,084	257,481	8.48
Total consumer	14,870	345,762	9.39	13,767	317,567	9.19
Residential mortgage	12,781	238,072	7.45	12,361	229,300	7.42
Commercial	17,916	349,666	7.81	17,584	343,609	7.65
Commercial real estate	4,591	98,671	8.60	4,630	100,485	8.59
Other	1,764	29,364	6.67	1,631	27,021	6.62
Total loans, net of unearned income	51,922	1,061,535	8.20	49,973	1,017,982	8.07
Other interest-earning assets	795	12,139	6.20	769	11,783	6.09
Total interest-earning						

assets/interest income	63,825	1,249,514	7.86	63,322	1,231,528	7.71
Noninterest-earning assets						
Allowance for credit losses	(1,148)			(1,141)		
Cash and due from banks	2,935			3,145		
Other assets	4,689			4,210		
Total assets	$70,301			$69,536		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits						
Demand and money market	$12,962	87,409	2.74	$12,716	85,324	2.67
Savings	3,063	14,804	1.96	3,214	15,803	1.96
Other time	17,721	233,547	5.34	17,998	241,714	5.35
Deposits in foreign offices	787	10,395	5.28	901	12,144	5.27
Total interest-bearing deposits	34,533	346,155	4.06	34,829	354,985	4.05
Borrowed funds						
Bank notes and senior debt	8,566	117,172	5.47	8,020	110,996	5.54
Federal funds purchased	3,068	40,908	5.38	2,614	35,978	5.48
Repurchase agreements	735	9,756	5.31	786	10,917	5.44
Other borrowed funds	4,874	71,272	5.86	4,334	65,926	6.05
Subordinated debt	1,351	26,968	7.98	1,356	27,089	7.99
Total borrowed funds	18,594	266,076	5.76	17,110	250,906	5.79
Total interest-bearing liabilities/interest expense	53,127	612,231	4.66	51,939	605,891	4.62
Noninterest-bearing liabilities, capital securities and shareholders' equity						
Demand and other noninterest-bearing deposits	9,600			10,003		
Accrued expenses and other liabilities	1,466			1,501		
Mandatorily redeemable capital securities of subsidiary trust	350			76		
Shareholders' equity	5,758			6,017		
Total liabilities and shareholders' equity	$70,301			$69,536		
Interest rate spread			3.20			3.09
Impact of noninterest-bearing liabilities			.78			.83
Net interest income/margin		$637,283	3.98%		$625,637	3.92%

</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. Average balances are based on amortized historical cost (excluding SFAS No. 115 adjustments to fair value).

<TABLE>
<CAPTION>

Third Quarter 1996			Second Quarter 1996			First Quarter 1996		
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>
$918	$17,442	7.60%	$1,260	$21,725	6.90%	$1,150	$19,728	6.86%
10,302	161,077	6.24	11,206	172,885	6.18	10,822	169,403	6.27
2,249	37,681	6.67	2,906	48,960	6.71	3,311	57,169	6.87
546	10,768	7.87	628	12,773	8.15	685	13,480	7.89
13,097	209,526	6.39	14,740	234,618	6.37	14,818	240,052	6.48
1,007	35,408	14.06	979	33,845	13.83	986	33,049	13.41
12,047	255,048	8.42	12,264	255,227	8.37	12,384	260,575	8.46
13,054	290,456	8.85	13,243	289,072	8.78	13,370	293,624	8.83
12,325	231,271	7.51	11,883	219,395	7.40	11,619	218,118	7.51
17,049	332,167	7.62	17,190	331,768	7.64	16,806	330,938	7.79
4,712	105,338	8.85	4,831	104,582	8.62	4,885	112,409	9.16
1,573	26,003	6.60	2,044	33,711	6.48	1,945	32,325	6.66
48,713	985,235	8.01	49,191	978,528	7.94	48,625	987,414	8.10
817	12,435	6.06	1,165	17,417	6.01	1,112	17,395	6.29
63,545	1,224,638	7.64	66,356	1,252,288	7.53	65,705	1,264,589	7.69
(1,179)			(1,216)			(1,253)		
3,216			3,196			3,095		
3,964			4,104			4,186		
$69,546			$72,440			$71,733		
$12,520	81,321	2.58	$12,635	80,422	2.56	$12,625	$84,919	2.71
3,407	16,931	1.98	3,582	17,796	2.00	3,579	19,125	2.15
18,172	243,340	5.33	18,407	243,554	5.32	18,638	252,534	5.45
695	9,320	5.25	759	10,119	5.27	1,030	14,405	5.53
34,794	350,912	4.01	35,383	351,891	4.00	35,872	370,983	4.16
8,829	123,006	5.57	8,298	114,483	5.52	7,198	105,269	5.85
2,239	30,325	5.39	3,550	46,423	5.26	4,242	58,006	5.50
1,551	21,461	5.41	3,063	40,465	5.23	2,739	36,959	5.34
3,582	54,895	6.10	3,451	51,980	6.06	3,352	50,153	6.02
1,357	27,101	7.99	1,358	27,120	7.99	1,360	27,111	7.99
17,558	256,788	5.83	19,720	280,471	5.69	18,891	277,498	5.88
52,352	607,700	4.60	55,103	632,362	4.59	54,763	648,481	4.75

9,922		9,996		9,681	
1,506		1,574		1,525	
5,766		5,767		5,764	
$69,546		$72,440		$71,733	
	3.04		2.94		2.94
	.81		.78		.79
$616,938	3.85%	$619,926	3.72%	$616,108	3.73%

</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 March 31, 1997.

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 April 30, 1997, PNC Bank Corp. had 314,026,018 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 Financial Review set forth in the cross-reference index are incorporated in the Quarterly Report on Form 10-Q.

<TABLE>
<CAPTION>

</TABLE>

PART II OTHER INFORMATION

Item 6 Exhibits and Reports on Form 8-K

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

10	PNC Bank Corp. 1997 Long-Term Incentive Award Plan incorporated by reference to Exhibit 4.3 to Post-Effective Amendment No. 1 to Registration Statement on Form S-8 (No. 33-54960) *
11	Calculation of Primary and Fully Diluted Earnings Per Common Share
12.1	Computation of Ratio of Earnings to Fixed Charges
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
27	Financial Data Schedule

- ---

* Denotes management contract or compensatory plan.

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

Form 8-K dated as of January 15, 1997, reporting the Corporation's consolidated financial results for the three months and year ended December 31, 1996, filed pursuant to Item 5.

Form 8-K dated as of April 15, 1997, reporting the Corporation's consolidated financial results for the three months ended March 31, 1997, 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 May 15, 1997, on its behalf by the undersigned thereunto duly authorized.

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

Corporate
INFORMATION

CORPORATE HEADQUARTERS

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

WORLD WIDE WEB SITE

www.pncbank.com

STOCK LISTING

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

FINANCIAL INFORMATION

Copies of the Corporation's filings with the Securities and Exchange Commission, including Exhibits thereto, may be obtained without charge by writing 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.

INQUIRIES

Individual shareholders should contact: Shareholder Relations at 800-843-2206.

Analysts and institutional investors should contact: William H. Callihan, Vice President, Investor Relations, at 412-762-8257 or invrela@pncmail.com on the Internet.

News media representatives and others seeking general information should contact: Jonathan Williams, Vice President, Media Relations, at 412-762-4550 or pubrela@pncmail.com on the Internet.

COMMON STOCK PRICES/DIVIDENDS DECLARED

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

1997 Quarter	High	Low	Close	Cash Dividends Declared
First	$45.000	$36.5000	$40.000	$.37

1996 Quarter	High	Low	Close	Cash Dividends Declared
First	$32.625	$28.375	$30.750	$.35
Second	31.500	28.375	29.750	.35
Third	33.875	27.500	33.375	.35
Fourth	39.750	33.125	37.625	.37
Total				$1.42

REGISTRAR AND TRANSFER AGENT

The Chase Manhattan Bank
P.O. Box 590
Ridgefield Park, New Jersey 07660
800-982-7652

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.

PNC BANK CORP. AND SUBSIDIARIES EXHIBIT 11

CALCULATION OF PRIMARY AND FULLY DILUTED EARNINGS PER COMMON SHARE

Three months ended March 31 - in thousands, except per share data	1997	1996
CALCULATION OF PRIMARY EARNINGS PER COMMON SHARE		
Net income	$266,309	$238,320
Less: Preferred dividends declared	4,875	358
Net income applicable to primary earnings per common share	$261,434	$237,962
Weighted average shares of common stock outstanding	322,054	341,402
Weighted average common shares to be issued using average market price and assuming:		
Exercise of stock options	1,918	1,470
Primary weighted average common shares outstanding	323,972	342,872
PRIMARY EARNINGS PER COMMON SHARE	$.81	$.69
CALCULATION OF FULLY DILUTED EARNINGS PER COMMON SHARE		
Net income	$266,309	$238,320
Add: Interest expense on convertible debentures (net of tax)	769	859
Less: Dividends declared on non-convertible preferred stock	4,537	
Net income applicable to fully diluted earnings per common share	$262,541	$239,179
Weighted average shares of common stock outstanding	322,054	341,402
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	167	180
Conversion of preferred stock Series C	542	574
Conversion of preferred stock Series D	731	777
Conversion of debentures	2,505	2,863
Exercise of stock options	1,918	1,571
Fully diluted weighted average common shares outstanding	327,917	347,367
FULLY DILUTED EARNINGS PER COMMON SHARE	$.80	$.69

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

EXHIBIT 12.1

<TABLE>
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Dollars in thousands	Three months ended March 31, 1997	Year ended December 31 1996	1995	1994	1993	1992
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EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$408,837	$1,527,551	$627,012	$1,209,916	$1,140,487	$787,994
Fixed charges excluding interest on deposits	280,182	1,096,893	1,487,279	1,104,573	704,228	582,854
Subtotal	689,019	2,624,444	2,114,291	2,314,489	1,844,715	1,370,848
Interest on deposits	346,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$1,035,174	$4,053,215	$3,666,107	$3,473,731	$2,850,373	$2,917,424
FIXED CHARGES						
Interest on borrowed funds	$265,874	$1,064,847	$1,455,069	$1,070,565	$676,319	$555,610
Interest component of rentals	7,150	29,839	31,283	32,247	26,491	25,739
Amortization of borrowed funds	202	816	927	1,761	1,418	1,505
Distributions on mandatorily redeemable capital securities of subsidiary trust	6,956	1,391				
Subtotal	280,182	1,096,893	1,487,279	1,104,573	704,228	582,854
Interest on deposits	346,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$626,337	$2,525,664	$3,039,095	$2,263,815	$1,709,886	$2,129,430
RATIO OF EARNINGS TO FIXED CHARGES						
Excluding interest on deposits	2.46x	2.39x	1.42x	2.10x	2.62x	2.35x
Including interest on deposits	1.65	1.60	1.21	1.53	1.67	1.37

</TABLE>

PNC BANK CORP. AND SUBSIDIARIES EXHIBIT 12.2

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

Dollars in thousands	Three months ended March 31, 1997	Year ended December 31 1996	1995	1994	1993	1992
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$408,837	$1,527,551	$627,012	$1,209,916	$1,140,487	$787,994
Fixed charges and preferred stock dividends excluding interest on deposits	287,681	1,105,324	1,492,391	1,112,564	712,339	592,902
Subtotal	696,518	2,632,875	2,119,403	2,322,480	1,852,826	1,380,896
Interest on deposits	346,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$1,042,673	$4,061,646	$3,671,219	$3,481,722	$2,858,484	$2,927,472
FIXED CHARGES						
Interest on borrowed funds	$265,874	$1,064,847	$1,455,069	$1,070,565	$676,319	$555,610
Interest component of rentals	7,150	29,839	31,283	32,247	26,491	25,739
Amortization of borrowed funds	202	816	927	1,761	1,418	1,505
Distributions on mandatorily redeemable capital securities of subsidiary trust	6,956	1,391				
Preferred stock dividends	7,499	8,431	5,112	7,991	8,111	10,048
Subtotal	287,681	1,105,324	1,492,391	1,112,564	712,339	592,902
Interest on deposits	346,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$633,836	$2,534,095	$3,044,207	$2,271,806	$1,717,997	$2,139,478
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS						
Excluding interest on deposits	2.42x	2.38x	1.42x	2.09x	2.60x	2.33x
Including interest on deposits	1.65	1.60	1.21	1.53	1.66	1.37

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMAITON EXTRACTED FROM THE CONSOLIDATED FINANCIAL INFORMATION INCORPORATED BY REFERENCE TO THE 1997 FIRST QUARTER FINANCIAL REVIEW AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL INFORMATION.

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