PNC BANK CORP.

Quarterly Report on Form 10-Q
For the quarterly period ended June 30, 1997

Page 1 represents a portion of the second 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 30.

FINANCIAL HIGHLIGHTS

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	Three months ended June 30		Six months ended June 30	
	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
FINANCIAL PERFORMANCE (in thousands, except per share data)				
Revenue				
Net interest income (taxable-equivalent basis)	$620,581	$619,926	$1,257,864	$1,236,034
Noninterest income	433,407	336,585	858,523	658,147
Total revenue	1,053,988	956,511	2,116,387	1,894,181
Net income	259,075	248,050	525,384	486,370
Per common share				
Fully diluted earnings	.81	.72	1.61	1.41
Cash dividends declared	.37	.35	.74	.70
SELECTED RATIOS				
Return on				
Average common shareholders' equity	20.21%	17.33%	19.84%	16.99%
Average assets	1.47	1.38	1.50	1.36
Net interest margin	3.84	3.72	3.92	3.72
After-tax profit margin	24.58	25.93	24.82	25.68
Efficiency ratio	60.61	59.00	60.25	59.65
Net charge-offs to average loans	.44	.29	.46	.29

	June 30 1997	March 31 1997	December 31 1996	June 30 1996
BALANCE SHEET DATA (in millions)				
Assets	$71,973	$71,166	$73,260	$71,961
Earning assets	64,297	64,255	65,439	65,234
Loans, net of unearned income	53,497	52,575	51,798	49,223
Securities	8,396	9,593	11,917	14,107
Deposits	45,216	44,902	45,676	44,852
Borrowed funds	19,066	18,547	19,604	19,325
Shareholders' equity	5,384	5,478	5,869	5,832
Common shareholders' equity	5,068	5,162	5,553	5,815
CAPITAL RATIOS				
Leverage	7.35%	7.17%	7.70%	6.96%
Risk-based				
Tier I	7.74	7.66	8.29	8.45
Total	10.98	10.95	11.65	11.99
Common shareholders' equity to assets	7.04	7.25	7.58	8.08
ASSET QUALITY RATIOS				
Nonperforming assets to loans and foreclosed assets	.83	.82	.88	1.03
Allowance for credit losses to loans	2.01	2.13	2.25	2.42
Allowance for credit losses to nonperforming loans	310.34	346.11	334.40	312.19
Book value per common share	$16.51	$16.45	$17.13	$17.07

</TABLE>

FINANCIAL REVIEW

This Financial Review should be read in conjunction with 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 markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky and nationally through retail distribution networks and alternative delivery channels.

SUMMARY FINANCIAL RESULTS Net income for the first six months of 1997 was $525 million or $1.61 per fully diluted share compared with $486 million and $1.41 per fully diluted share, respectively, a year ago. Returns on average common shareholders' equity and average assets were 19.84% and 1.50%, respectively, compared with 16.99% and 1.36% a year ago.

Total revenue for the first six months of 1997 increased 11.7% compared with the same period in 1996 primarily due to growth in fee-based revenue. Noninterest income increased to $859 million for the first six months of 1997 representing a 30.5% increase over the same period in 1996. The increase was broad-based led by strong growth in asset management, mutual fund servicing, credit card services, treasury management and capital markets fees. Noninterest income represented 41% of total revenue compared with 35% in the first half of 1996. Taxable-equivalent net interest income increased $22 million to $1.3 billion and net interest margin widened 20 basis points in the comparison to 3.92%. These increases resulted primarily from a higher-yielding earning asset mix.

Operating expenses increased $145 million to $1.3 billion largely due to $94 million of incremental costs associated with AAA Financial Services and credit card-related initiatives. The efficiency ratio was 60.3% for the first six months of 1997 compared with 59.7% a year ago.

Total assets were $72.0 billion at June 30, 1997. Average earning assets declined $2.0 billion to $64.0 billion, reflecting continued securities portfolio reduction partially offset by loan growth. Average securities declined $5.2 billion to $9.6 billion and represented 14.9% of average earning assets compared with 22.4% a year ago. Average loans increased $3.5 billion to $52.4 billion primarily due to significant growth in credit cards partially offset by reduced indirect automobile lending and loan securitizations. Excluding purchased credit card portfolios and loan securitizations, loans grew 5.0% and represented 81.8% of average earning assets compared with 74.1% a year ago.

Asset quality and coverage ratios remained strong. The ratio of nonperforming assets to loans and foreclosed assets was .83% at June 30, 1997 compared with .88% at December 31, 1996 and 1.03% a year ago. The allowance for credit losses was 310% of nonperforming loans and 2.01% of total loans at June 30, 1997. Annualized net charge-offs for the first six months of 1997 were .46% of average loans compared with .29% for the first six months of 1996. The increase was in line with expectations and was primarily due to charge-offs associated with purchased credit card portfolios.

Shareholders' equity totaled $5.4 billion at June 30, 1997. The leverage ratio was 7.35% and Tier I and total risk-based capital ratios were 7.74% and 10.98%, respectively. During the first six months of 1997, capital management initiatives continued, including the repurchase of 20.5 million shares of common stock.

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 enhancing shareholder value. The Corporation continues to transition to a more valuable franchise by reducing reliance on investment activities and related wholesale funding and increasing the earnings contribution from the core banking franchise. This transition is accomplished, in part, by altering the traditional business mix through investments 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.

CONSUMER BANKING contributed 49% of total line of business earnings in the first six months of 1997. Changes in consumer preferences and technological advancements are transforming the way consumer products and services are delivered. Retail branches are being managed in conjunction with more technologically-advanced, cost-efficient distribution channels such as telebanking, automated teller machines ("ATM") and on-line banking through personal computers. Development of alternative delivery channels allows PNC Bank to expand the geographic scope of the Corporation's markets without incurring the infrastructure costs associated with traditional branch banking.

Through AAA Financial Services, the Corporation offers financial products and services to AAA's 34 million members nationwide. This initiative represents a unique opportunity to market and deliver consumer products and services largely through more efficient alternative distribution channels.

CORPORATE BANKING contributed 28% of total line of business earnings in the first six months of 1997. 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.

Corporate Banking is focused on expanding fee-based revenue by developing products and services as alternatives to spread-based businesses. 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.

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 improving financial returns 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, private debt placements and interest rate risk management services.

MORTGAGE BANKING remains a highly-fragmented, commodity-based business requiring an efficient infrastructure and increasingly higher origination and servicing volumes. To remain competitive and produce appropriate returns, the Mortgage Banking line of business is focused on reducing costs by leveraging technology to enhance efficiency and service. Mortgage Banking continues to increase origination capacity by expanding the retail distribution network.

ASSET MANAGEMENT, with $122 billion in managed assets, is among the largest asset managers in the country. It is the second largest U.S. bank manager of mutual funds and the third largest mutual fund service provider. Asset Management's initiatives focus on expanding marketing and delivery channels for investment products and leveraging mutual fund servicing capabilities. PFPC

Inc., the Corporation's mutual fund servicing business, specializes in providing institutional clients 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 $13 billion in assets, provides institutional and individual investors with a full range of equity, bond and money market investment options. The funds are offered to PNC Bank's retail customers and marketed nationally through agreements with over 75 brokerage firms. Barron's/Lipper Analytical Services ranked Compass sixth best among 63 mutual fund families based on overall performance in 1996.

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 those identified elsewhere in this Financial Review, the following factors, among others, could cause actual results to differ materially from forward-looking statements: continued pricing pressures on loan and deposit products; success and timing of AAA and other business strategies; the 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

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Six months ended June 30 - dollars in millions	Average Assets		Revenue		Earnings		Return on Assigned Capital	
	1997	1996	1997	1996	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Consumer Banking	$38,469	$39,183	$1,288	$1,127	$257	$269	23%	24%
Corporate Banking	17,566	17,361	406	375	146	130	14	13
Real Estate Banking	4,031	4,095	87	79	44	36	15	12
Mortgage Banking	14,680	13,458	203	185	37	25	11	9
Asset Management	653	566	193	161	37	31	36	36
Total line of business	75,399	74,663	2,177	1,927	521	491	18	18
Asset/liability management activities	(8,536)	(5,952)	(27)	(28)	(32)	(24)		
Unallocated provision for credit losses					49	26		
Other	3,699	3,376	(34)	(5)	(13)	(7)		
Total consolidated	$70,562	$72,087	$2,116	$1,894	$525	$486	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 business unit performance. 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 spreads, 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 differ 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. These activities also include securities transactions and the impact of financial derivatives used for interest rate risk management. Provisions for credit losses are reflected as charges or credits to earnings to maintain line of business reserves at required levels. The difference between these provisions and the consolidated provision is unallocated.

FINANCIAL REVIEW

<TABLE>
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CONSUMER BANKING Six months ended June 30 - dollars in millions	Community Banking 1997	Community Banking 1996	Private Banking 1997	Private Banking 1996	Total 1997	Total 1996
<S>	<C>	<C>		<C>		<C>
INCOME STATEMENT						
Net interest income	$813	$796	$54	$37	$867	$833
Noninterest income	281	166	140	128	421	294
Total revenue	1,094	962	194	165	1,288	1,127
Provision for credit losses	122	44	2		124	44
Noninterest expense	628	532	122	118	750	650
Pretax earnings	344	386	70	47	414	433
Income taxes	131	146	26	18	157	164
Earnings	$213	$240	$44	$29	$257	$269
AVERAGE BALANCE SHEET						
Loans	$17,048	$15,001	$2,401	$2,269	$19,449	$17,270
Assigned assets and other	18,959	21,857	61	56	19,020	21,913
Total assets	$36,007	$36,858	$2,462	$2,325	$38,469	$39,183
Net deposits	$33,727	$34,666	$1,629	$1,494	$35,356	$36,160
Assigned funds and other	261	221	576	571	837	792
Assigned capital	2,019	1,971	257	260	2,276	2,231
Total funds	$36,007	$36,858	$2,462	$2,325	$38,469	$39,183
PERFORMANCE RATIOS						
After-tax profit margin	19%	25%	22%	18%	20%	24%
Efficiency	57	55	63	71	58	58
Return on assigned capital	21	24	34	23	23	24

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The Consumer Banking line of business includes: Community Banking which serves small business customers and 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 line of business management is focused on enhancing longer-term returns on assigned capital. To accomplish this objective, management expects to continue to expand more efficient alternative delivery systems and aggressively pursue the AAA initiative.

Consumer Banking earnings contributed 49% of total line of business earnings in the first six months of 1997 compared with 55% a year ago. Earnings for the first half of 1997 decreased $12 million or 4%. These results reflect lower Community Banking earnings, which declined $27 million or 11% to $213 million, partially offset by a 52% increase in Private Banking earnings to $44 million for the first half of 1997 due to an increase in loans and higher annuity and trust income.

Virtually all of the variances in Community Banking results were due to the effect of the AAA alliance. The start-up phase of this alliance requires significant investments to market products and services and acquire portfolios. In addition, credit card growth is accomplished, in part, by offering product incentives such as "teaser-rates" which initially adversely impact net interest income and margin until the teaser-rate period expires and yields earned reset to market rates. The AAA alliance resulted in a net loss of $28 million for the first six months of 1997.

With respect to the AAA initiative, provisions for credit losses in connection with credit card growth as well as increased marketing and operating expenses are expected to exceed revenue growth during the start-up period. Overall, the AAA alliance is expected to result in a net loss in 1997 of between $50 million and $60 million.

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CORPORATE BANKING	Commercial Banking		Equity Management		Total	
Six months ended June 30 - dollars in millions	1997	1996	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Net interest income	$275	$255		$(1)	$275	$254
Noninterest income	109	83	$22	38	131	121
Total revenue	384	338	22	37	406	375
Provision for credit losses	(15)	(8)			(15)	(8)
Noninterest expense	181	169	5	4	186	173
Pretax earnings	218	177	17	33	235	210
Income taxes	83	67	6	13	89	80
Earnings	$135	$110	$11	$20	$146	$130
AVERAGE BALANCE SHEET						
Loans	$16,539	$16,231	$66	$42	$16,605	$16,273
Other assets	745	913	216	175	961	1,088
Total assets	$17,284	$17,144	$282	$217	$17,566	$17,361
Net deposits	$2,149	$1,898			$2,149	$1,898
Assigned funds and other	13,038	13,257	$197	$152	13,235	13,409
Assigned capital	2,097	1,989	85	65	2,182	2,054
Total funds	$17,284	$17,144	$282	$217	$17,566	$17,361
PERFORMANCE RATIOS						
After-tax profit margin	35%	32%	48%	54%	36%	35%
Efficiency	47	50	23	12	46	46
Return on assigned capital	13	11	26	62	14	13

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The Corporate Banking line of business includes: Commercial Banking, which serves large and middle market commercial customers with specific focus on customers in certain specialized industries, and Equity Management, which makes venture capital investments.

Corporate Banking contributed 28% of total line of business earnings in the first six months of 1997 compared with 27% in the same period of 1996. Earnings for the first six months of 1997 increased $16 million or 12%.

Commercial Banking earnings increased 23% in the comparison primarily due to higher fee-based revenue driven by growth initiatives in treasury management and capital markets. Lower venture capital income caused the decline in Equity Management earnings.

Corporate Banking traditionally relies on balance sheet leverage to generate returns. Traditional spread-based lending requires high capital levels and is under intense competition from banks and nonbanks. In this environment, PNC Bank aggressively manages capital to generate more appropriate returns. This line of business is also focused on expanding fee-based revenue by developing products and services as alternatives to spread-based lending.

Management expects Commercial Banking revenue to be generated increasingly from fee-based sources such as treasury management, capital markets and corporate finance. Capital markets capabilities continue to be expanded to meet the changing needs of customers, including merger and acquisition advisory, private placement, interest rate risk management and leasing products and services. Through the first six months of 1997, 28% of total revenue was derived from fee-based sources compared with 25% last year. In addition, deposit balances, maintained as compensation for non-credit services, increased by 13% in the comparison. The benefit of these balances is reflected in the 8% increase in net interest income.

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REAL ESTATE BANKING
Six months ended June 30-
dollars in millions

	1997	1996
INCOME STATEMENT		
Net interest income	$75	$72
Noninterest income	12	7
Total revenue	87	79
Provision for credit losses	(8)	3
Noninterest expense	24	18
Pretax earnings	71	58
Income taxes	27	22
Earnings	$44	$36
AVERAGE BALANCE SHEET		
Loans	$3,935	$3,919
Other assets	96	176
Total assets	$4,031	$4,095
Net deposits	$183	$170
Assigned funds and other	3,262	3,337
Assigned capital	586	588
Total funds	$4,031	$4,095
PERFORMANCE RATIOS		
After-tax profit margin	50%	45%
Efficiency	28	23
Return on assigned capital	15	12

</TABLE>

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

Real Estate Banking contributed 9% of total line of business earnings in the first six months of 1997 compared with 7% in the year-earlier period. Earnings increased $8 million or 22% in the comparison as a result of improved credit quality and a 10% increase in revenue driven primarily by commercial mortgage securitization fees.

Real Estate Banking has traditionally relied on balance sheet leverage and required significant levels of assigned capital. Key strategies in this line of business focus on improving returns by altering the business mix and expanding fee-based services such as treasury management, loan syndication, commercial mortgage-backed securitizations, private debt placements and interest rate risk management.

MORTGAGE BANKING

Six months ended June 30 - dollars in millions	1997	1996
INCOME STATEMENT		
Net interest income	$116	$101
Noninterest income	87	84
Total revenue	203	185
Provision for credit losses	3	3
Noninterest expense	141	142
Pretax earnings	59	40
Income taxes	22	15
Earnings	$37	$25
AVERAGE BALANCE SHEET		
Loans	$12,258	$11,263
Other assets	2,422	2,195
Total assets	$14,680	$13,458
Net deposits	$2,022	$2,377
Assigned funds and other	11,996	10,492
Assigned capital	662	589
Total funds	$14,680	$13,458
PERFORMANCE RATIOS		
After-tax profit margin	18%	14%
Efficiency	69	77
Return on assigned capital	11	9

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 7% of total line of business earnings in the first six months of 1997 compared with 5% a year ago. Earnings increased $12 million or 48% primarily due to increased net interest income from growth in the residential mortgage portfolio.

The slight decline in noninterest expense reflects lower origination volumes, 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.

MORTGAGE SERVICING PORTFOLIO

In millions	1997	1996
January 1	$39,543	$37,299
Originations	2,398	2,984
Purchases	1,312	3,737
Repayments	(2,750)	(3,324)
Sales	(81)	(75)

June 30	$40,422	$40,621

</TABLE>

During the first six months of 1997, the Corporation funded $2.4 billion of residential mortgages with 73% representing new financings. The comparable amounts were $3.0 billion and 63%, respectively, in the first six months of 1996. At June 30, 1997, the mortgage servicing portfolio totaled $40.4 billion, including $30.0 billion of loans serviced for others, had a weighted-average coupon of 7.91% and an estimated fair value of $467 million. Capitalized MSR totaled $339 million at June 30, 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

Six months ended June 30 - dollars in millions	Investment Management		Mutual Fund Servicing		Total	
	1997	1996	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT						
Advisory, processing and other fee income	$121	$100	$68	$58	$189	$158
Net interest income		(1)	4	4	4	3
Total revenue	121	99	72	62	193	161
Operating expenses	88	73	46	38	134	111
Pretax earnings	33	26	26	24	59	50
Income taxes	12	10	10	9	22	19
Earnings	$21	$16	$16	$15	$37	$31
PERFORMANCE RATIOS						
After-tax profit margin	17%	16%	22%	24%	19%	19%
Efficiency	72	74	64	61	69	69
Return on assigned capital	30	29	46	50	36	36

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The Asset Management line of business includes: Investment Management which provides liquidity, fixed income, and equity advisory services to institutional, family wealth and retail clients; and Mutual Fund Servicing which 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 six months of 1997 compared with 6% in the year-earlier period. Earnings increased $6 million or 19% in the comparison. Fee income increased 20% 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.

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, primarily Private Banking. The following table sets forth revenue and earnings included in each line of business.

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ASSET MANAGEMENT REVENUE AND EARNINGS

Six months ended June 30 - in millions	Revenue	Earnings
<S>	<C>	<C>
1997		
Asset Management	$193	$37
Consumer Banking	110	27
Total	$303	$64
1996		
Asset Management	$161	$31
Consumer Banking	99	23

Total	$260	$54

FINANCIAL REVIEW

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.

Assets under administration increased $66 billion in the year-to-year comparison to $371 billion at June 30, 1997. Managed assets totaled $122 billion at June 30, 1997 compared with $104 billion a year ago.

COMPOSITION OF MANAGED ASSETS

June 30	1997	1996
Fixed income	45%	46%
Equity	28	26
Liquidity management	27	28

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.

June 30	1997	1996
Assets (billions)		
Custody	$208	$181
Accounting/administration	148	117
Accounts (millions)		
Shareholder	4.0	4.2
Checking and credit/debit card	1.9	1.5

CONSOLIDATED INCOME STATEMENT REVIEW

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

INCOME STATEMENT HIGHLIGHTS

Six months ended June 30 - in millions	1997	1996	Change
Net interest income (taxable-equivalent basis)	$1,258	$1,236	$22
Provision for credit losses	25		25
Noninterest income before net securities gains	829	651	178
Net securities gains	30	7	23
Noninterest expense	1,275	1,130	145
Income taxes	276	259	17
Net income	525	486	39

Taxable-equivalent net interest income increased $22 million for the first six months of 1997 and the net interest margin widened 20 basis points to 3.92% compared with 3.72% in the prior-year period. Net interest income increased as the impact of a $2.0 billion decline in average earning assets, attributable to continued securities portfolio reduction, was offset by a $2.3 billion increase in higher-yielding credit card loans and growth in residential and commercial loans. The net interest margin improvement primarily reflects a higher-yielding earning asset mix.

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Net Interest Income Analysis

Taxable-equivalent basis Six months ended June 30 - dollars in millions	Average Balances 1997	Average Balances 1996	Average Balances Change	Interest Income/Expense 1997	Interest Income/Expense 1996	Interest Income/Expense Change	Average Yields/Rates 1997	Average Yields/Rates 1996	Average Yields/Rates Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets									
Securities	$9,569	$14,779	$(5,210)	$298	$475	$(177)	6.25%	6.42%	(17) bp
Loans, net of unearned income									
Consumer									
Credit card	3,274	983	2,291	207	67	140	12.75	13.62	(87)
Other consumer	11,531	12,324	(793)	483	516	(33)	8.45	8.42	3
Total consumer	14,805	13,307	1,498	690	583	107	9.40	8.81	59
Residential mortgage	12,974	11,751	1,223	483	437	46	7.45	7.45	
Commercial	18,204	16,998	1,206	713	663	50	7.79	7.71	8
Commercial real estate	4,562	4,858	(296)	197	217	(20)	8.62	8.89	(27)
Other	1,825	1,994	(169)	63	66	(3)	6.88	6.64	24
Total loans, net of unearned income	52,370	48,908	3,462	2,146	1,966	180	8.20	8.02	18
Other interest-earning assets	2,075	2,343	(268)	70	76	(6)	6.72	6.52	20
Total interest-earning assets/ interest income	64,014	66,030	(2,016)	2,514	2,517	(3)	7.86	7.61	25
Noninterest-earning assets	6,548	6,057	491						
Total assets	$70,562	$72,087	$(1,525)						
Interest-bearing liabilities									
Deposits									
Demand and money market	$13,116	$12,630	$486	182	165	17	2.80	2.63	17
Savings	2,993	3,580	(587)	29	37	(8)	1.97	2.07	(10)
Other time	17,689	18,523	(834)	472	496	(24)	5.38	5.38	
Deposits in foreign offices	1,127	894	233	31	25	6	5.42	5.42	
Total interest-bearing deposits	34,925	35,627	(702)	714	723	(9)	4.12	4.08	4
Borrowed funds	18,635	19,306	(671)	542	558	(16)	5.82	5.78	4
Total interest-bearing liabilities/ interest expense	53,560	54,933	(1,373)	1,256	1,281	(25)	4.71	4.67	4
Noninterest-bearing liabilities, capital securities and shareholders' equity	17,002	17,154	(152)						
Total liabilities and shareholders' equity	$70,562	$72,087	$(1,525)						
Interest rate spread							3.15	2.94	21
Impact of noninterest-bearing sources							.77	.78	(1)
Net interest income/margin				$1,258	$1,236	$22	3.92%	3.72%	20 bp

</TABLE>

Net interest income and margin depend on a number of factors including the volume and composition of earning assets, related yields and associated funding costs. In the first six months of 1997, loans comprised 81.8% of average earning assets. Accordingly, loan portfolio size, composition and related yields earned have a significant impact on net interest income and margin. Funding cost is affected by the composition of and rates paid on various funding sources. Average deposits comprised 63.0% of PNC Bank's total sources of funding with the remainder comprised of wholesale funding obtained at prevailing market rates.

PROVISION FOR CREDIT LOSSES The provision for credit losses was $25 million in the first six months of 1997 compared with no provision a year ago. 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 higher provisions for credit losses throughout 1997.

<TABLE>
<CAPTION>
NONINTEREST INCOME

Six months ended June 30 - dollars in millions	1997	1996	Change Amount	Change Percent
<S>	<C>	<C>	<C>	<C>
Asset management				
Asset management and trust	$218	$188	$30	16.0%
Mutual fund servicing	68	57	11	19.3
Total asset management	286	245	41	16.7
Service fees				
Deposit	161	138	23	16.7
Credit card and merchant services	41	9	32	355.6
Corporate finance and capital markets	38	29	9	31.0
Consumer services	35	28	7	25.0
Brokerage	26	29	(3)	(10.3)
Insurance	19	14	5	35.7
Other	25	17	8	47.1
Total service fees	345	264	81	30.7
Mortgage banking				
Servicing	55	60	(5)	(8.3)
Marketing	7	11	(4)	(36.4)
Sale of servicing	2	1	1	100.0
Total mortgage banking	64	72	(8)	(11.1)
Other	134	70	64	91.4
Total noninterest income before net securities gains	829	651	178	27.3
Net securities gains	30	7	23	328.6
Total	$859	$658	$201	30.5%

</TABLE>

Noninterest income before net securities gains totaled $829 million in the first six months of 1997, a 27.3% increase compared with the same period a year ago.

Asset management and service fees increased, reflecting a 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 $23 million due to a revised fee structure and higher treasury management revenue. Credit card and merchant services fees increased $32 million, reflecting credit card portfolio growth and the July 1996 termination of a third party alliance.

Mortgage banking revenue declined primarily due to lower origination volumes. Mortgage originations declined to $2.4 billion in the first half of 1997 from $3.0 billion in the first half of 1996 reflecting higher refinance activity in the prior-period.

Other noninterest income increased in the comparison primarily due to asset securitization income of $45 million and other income, partially offset by lower venture capital income.

NONINTEREST EXPENSE

Six months ended June 30 - dollars in millions	1997	1996	Change Amount	Change Percent
Staff expense				
Compensation	$488	$463	$25	5.4%
Employee benefits	109	100	9	9.0
Total staff expense	597	563	34	6.0
Net occupancy	93	100	(7)	(7.0)
Equipment	88	86	2	2.3
Goodwill amortization	26	26		
Other amortization	43	26	17	65.4
Taxes other than income	29	28	1	3.6
Distributions on capital securities	17		17	100.0
Other	382	301	81	26.9
Total	$1,275	$1,130	$145	12.8%

Noninterest expense increased $145 million to $1.3 billion in the first six months of 1997 primarily due to $94 million of incremental costs associated with AAA and credit card-related initiatives. The remaining increase was due to higher incentive compensation commensurate with revenue growth and the cost of trust preferred capital securities. Average full-time equivalent employees totaled 24,570 in the first half of 1997. The efficiency ratio was 60.3% compared with 59.7% a year ago.

BALANCE SHEET REVIEW

AVERAGE BALANCE SHEET HIGHLIGHTS

Six months ended June 30 - dollars in millions	1997	1996	Change Amount	Change Percent
Assets	$70,562	$72,087	$(1,525)	(2.1)%
Earning assets	64,014	66,030	(2,016)	(3.1)
Loans, net of unearned income	52,370	48,908	3,462	7.1
Securities	9,569	14,779	(5,210)	(35.3)
Deposits	44,475	45,465	(990)	(2.2)
Borrowed funds	18,635	19,306	(671)	(3.5)
Shareholders' equity	5,558	5,766	(208)	(3.6)

Average assets and earning assets were $70.6 billion and $64.0 billion, respectively, for the six months ended June 30, 1997 compared with $72.1 billion and $66.0 billion, respectively, in the year-earlier period. The declines reflect continued securities portfolio reduction partially offset by loan growth. Securities to earning assets declined to 14.9% from 22.4% in the prior year.

PERIOD-END BALANCE SHEET HIGHLIGHTS

In millions	June 30 1997	December 31 1996	Change
Assets	$71,973	$73,260	$(1,287)
Loans, net of unearned income	53,497	51,798	1,699
Securities	8,396	11,917	(3,521)
Deposits	45,216	45,676	(460)

Borrowed funds	19,066	19,604	(538)
Shareholders' equity	5,384	5,869	(485)

</TABLE>

Total assets declined $1.3 billion since year-end 1996 primarily due to continued securities portfolio reduction. Shareholders' equity declined $485 million reflecting the impact of common share repurchases.

<TABLE>
<CAPTION>
LOANS

In millions	June 30 1997	December 31 1996
<S>	<C>	<C>
Consumer		
Home equity	$4,729	$4,569
Automobile	3,485	3,731
Credit card	3,693	2,776
Student	879	1,725
Other	1,890	2,067
Total consumer	14,676	14,868
Residential mortgage	13,494	12,703
Commercial		
Manufacturing	3,969	3,718
Retail/Wholesale	3,378	3,243
Service providers	2,526	2,359
Real estate related	1,591	1,452
Communications	1,151	1,239
Health care	1,216	1,207
Financial services	735	708
Other	4,223	4,136
Total commercial	18,789	18,062
Commercial real estate		
Mortgage	2,357	2,467
Medium-term financing	1,232	1,312
Construction and development	891	845
Total commercial real estate	4,480	4,624
Lease financing and other	2,450	1,926
Unearned income	(392)	(385)
Total, net of unearned income	$53,497	$51,798

</TABLE>

Loans outstanding increased $1.7 billion from year-end 1996 to $53.5 billion at June 30, 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 33.0% due to AAA and other marketing initiatives. The decline in student loans reflects a $1.0 billion securitization.

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.

<TABLE>
<CAPTION>
NET UNFUNDED COMMITMENTS

In millions	June 30 1997	December 31 1996
<S>	<C>	<C>
Consumer	$18,682	$17,246
Residential mortgage	1,268	511
Commercial	27,750	27,087
Commercial real estate	955	764
Other	585	849
Total	$49,240	$46,457

</TABLE>

<TABLE>
<CAPTION>
SECURITIES AVAILABLE FOR SALE

	June 30, 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	$1,316	$1,307	$3,238	$3,237
Mortgage backed	5,358	5,229	6,301	6,176
Asset backed	1,031	1,032	1,609	1,615
State and municipal	199	206	218	227
Other debt	31	30	100	105
Corporate stocks and other	589	592	554	557
Total	$8,524	$8,396	$12,020	$11,917

</TABLE>

The securities portfolio declined $3.5 billion from year-end 1996 to $8.4 billion at June 30, 1997. The expected weighted-average life of the securities portfolio was 3 years at June 30, 1997 compared with 2 years and 11 months at year-end 1996.

Securities available for sale may be sold as part of the overall asset/liability management process. Realized gains and losses are reflected in the results of operations and include gains or losses on associated financial derivatives. During the first six months of 1997, $5.4 billion of securities were sold at a $30 million net gain.

At June 30, 1997 and December 31, 1996, $4.1 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 table above, were less than $1 million in both periods.

<TABLE>
<CAPTION>
FUNDING SOURCES

In millions	June 30 1997	December 31 1996
<S>	<C>	<C>
Deposits		
Demand, savings and money market	$26,831	$27,027
Time	17,843	17,803
Foreign	542	846
Total deposits	45,216	45,676
Borrowed funds		
Bank notes and senior debt	9,192	8,093
Federal funds purchased	2,516	3,933
Repurchase agreements	757	645
Other borrowed funds	5,250	5,576
Subordinated debt	1,351	1,357
Total borrowed funds	19,066	19,604
Total	$64,282	$65,280

</TABLE>

Deposits decreased 1.0% to $45.2 billion at June 30, 1997 compared with $45.7 billion at year-end 1996. Borrowed funds declined $538 million in the comparison reflecting reduced wholesale funding related to the downsized securities portfolio.

CAPITAL The access to and cost of funding new business initiatives including acquisitions, deposit insurance costs, and the level and nature of expanded regulatory oversight depend, in large part, on a financial institution's capital strength. The minimum regulatory capital ratios are 4% for Tier I risk-based, 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 risk-based, 10% for total risk-based and 5% for leverage.

At June 30, 1997, the Corporation and each bank subsidiary were classified as well capitalized.

Dollars in millions	June 30 1997	December 31 1996
Capital components		
Shareholders' equity		
Common	$5,068	$5,553
Preferred	316	316
Trust preferred capital securities	650	350
Goodwill and other	(978)	(1,003)
Net unrealized securities losses	83	67
Tier I risk-based capital	5,139	5,283
Subordinated debt	1,319	1,343
Eligible allowance for credit losses	832	801
Total risk-based capital	$7,290	$7,427
Assets		
Risk-weighted assets and off-balance-sheet instruments	$66,371	$63,761
Average tangible assets	69,957	68,597
Capital ratios		
Tier I risk-based	7.74%	8.29%
Total risk-based	10.98	11.65
Leverage	7.35	7.70

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.

In May 1997, the Corporation issued $300 million of 8.315% mandatorily redeemable capital securities which qualify as Tier I capital. Subsequent to quarter end, the Corporation issued $350 million of 6-7/8% subordinated notes that qualify as Tier II capital.

During the first six months of 1997, PNC Bank repurchased 20.5 million shares of common stock. The Corporation's board of directors authorized in April 1997 the repurchase of up to 15 million additional shares of common stock through March 31, 1998 and has approximately 9.1 million shares remaining under this authorization.

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 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 Dollars in millions	June 30 1997	December 31 1996
Nonaccrual loans		
Commercial	$155	$156
Commercial real estate		
Mortgage	106	109
Project	33	25
Consumer	5	6
Residential mortgage	46	51
Total nonaccrual loans	345	347
Restructured loans	1	2
Total nonperforming loans	346	349
Foreclosed assets		

Commercial real estate	55	71
Residential mortgage	23	22
Other	18	17
Total foreclosed assets	96	110
Total nonperforming assets	$442	$459
Nonperforming loans to loans	.65%	.67%
Nonperforming assets to loans and foreclosed assets	.83	.88
Nonperforming assets to assets	.61	.63

</TABLE>

Nonperforming assets declined $17 million since year-end 1996 primarily due to lower foreclosed assets. At June 30, 1997, $95 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	169	240
Returned to performing	(19)	(30)
Principal reductions	(94)	(118)
Sales	(41)	(83)
Charge-offs and valuation adjustments	(32)	(36)
June 30	$442	$509

</TABLE>

<TABLE>
<CAPTION>
ACCRUING LOANS
PAST DUE 90 DAYS OR MORE

	Amount		Percent of Loans	
Dollars in millions	June 30 1997	December 31 1996	June 30 1997	December 31 1996
<S>	<C>	<C>	<C>	<C>
Consumer				
Guaranteed student	$46	$51	5.25%	2.95%
Credit cards	51	43	1.37	1.56
Other	30	46	.31	.45
Total consumer	127	140	.89	.96
Residential mortgage	58	58	.43	.46
Commercial	33	34	.18	.19
Commercial real estate	12	12	.27	.26
Total	$230	$244	.43	.47

</TABLE>

During the first six months of 1997, $1.0 billion of student loans were securitized. As a result, past due guaranteed student loans increased as a percent of total student loans.

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.

FINANCIAL REVIEW

ALLOWANCE FOR CREDIT LOSSES

In millions	1997	1996
January 1	$1,166	$1,259
Charge-offs	(185)	(113)
Recoveries	66	43
Net charge-offs	(119)	(70)
Provision for credit losses	25	
Acquisitions	3	
June 30	$1,075	$1,189

The allowance as a percent of nonperforming loans and period-end loans was 310% and 2.01%, respectively, at June 30, 1997. The comparable year-end 1996 amounts were 334% and 2.25%, respectively.

CHARGE-OFFS AND RECOVERIES

Six months ended - June 30 dollars in millions	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
1997				
Consumer				
Credit card	$101	$16	$85	5.24%
Other	55	18	37	.65
Total consumer	156	34	122	1.66
Residential mortgage	5	1	4	.06
Commercial	20	27	(7)	(.08)
Commercial real estate	4	4		
Total	$185	$66	$119	.46
1996				
Consumer				
Credit card	$27	$3	$24	4.91%
Other	50	18	32	.52
Total consumer	77	21	56	.85
Residential mortgage	4	1	3	.05
Commercial	27	15	12	.14
Commercial real estate	5	6	(1)	(.04)
Total	$113	$43	$70	.29

Consumer net charge-offs increased $66 million in the comparison primarily due to higher outstandings 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 and demands of depositors and debtholders, and to 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 or investments in strategic initiatives. 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. 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 June 30, 1997, such assets totaled $14.5 billion, with $5.4 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 June 30, 1997, approximately $5.1 billion of residential mortgages were available as collateral for borrowings from the FHLB.

During the first six months of 1997, cash and due from banks decreased $340 million to $3.7 billion compared with a decrease of $447 million during the year-earlier period. Net cash provided by operating activities increased $315 million in the comparison. Net cash provided by investing activities decreased $850 million to $1.2 billion primarily due to funding loan originations. Net cash used by financing activities totaled $1.9 billion in the first six months of 1997 compared with $2.6 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 $261 million at June 30, 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. In July 1997, PNC Bank issued $350 million of subordinated notes. Subsequent to the issuance of the subordinated notes, the Corporation had unused capacity under an effective shelf registration statement of $140 million of debt. In addition, the Corporation had a $500 million unused line of credit.

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 June 30, 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 June 30, 1997, the cumulative liability sensitivity of the one-year gap position was 2.9%.

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 primarily 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 six months of 1997.

<TABLE>
<CAPTION>
FINANCIAL DERIVATIVES ACTIVITY

1997 - dollars in millions	January 1	Additions	Maturities	Terminations	June 30	Weighted Average Maturity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate risk management						
Interest rate swaps						
Receive fixed	$7,003	$1,230	$(87)	$(2,450)	$5,696	1 yr. 3 mo.
Pay fixed	602		(51)		551	2 yr. 6 mo.
Basis swaps	335	466			801	3 yr. 11 mo.
Interest rate caps	5,813	246	(1,486)		4,573	8 mo.
Interest rate floors	2,500	1,049	(1)		3,548	1 yr. 10 mo.
Total interest rate risk management	16,253	2,991	(1,625)	(2,450)	15,169	1 yr. 5 mo.

Mortgage banking activities						
Forward contracts						
Commitments to purchase loans	395	3,086	(2,849)		632	2 mo.
Commitments to sell loans	894	3,255	(3,037)		1,112	2 mo.
Interest rate floors - MSR	1,050	350		(250)	1,150	4 yr. 6 mo.
Total mortgage banking activities	2,339	6,691	(5,886)	(250)	2,894	
Total	$18,592	$9,682	$(7,511)	$(2,700)	$18,063	

</TABLE>

During the first six months of 1997, financial derivatives used in interest rate risk management reduced net interest income by $2 million compared with $9 million in the year-earlier period.

At June 30, 1997, $26 million of net deferred losses on terminated derivative contracts are being amortized over a remaining period of approximately 9 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

			Forward Yield Curve	
June 30, 1997 - dollars in millions	Notional Value	Estimated Fair Value	Paid	Received
<S>	<C>	<C>	<C>	<C>
Interest rate risk management				
Asset rate conversion				
Interest rate swaps (1)				
Receive fixed designated to loans	$3,835	$79	6.13%	6.44%
Pay fixed designated to loans	501	(5)	7.15	6.39
Basis swaps designated to other earning assets	336		6.75	6.64
Interest rate caps designated to (2)				
Securities	4,100		NM	NM
Loans	473	4	NM	NM
Interest rate floors designated to loans (3)	3,548	4	NM	NM
Total asset rate conversion	12,793	82		
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to interest-bearing liabilities	1,861	22	5.94	6.07
Pay fixed designated to borrowed funds	50		5.63	5.84
Basis swaps designated to borrowed funds	465	1	6.02	6.01
Total liability rate conversion	2,376	23		
Total interest rate risk management	15,169	105		
Mortgage banking activities				
Forward contracts				
Commitments to purchase loans	632		NM	NM
Commitments to sell loans	1,112	(6)	NM	NM
Interest rate floors - MSR (3)	1,150	8	NM	NM
Total mortgage banking activities	2,894	2		
Total financial derivatives	$18,063	$107		

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 71% were based on 1-month LIBOR, 21% on 3-month LIBOR and the remainder on other short-term indices.

(2) Substantially all interest rate caps require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.48%. At June 30, 1997, 3-month LIBOR was 5.78%.

(3) Interest rate floors with notional values of $3.5 billion and $1.2 billion require the counterparty to pay the Corporation the excess, if any, of the weighted-average strike of 5.16% over 3-month LIBOR and the weighted-average strike of 5.96% over 10-year CMT, respectively. At June 30, 1997, 3-month LIBOR was 5.78% and 10-year CMT was 6.51%.

NM - not meaningful

CUSTOMER-RELATED DERIVATIVES To accommodate customer needs, PNC Bank enters into financial derivatives transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Risk exposure from customer positions is managed through transactions with other dealers. These positions are recorded at estimated fair value and changes in value are included in the results of operations. The following schedule sets forth information relating to positions associated with customer derivatives.

June 30, 1997 - in millions	Notional Value	Net Asset (Liability)	Positive Fair Value	Negative Fair Value
Interest rate				
Swaps	$3,107	$1	$11	$(10)
Caps/floors				
Sold	1,329	(4)		(4)
Purchased	1,276	3	3	
Foreign exchange	1,283		15	(15)
Other	952		1	(1)
Total	$7,947		$30	$(30)

FINANCIAL REVIEW

SECOND QUARTER 1997 VS. SECOND QUARTER 1996

Net income for the second quarter of 1997 totaled $259 million or $.81 per fully diluted share compared with $248 million or $.72 per fully diluted share a year ago. Returns on average common shareholders' equity and average assets improved to 20.21% and 1.47%, respectively, in the second quarter of 1997 compared with 17.33% and 1.38% in the prior-year quarter.

Taxable-equivalent net interest income for the second quarter of 1997 was $621 million, substantially consistent with the prior-year quarter and the net interest margin widened 12 basis points to 3.84%. The impact of a $2.2 billion decline in average earning assets resulting from continued securities portfolio reduction was offset by loan growth and the benefit of a higher-yielding earning asset mix.

Noninterest income increased $96 million to $433 million in the second quarter of 1997 compared with $337 million in the year-earlier period. Asset management fees increased $22 million or 17% primarily due to higher investment advisory, private banking and mutual fund servicing revenue. Managed assets totaled $122 billion at June 30, 1997 compared with $104 billion a year ago. Service fees increased $43 million or 33% primarily from growth in credit card, deposit and treasury management services and capital markets fee income.

Mortgage banking revenue declined $4 million due to lower origination volumes and servicing sales. Mortgage originations totaled $1.3 billion in the second quarter of 1997 compared with $1.6 billion in the year-earlier period. Other noninterest income increased $26 million in the comparison primarily due to asset securitization and other income, partially offset by lower venture capital income.

Noninterest expense increased $75 million to $639 million in the second quarter of 1997 largely due to $49 million of incremental costs associated with AAA and credit card-related initiatives. The remaining increase was attributable to higher incentive compensation commensurate with revenue growth and the cost of trust preferred capital securities. The efficiency ratio was 60.6% for the second quarter of 1997 compared with 59.0% a year ago.

Average earning assets declined $2.2 billion to $64.2 billion reflecting continued securities portfolio reduction partially offset by loan growth. Average securities declined $5.7 billion to $9.1 billion and represented 14.1%

of average earning assets compared with 22.2% a year ago. Average loans increased $3.6 billion to $52.8 billion primarily due to significant growth in credit cards partially offset by reduced indirect lending and loan securitizations. Excluding purchased credit card portfolios and loan securitizations, loans grew at an annual rate of 6.0%. Loans represented 82.3% of average earning assets compared with 74.1% a year ago.

Average interest-bearing funding sources declined $1.1 billion to $54.0 billion in the second quarter of 1997 primarily due to lower borrowed funds associated with the securities portfolio reduction. Deposits represented 63.3% of total sources of funds for the second quarter of 1997 compared with 62.6% a year ago.

CONSOLIDATED STATEMENT OF INCOME

<TABLE>
<CAPTION>

	Three months ended June 30		Six months ended June 30	
In thousands, except per share data	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Loans and fees on loans	$1,078,776	$971,829	$2,134,685	$1,952,665
Securities	139,036	232,251	295,240	469,693
Other	39,348	39,062	69,391	76,122
Total interest income	1,257,160	1,243,142	2,499,316	2,498,480
INTEREST EXPENSE				
Deposits	368,000	351,891	714,155	722,874
Borrowed funds	275,985	280,471	542,061	557,969
Total interest expense	643,985	632,362	1,256,216	1,280,843
Net interest income	613,175	610,780	1,243,100	1,217,637
Provision for credit losses	15,000		25,000	
Net interest income less provision for credit losses	598,175	610,780	1,218,100	1,217,637
NONINTEREST INCOME				
Asset management	146,018	124,515	285,590	245,392
Service fees	177,097	133,598	344,518	263,867
Mortgage banking	32,149	35,758	64,194	71,740
Net securities gains	13,370	3,904	29,796	6,847
Other	64,773	38,810	134,425	70,301
Total noninterest income	433,407	336,585	858,523	658,147
NONINTEREST EXPENSE				
Staff expense	294,161	284,281	596,862	562,938
Net occupancy and equipment	91,781	92,182	181,065	185,465
Amortization	39,527	28,062	69,358	51,726
Other	203,496	159,797	410,928	329,839
Distributions on capital securities	9,867		16,823	
Total noninterest expense	638,832	564,322	1,275,036	1,129,968
Income before income taxes	392,750	383,043	801,587	745,816
Applicable income taxes	133,675	134,993	276,203	259,446
Net income	$259,075	$248,050	$525,384	$486,370
EARNINGS PER COMMON SHARE				
Primary	$.81	$.72	$1.62	$1.42
Fully diluted	.81	.72	1.61	1.41
CASH DIVIDENDS DECLARED PER COMMON SHARE	.37	.35	.74	.70
AVERAGE COMMON SHARES OUTSTANDING				
Primary	311,968	343,022	317,938	342,949
Fully diluted	315,877	347,343	321,891	347,306

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

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

Dollars in millions, except share data	June 30 1997	December 31 1996
ASSETS		
Cash and due from banks	$3,676	$4,016
Short-term investments	1,159	774
Loans held for sale	1,235	941
Securities available for sale	8,396	11,917
Loans, net of unearned income of $392 and $385	53,497	51,798
Allowance for credit losses	(1,075)	(1,166)
Net loans	52,422	50,632
Other	5,085	4,980
Total assets	$71,973	$73,260
LIABILITIES		
Deposits		
Noninterest-bearing	$10,662	$10,937
Interest-bearing	34,554	34,739
Total deposits	45,216	45,676
Borrowed funds		
Bank notes and senior debt	9,192	8,093
Federal funds purchased	2,516	3,933
Repurchase agreements	757	645
Other borrowed funds	5,250	5,576
Subordinated debt	1,351	1,357
Total borrowed funds	19,066	19,604
Other	1,657	1,761
Total liabilities	65,939	67,041
Mandatorily redeemable capital securities of subsidiary trusts	650	350
SHAREHOLDERS' EQUITY		
Preferred stock	7	7
Common stock - $5 par value		
Authorized: 450,000,000 shares		
Issued: 347,384,145 and 345,154,238 shares	1,737	1,726
Capital surplus	1,004	939
Retained earnings	4,356	4,075
Deferred benefit expense	(62)	(60)
Net unrealized securities losses	(83)	(67)
Common stock held in treasury at cost: 40,407,600 and 21,036,195 shares	(1,575)	(751)
Total shareholders' equity	5,384	5,869
Total liabilities, capital securities and shareholders' equity	$71,973	$73,260

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

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

Six months ended June 30 - in millions	1997	1996
OPERATING ACTIVITIES		
Net income	$525	$486
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for credit losses	25	
Depreciation, amortization and accretion	160	134

Deferred income taxes	76	64
Net securities gains	(30)	(7)
Net gain on sales of assets	(81)	(45)
Valuation adjustments	(2)	(9)
Changes in		
Loans held for sale	(294)	(388)
Other	7	(164)
Net cash provided by operating activities	386	71
INVESTING ACTIVITIES		
Net change in loans	(2,924)	(428)
Repayment of securities available for sale	894	1,814
Sales		
Securities available for sale	5,385	3,242
Loans	1,190	170
Foreclosed assets	49	86
Purchases		
Securities available for sale	(2,761)	(3,584)
Loans	(150)	(479)
Net cash received in acquisitions		460
Other	(484)	806
Net cash provided by investing activities	1,199	2,087
FINANCING ACTIVITIES		
Net change in		
Noninterest-bearing deposits	(275)	(471)
Interest-bearing deposits	(177)	(2,061)
Federal funds purchased	(1,417)	(2,708)
Sale/issuance		
Repurchase agreements	38,112	38,696
Bank notes and senior debt	4,710	4,537
Other borrowed funds	51,455	43,304
Capital securities	300	
Common stock	88	33
Repayment/maturity		
Repurchase agreements	(38,000)	(39,360)
Bank notes and senior debt	(3,610)	(2,109)
Other borrowed funds	(51,778)	(42,176)
Acquisition of treasury stock	(1,087)	(50)
Cash dividends paid	(246)	(240)
Net cash used by financing activities	(1,925)	(2,605)
DECREASE IN CASH AND DUE FROM BANKS	(340)	(447)
Cash and due from banks at beginning of year	4,016	3,679
Cash and due from banks at end of period	$3,676	$3,232
CASH ITEMS		
Interest paid	$1,292	$1,382
Income taxes paid	206	90
NONCASH ITEMS		
Transfers from loans to foreclosed assets	38	37

</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 operating 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.

To accommodate customer needs, PNC Bank also enters into financial derivatives transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Interest rate risk exposure from customer positions is managed through transactions with other dealers. These positions are recorded at estimated fair value and changes in value 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 PRONOUNCEMENTS During the first six months of 1997, the Financial Accounting Standards Board issued several Statements of Financial Accounting Standards ("SFAS").

SFAS No. 128, "Earnings per Share," is effective for periods ending after December 15, 1997 with retroactive restatement required for all periods presented. Under the provisions of SFAS No. 128, primary and fully diluted earnings per share will be replaced with basic and diluted earnings per share amounts.

SFAS No. 129, "Disclosure of Information About Capital Structure," is effective for financial statements for periods ending after December 15, 1997. This Statement requires disclosure of rights and privileges of various securities outstanding.

SFAS No. 130, "Reporting Comprehensive Income," is effective for fiscal years beginning after December 15, 1997. This Statement establishes standards for reporting and display of comprehensive income and its components. Comprehensive income includes net income and all other changes in shareholders' equity except those resulting from investments and distributions to owners.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," is effective for financial statements for periods beginning after December 15, 1997. This Statement requires financial and descriptive information about an entity's operating segments to be included in the annual financial statements.

None of these standards when implemented are expected to materially impact the reported financial position or results of operations of the Corporation.

CASH FLOWS

For the statement of cash flows, cash and cash equivalents are defined as cash and due from banks. During the first six months 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 six months of 1997.

SECURITIES AVAILABLE FOR SALE

<TABLE>
<CAPTION>

	June 30, 1997				December 31, 1996			
		Unrealized				Unrealized		
In millions	Amortized Cost	Gains	Losses	Fair Value	Amortized Cost	Gains	Losses	Fair Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Debt securities								
U.S. Treasury, government agencies and corporations	$1,316	$4	$13	$1,307	$3,238	$20	$21	$3,237
Mortgage backed	5,358	5	134	5,229	6,301	13	138	6,176
Asset backed	1,031	2	1	1,032	1,609	7	1	1,615
State and municipal	199	7		206	218	9		227
Other debt	31		1	30	100	7	2	105
Total debt securities	7,935	18	149	7,804	11,466	56	162	11,360
Corporate stocks and other	589	3		592	554	3		557
Total securities available for sale	$8,524	$21	$149	$8,396	$12,020	$59	$162	$11,917

</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 June 30, 1997 and December 31, 1996, $4.1 billion and $5.5 billion, respectively, notional value of financial derivatives were designated to securities available for sale.

NONPERFORMING ASSETS

Nonperforming assets were as follows:

<TABLE>
<CAPTION>

In millions	June 30 1997	December 31 1996

<S> <C> <C>

Nonaccrual loans	$345	$347
Restructured loans	1	2
Total nonperforming loans	346	349
Foreclosed assets	96	110
Total nonperforming assets	$442	$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>
Allowance at January 1	$1,166	$1,259
Charge-offs		
Consumer		
Credit card	101	27
Other	55	50
Residential mortgage	5	4
Commercial	20	27
Commercial real estate	4	5
Total charge-offs	185	113
Recoveries		
Consumer		
Credit card	16	3
Other	18	18
Residential mortgage	1	1
Commercial	27	15
Commercial real estate	4	6
Total recoveries	66	43
Net charge-offs	119	70
Provision for credit losses	25	
Acquisitions	3	
Allowance at June 30	$1,075	$1,189

</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>
JUNE 30, 1997				
Interest rate swaps	$5,813	$108	$1,235	$(11)
Interest rate caps	4,573	4		
Interest rate floors	3,500	4	48	
Mortgage banking activities	1,782	8	1,112	(6)
Total	$15,668	$124	$2,395	$(17)
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>

Customer-related derivatives were as follows:

<TABLE>
<CAPTION>

June 30, 1997 - in millions	Notional Value	Net Asset (Liability)	Positive Fair Value	Negative Fair Value
<S>	<C>	<C>	<C>	<C>
Interest rate				
Swaps	$3,107	$1	$11	$(10)
Caps/floors	2,605	(1)	3	(4)
Foreign exchange	1,283		15	(15)
Other	952		1	(1)
Total	$7,947		$30	$(30)

</TABLE>

CAPITAL SECURITIES

Mandatorily Redeemable Capital Securities of Subsidiary Trust ("Capital Securities") represent preferred beneficial interests in the assets of PNC Institutional Capital Trust B ("Trust"). The Trust holds $300 million, par value of certain 8.315% junior subordinated debentures due May 15, 2027 issued by the Corporation. Distributions on the Capital Securities will be payable at an annual rate of 8.315% of the stated liquidation amount of $1,000 per Capital Security, payable semiannually. Cash distributions on the Capital Securities are made to the extent interest on the debentures is received by the Trust. In the event of certain changes or amendments to regulatory requirements or federal tax rules, the Capital Securities are redeemable in whole. Otherwise, the Capital Securities are generally redeemable in whole or in part on or after May 15, 2007, at a declining redemption price ranging from 104.1575% to 100% of par on or after May 15, 2017.

OTHER FINANCIAL INFORMATION

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

In millions	June 30 1997	December 31 1996
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,679	$4,022
Securities	8,206	11,210
Loans, net of unearned income	53,380	51,736
Allowance for credit losses	(1,075)	(1,166)
Net loans	52,305	50,570
Other assets	6,551	5,988
Total assets	$70,741	$71,790
LIABILITIES		
Deposits	$45,646	$46,290
Borrowed funds	17,661	18,077
Other liabilities	981	1,014
Total liabilities	64,288	65,381
Mandatorily redeemable capital securities of subsidiary trust	350	350
SHAREHOLDER'S EQUITY	6,103	6,059
Total liabilities, capital securities and shareholder's equity	$70,741	$71,790

</TABLE>

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

Six months ended June 30 - in millions	1997	1996
<S>	<C>	<C>
Interest income	$2,476	$2,481
Interest expense	1,212	1,242

Net interest income	1,264	1,239
Provision for credit losses	25	
Net interest income less provision for credit losses	1,239	1,239
Noninterest income	785	590
Noninterest expense	1,235	1,085
Income before income taxes	789	744
Applicable income taxes	276	263
Net income	$513	$481

</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 $261 million at June 30, 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 balances in millions, interest in thousands Taxable-equivalent basis	Six months ended June 30 1997 Average Balances	Interest	Average Yields/Rates	1996 Average Balances	Interest	Average Yields/Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Interest-earning assets						
Loans held for sale	$1,215	$43,864	7.22%	$1,205	$41,453	6.88%
Securities						
U.S. Treasury, government agencies and corporations	6,677	201,197	6.04	11,013	342,288	6.22
Other debt	2,305	75,892	6.58	3,110	106,129	6.79
Other	587	21,399	7.32	656	26,253	8.02
Total securities	9,569	298,488	6.25	14,779	474,670	6.42
Loans, net of unearned income						
Consumer						
Credit card	3,274	206,941	12.75	983	66,894	13.62
Other consumer	11,531	482,953	8.45	12,324	515,802	8.42
Total consumer	14,805	689,894	9.40	13,307	582,696	8.81
Residential mortgage	12,974	483,199	7.45	11,751	437,513	7.45
Commercial	18,204	713,054	7.79	16,998	662,706	7.71
Commercial real estate	4,562	197,229	8.62	4,858	216,991	8.89
Other	1,825	62,691	6.88	1,994	66,036	6.64
Total loans, net of unearned income	52,370	2,146,067	8.20	48,908	1,965,942	8.02
Other interest-earning assets	860	25,661	6.02	1,138	34,812	6.15

Total interest-earning assets/interest income	64,014	2,514,080	7.86	66,030	2,516,877	7.61
Noninterest-earning assets						
Allowance for credit losses	(1,121)			(1,234)		
Cash and due from banks	2,906			3,146		
Other assets	4,763			4,145		
Total assets	$70,562			$72,087		
LIABILITIES, CAPITAL SECURITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits						
Demand and money market	$13,116	181,803	2.80	$12,630	165,341	2.63
Savings	2,993	29,181	1.97	3,580	36,921	2.07
Other time	17,689	472,475	5.38	18,523	496,088	5.38
Deposits in foreign offices	1,127	30,696	5.42	894	24,524	5.42
Total interest-bearing deposits	34,925	714,155	4.12	35,627	722,874	4.08
Borrowed funds						
Bank notes and senior debt	8,425	236,122	5.57	7,851	219,752	5.60
Federal funds purchased	3,272	89,601	5.52	3,896	104,429	5.39
Repurchase agreements	760	20,529	5.37	2,901	77,424	5.28
Other borrowed funds	4,827	141,887	5.88	3,299	102,133	6.23
Subordinated debt	1,351	53,922	7.98	1,359	54,231	7.99
Total borrowed funds	18,635	542,061	5.82	19,306	557,969	5.78
Total interest-bearing liabilities/interest expense	53,560	1,256,216	4.71	54,933	1,280,843	4.67
Noninterest-bearing liabilities, capital securities and shareholders' equity						
Demand and other noninterest-bearing deposits	9,550			9,838		
Accrued expenses and other liabilities	1,473			1,550		
Mandatorily redeemable capital securities of subsidiary trust	421					
Shareholders' equity	5,558			5,766		
Total liabilities, capital securities and shareholders' equity	$70,562			$72,087		
Interest rate spread			3.15			2.94
Impact of noninterest-bearing liabilities			.77			.78
Net interest income/margin		$1,257,864	3.92%		$1,236,034	3.72%

</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>

Second Quarter 1997	First Quarter 1997	Second Quarter 1996

Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates
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$1,408	$25,894	7.36%	$1,019	$17,970	7.05%	$1,260	$21,725	6.90%
6,375	95,834	6.02	6,982	105,363	6.05	11,206	172,885	6.18
2,083	34,051	6.54	2,530	41,841	6.62	2,906	48,960	6.71
597	10,733	7.20	577	10,666	7.45	628	12,773	8.15
9,055	140,618	6.21	10,089	157,870	6.27	14,740	234,618	6.37
3,502	106,348	12.18	3,043	100,593	13.22	979	33,845	13.83
11,239	237,784	8.49	11,827	245,169	8.41	12,264	255,227	8.37
14,741	344,132	9.36	14,870	345,762	9.39	13,243	289,072	8.78
13,164	245,127	7.45	12,781	238,072	7.45	11,883	219,395	7.40
18,494	363,388	7.77	17,916	349,666	7.81	17,190	331,768	7.64
4,530	98,558	8.66	4,591	98,671	8.60	4,831	104,582	8.62
1,884	33,327	7.08	1,764	29,364	6.67	2,044	33,711	6.48
52,813	1,084,532	8.19	51,922	1,061,535	8.20	49,191	978,528	7.94
925	13,522	5.86	795	12,139	6.20	1,165	17,417	6.01
64,201	1,264,566	7.85	63,825	1,249,514	7.86	66,356	1,252,288	7.53
(1,094)			(1,148)			(1,216)		
2,877			2,935			3,196		
4,837			4,689			4,104		
$70,821			$70,301			$72,440		
$13,270	94,394	2.85	$12,962	87,409	2.74	$12,635	80,422	2.56
2,924	14,377	1.97	3,063	14,804	1.96	3,582	17,796	2.00
17,656	238,928	5.43	17,721	233,547	5.34	18,407	243,554	5.32
1,463	20,301	5.49	787	10,395	5.28	759	10,119	5.27
35,313	368,000	4.18	34,533	346,155	4.06	35,383	351,891	4.00
8,284	118,950	5.68	8,566	117,172	5.47	8,298	114,483	5.52
3,474	48,693	5.62	3,068	40,908	5.38	3,550	46,423	5.26
786	10,773	5.43	735	9,756	5.31	3,063	40,465	5.23
4,780	70,615	5.91	4,874	71,272	5.86	3,451	51,980	6.06
1,351	26,954	7.98	1,351	26,968	7.98	1,358	27,120	7.99
18,675	275,985	5.88	18,594	266,076	5.76	19,720	280,471	5.69
53,988	643,985	4.77	53,127	612,231	4.66	55,103	632,362	4.59
9,501			9,600			9,996		

1,480		1,466		1,574	
492		350			
5,360		5,758		5,767	
$70,821		$70,301		$72,440	
	3.08		3.20		2.94
	.76		.78		.78
$620,581	3.84%	$637,283	3.98%	$619,926	3.72%

</TABLE>

QUARTERLY REPORT ON FORM 10-Q

Securities and Exchange Commission
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 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 July 31, 1997, PNC Bank Corp. had 307,029,630 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 4 Submission of Matters for a Vote of Security Holders

An annual meeting of shareholders of the Corporation was held on April 22, 1997, for the purpose of (a) electing 19 directors, (b) approving the PNC Bank Corp. 1997 Long-Term Incentive Award Plan, and (c) approving an amendment to the PNC Bank Corp. Employee Stock Purchase Plan.

All 19 nominees were elected and the votes cast for and against/withheld were as follows:

Nominee	Aggregate Votes For	Aggregate Votes Against/Withheld
Paul W. Chellgren	276,402,363	4,169,891
Robert N. Clay	276,330,770	4,241,484
George A. Davidson, Jr.	276,357,739	4,214,515
David F. Girard-diCarlo	274,163,908	6,408,346
Dianna L. Green	276,260,048	4,312,206
Carl G. Grefenstette	276,218,066	4,354,188
Bruce C. Lindsay	276,316,654	4,255,600
W. Craig McClelland	276,282,556	4,289,698
Thomas Marshall	276,199,969	4,372,285
Thomas H. O'Brien	276,185,331	4,386,923
Jackson H. Randolph	276,311,304	4,260,950
James E. Rohr	276,339,306	4,232,948
Roderic H. Ross	276,234,958	4,337,296
Vincent A. Sarni	276,145,342	4,426,912
Garry J. Scheuring	276,184,059	4,388,195
Richard P. Simmons	276,265,639	4,306,615
Thomas J. Usher	276,383,586	4,188,668
Milton A. Washington	276,321,909	4,250,345
Helge H. Wehmeier	276,342,817	4,229,437

The PNC Bank Corp. 1997 Long-Term Incentive Award Plan was approved, and the votes cast for, against or abstained and the number of broker non-votes were as follows:

Aggregate votes for:	194,306,952
Aggregate votes against:	51,532,000
Number of abstentions:	3,872,126
Number of broker non-votes:	30,861,176

The amendment to the PNC Bank Corp. Employee Stock Purchase Plan was approved, and the votes cast for, against or abstained and the number of broker non-votes were as follows:

Aggregate votes for:	236,980,029
Aggregate votes against:	9,092,069
Number of abstentions:	3,638,980
Number of broker non-votes:	30,861,176

With respect to the above matters, holders of the Corporation's common and preferred stock voted together as a single class. The following table sets forth as of the February 24, 1997 record date the number of shares of each class of stock that was issued and outstanding and entitled to vote, the voting power per share and the aggregate voting power of each class:

Title of Class	Voting Rights Per Share	Number of Shares Entitled to Vote	Aggregate Voting Power
Common Stock	1	322,038,350	322,038,350
$1.80 Cumulative Convertible Preferred Stock			

- Series A	8	16,258	130,064
$1.80 Cumulative Convertible Preferred Stock - Series B	8	4,452	35,616
$1.60 Cumulative Convertible Preferred Stock - Series C	4/2.4	325,610	542,683*
$1.80 Cumulative Convertible Preferred Stock - Series D	4/2.4	439,896	733,160*
Total possible votes			323,479,873*

</TABLE>

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

Holders of the Corporation's 6,000,000 issued and outstanding shares of Fixed/Adjustable Rate Noncumulative Preferred Stock-Series F were not entitled to vote with respect to the matters presented at the meeting.

Item 6   Exhibits and Reports on Form 8-K

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

<TABLE>

<S>	<C>
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

</TABLE>

Copies of these Exhibits may be accessed electronically at the Securities and Exchange Commission's home page at www.sec.gov. Exhibits will also be furnished 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.

Since March 31, 1997, the Corporation filed the following current reports on Form 8-K:

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.

Form 8-K dated as of July 9, 1997, reporting the public offering of $350 million of 67/8% subordinated notes due 2007, filed pursuant to Item 5.

Form 8-K dated as of July 16, 1997, reporting the Corporation's consolidated financial results for the three months and six months ended June 30, 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 August 14, 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

INTERNET INFORMATION

World Wide Web at 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 ("SEC"), including Exhibits thereto, may be obtained:

Electronically at the SEC's home page at www.sec.gov.

By writing to Glenn Davies, Vice President, Financial Reporting, at corporate headquarters.

By calling (412) 762-1553 or via e-mail to gdavies@usaor.net.

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.

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

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.

<TABLE>
<CAPTION>

1997 Quarter	High	Low	Close	Cash Dividends Declared
<S>	<C>	<C>	<C>	<C>
First	$45.000	$36.500	$40.000	$.37
Second	44.750	37.375	41.750	.37
Total				$.74

</TABLE>

<TABLE>
<CAPTION>

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

</TABLE>

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.

EXHIBIT 11

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

	Three months ended June 30		Six months ended June 30	
In thousands, except per share data	1997	1996	1997	1996
CALCULATION OF PRIMARY EARNINGS PER COMMON SHARE				
Net income	$259,075	$248,050	$525,384	$486,370
Less: Preferred dividends declared	4,870	350	9,744	708
Net income applicable to primary earnings per common share	$254,205	$247,700	$515,640	$485,662
Weighted average shares of common stock outstanding	310,303	341,618	316,146	341,510
Weighted average common shares to be issued using average market price and assuming:				
Exercise of stock options	1,665	1,404	1,792	1,439
Primary weighted average common shares outstanding	311,968	343,022	317,938	342,949
PRIMARY EARNINGS PER COMMON SHARE	$.81	$.72	$1.62	$1.42
CALCULATION OF FULLY DILUTED EARNINGS PER COMMON SHARE				
Net income	$259,075	$248,050	$525,384	$486,370
Add: Interest expense on convertible debentures (net of tax)	758	865	1,527	1,723
Less: Dividends declared on non-convertible preferred stock	4,538		9,075	
Net income applicable to fully diluted earnings per common share	$255,295	$248,915	$517,836	$488,093
Weighted average shares of common stock outstanding	310,303	341,618	316,146	341,510
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	164	174	166	177
Conversion of preferred stock Series C	534	566	538	570
Conversion of preferred stock Series D	722	760	727	768
Conversion of debentures	2,466	2,821	2,485	2,842
Exercise of stock options	1,688	1,404	1,829	1,439
Fully diluted weighted average common shares outstanding	315,877	347,343	321,891	347,306
FULLY DILUTED EARNINGS PER COMMON SHARE	$.81	$.72	$1.61	$1.41

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

<TABLE>
<CAPTION>

	Six months ended	Year ended December 31				
Dollars in thousands	June 30, 1997	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$801,587	$1,527,551	$627,012	$1,209,916	$1,140,487	$787,994
Fixed charges excluding interest on deposits	573,261	1,096,893	1,487,279	1,104,573	704,228	582,854
Subtotal	1,374,848	2,624,444	2,114,291	2,314,489	1,844,715	1,370,848
Interest on deposits	714,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$2,089,003	$4,053,215	$3,666,107	$3,473,731	$2,850,373	$2,917,424
FIXED CHARGES						
Interest on borrowed funds	$541,658	$1,064,847	$1,455,069	$1,070,565	$676,319	$555,610
Interest component of rentals	14,376	29,839	31,283	32,247	26,491	25,739
Amortization of borrowed funds	404	816	927	1,761	1,418	1,505
Distributions on capital securities	16,823	1,391				
Subtotal	573,261	1,096,893	1,487,279	1,104,573	704,228	582,854
Interest on deposits	714,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$1,287,416	$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	2.40x	2.39x	1.42x	2.10x	2.62x	2.35x
Including interest on deposits	1.62	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	Six months ended June 30, 1997	Year ended December 31 1996	1995	1994	1993	1992
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	$801,587	$1,527,551	$627,012	$1,209,916	$1,140,487	$787,994
Fixed charges and preferred stock dividends excluding interest on deposits	588,252	1,105,324	1,492,391	1,112,564	712,339	592,902
Subtotal	1,389,839	2,632,875	2,119,403	2,322,480	1,852,826	1,380,896
Interest on deposits	714,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$2,103,994	$4,061,646	$3,671,219	$3,481,722	$2,858,484	$2,927,472
FIXED CHARGES						
Interest on borrowed funds	$541,658	$1,064,847	$1,455,069	$1,070,565	$676,319	$555,610
Interest component of rentals	14,376	29,839	31,283	32,247	26,491	25,739
Amortization of borrowed funds	404	816	927	1,761	1,418	1,505
Distributions on capital securities	16,823	1,391				
Preferred stock dividends	14,991	8,431	5,112	7,991	8,111	10,048
Subtotal	588,252	1,105,324	1,492,391	1,112,564	712,339	592,902
Interest on deposits	714,155	1,428,771	1,551,816	1,159,242	1,005,658	1,546,576
Total	$1,302,407	$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	2.36x	2.38x	1.42x	2.09x	2.60x	2.33x
Including interest on deposits	1.62	1.60	1.21	1.53	1.66	1.37

<TABLE> <S> <C>

<ARTICLE> 9
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