

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

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

OCTOBER 15, 1998  
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

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

COMMISSION FILE NUMBER 1-9718

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

25-1435979  
(I.R.S. Employer  
Identification No.)

ONE PNC PLAZA  
249 FIFTH AVENUE  
PITTSBURGH, PENNSYLVANIA 15222-2707  
(Address of principal executive offices)  
(Zip Code)

(412) 762-1553  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

Third Quarter 1998 Financial Results

On October 15, 1998, PNC Bank Corp. ("Corporation") reported results of operations for the three months and nine months ended September 30, 1998. A copy of the earnings press release issued by the Corporation is attached as Exhibit 99 and incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

The exhibit listed on the Exhibit Index on page 3 of this Form 8-K is filed herewith.

SIGNATURES

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

PNC BANK CORP.  
(Registrant)

Date: October 15, 1998

By: /s/ ROBERT L. HAUNSCHILD  
-----  
Robert L. Haunschild  
Senior Vice President and  
Chief Financial Officer

## EXHIBIT INDEX

- 99 Earnings press release issued by the Corporation on October 15, 1998, with respect to the results of operations for the three months and nine months ended September 30, 1998, filed herewith.

## CONTACTS:

## MEDIA:

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## INVESTORS:

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invrela@pncmail.com

PNC BANK CORP. REPORTS  
THIRD QUARTER 1998 EARNINGS

PITTSBURGH, October 15, 1998 - PNC Bank Corp. (NYSE: PNC) today reported earnings of \$281 million for the third quarter of 1998 compared with \$262 million in the third quarter of 1997. Diluted earnings per share increased 10% to \$.91 in the third quarter of 1998 compared with \$.83 in the prior-year quarter driven by strong revenue growth and the impact of capital management initiatives.

Returns on average common shareholders' equity and average assets were 20.52% and 1.48% in the third quarter of 1998 compared with 20.11% and 1.47%, respectively, a year ago.

"Our diversified businesses continued to drive strong performance in a time of turbulent financial markets," said Thomas H. O'Brien, chairman and chief executive officer. "Fee-based revenues grew 22% led by asset management, mutual fund servicing, consumer services, capital markets and mortgage banking. In this rapidly changing economic environment, our overall risk profile remained strong while we continued to focus our strategies on growing value-added businesses."

## HIGHLIGHTS

- \* Total revenue grew 22% driven by fee-based revenues
- \* Despite a stock market decline, the asset management business grew with a focus on fixed-income, liquidity and risk management products
- \* The overall credit risk profile remained stable with no credit exposure to hedge funds or in Russia and nominal credit exposure in Latin America and Asia

-more-

## PNC Bank Corp. Reports Third Quarter 1998 Earnings--Page 2

- \* Closed an innovative transaction to reduce required capital on approximately \$4 billion of commercial credit exposure
- \* Hedging activities offset the impact of refinancings on the residential mortgage servicing portfolio
- \* Announced an agreement to sell approximately \$1 billion of non-affinity, non-relationship credit cards to further reduce PNC's risk profile
- \* Announced an agreement to acquire Hilliard-Lyons, Inc., a high-end retail brokerage firm with 90 offices in 12 Midwestern and Southeastern states
- \* Agreed to sell the corporate trust and escrow business to Chase Manhattan Trust Company, N.A.

## INCOME STATEMENT REVIEW

Taxable-equivalent net interest income increased \$25 million to \$653 million in the third quarter of 1998 due to growth in earning assets. The net interest margin was 3.81% for the third quarter of 1998 compared with 3.81% in the prior quarter and 3.89% in the third quarter of 1997. The net interest margin was lower than the prior year due to a change in balance sheet composition and the financing cost of the Midland acquisition.

The provision for credit losses was \$45 million in the third quarter of 1998 compared with \$20 million last year.

Noninterest income was \$676 million in the third quarter of 1998. Asset management, mutual fund servicing, consumer services, corporate finance and capital markets, and mortgage banking revenues each grew 20% or more compared with the prior-year quarter. Noninterest income included \$30 million of gains from the sale of eight branches in Kentucky and Indiana that offset the impact of valuation adjustments on certain market-sensitive asset positions. Noninterest income also included \$55 million of trading gains and \$51 million of net securities gains resulting from mortgage banking hedging activities that offset an increase in the amortization of residential mortgage servicing rights ("MSR").

Asset management and mutual fund servicing fees grew 24% and 33%, respectively, from the third quarter of 1997 primarily reflecting significant new business. Assets under management increased to approximately \$152 billion at September 30, 1998 compared with \$127 billion at September 30, 1997. At September 30, 1998, custody and accounting/administration

-more-

PNC Bank Corp. Reports Third Quarter 1998 Earnings--Page 3

services were provided for \$287 billion and \$228 billion of mutual fund assets, respectively. The comparable amounts were \$212 billion and \$175 billion, respectively, a year ago.

Consumer services revenue increased \$20 million or 25% compared with the third quarter of 1997 primarily due to growth in credit card accounts. Corporate finance and capital markets fees increased 25% to \$57 million in the third quarter of 1998 resulting from higher treasury management and capital markets fees.

Mortgage banking revenue grew \$14 million or 20% from the prior-year quarter primarily due to higher servicing income reflecting the impact of servicing portfolio acquisitions and significant mortgage refinance activity. Residential mortgage originations totaled \$3.1 billion compared with \$1.7 billion in the year-earlier period. At September 30, 1998, approximately \$60.3 billion of mortgages were serviced including \$51.8 billion serviced for others.

Noninterest expense of \$843 million increased \$191 million compared with the third quarter of 1997. The increase in noninterest expense was primarily due to higher amortization of residential MSR, the impact of the Midland acquisition and incentive compensation commensurate with revenue growth.

The managed efficiency ratio, which excludes amortization of intangibles, distributions on capital securities and mortgage banking hedging activities, improved to 53.3% in the third quarter of 1998 from 54.6% in the prior-year quarter.

#### BALANCE SHEET REVIEW

Total assets were \$76.2 billion at September 30, 1998. Average earning assets increased \$4.0 billion from the prior-year quarter to \$68.0 billion primarily due to higher loans and loans held for sale. Average loans grew \$2.7 billion to \$55.9 billion, a 5.1% increase from the prior year. Growth in commercial loans more than offset the impact of loan securitizations, a decline in residential mortgages and downsizing of the indirect automobile lending portfolio. The increase in commercial loans was primarily in middle market and secured lending. Loans represented 82.3% of average earning assets in the third quarter of 1998 compared with 83.2% a year ago. Average loans held for sale increased \$2.3 billion from the prior year reflecting higher residential mortgage originations and the commercial mortgage inventory of Midland. Average securities available for sale decreased \$1.1 billion to \$7.0 billion or 10.4% of average earning assets in the third quarter of 1998.

-more-

PNC Bank Corp. Reports Third Quarter 1998 Earnings--Page 4

Average deposits decreased slightly to \$44.5 billion in the third quarter of 1998 and represented 59.1% of total sources of funds. Average borrowed funds increased \$4.2 billion compared with the third quarter of last year. Liquidity was strengthened as 42% of wholesale liabilities had a maturity beyond one year at September 30, 1998 compared with 32% at September 30, 1997.

Shareholders' equity totaled \$5.8 billion at the end of the third quarter. At September 30, 1998 the leverage ratio was 7.20% and Tier I and total risk-based capital ratios are estimated to be 7.4% and 10.8%, respectively.

The ratio of nonperforming assets to total loans and foreclosed assets was 0.58%, 0.57% and 0.73% at September 30, 1998, June 30, 1998 and September

30, 1997, respectively. Nonperforming assets were \$329 million at September 30, 1998 compared with \$323 million at June 30, 1998 and \$394 million a year ago. Nonperforming assets included \$40 million related to affiliates of the Allegheny Health, Education and Research Foundation that became nonperforming in the third quarter while all other nonperforming assets declined \$34 million.

The allowance for credit losses was \$816 million at September 30, 1998 and represented 289% of nonperforming loans compared with 315% at June 30, 1998 and 324% at September 30, 1997. Net charge-offs were \$88 million in the third quarter of 1998, \$89 million in the second quarter of 1998, and \$73 million in the third quarter of last year. The corresponding ratios of net charge-offs as a percentage of average loans were 0.62%, 0.64% and 0.54%, respectively.

-more-

PNC Bank Corp. Reports Third Quarter 1998 Earnings--Page 5

#### YEAR TO DATE RESULTS

Diluted earnings per share increased 10% to \$2.68 for the first nine months of 1998 from \$2.44 for the same period of 1997. Returns on average common shareholders' equity and average assets were 21.00% and 1.51%, respectively, compared with 19.93% and 1.49%, respectively, in the first nine months of 1997.

PNC Bank Corp., headquartered in Pittsburgh, is one of the largest diversified financial services organizations in the United States. Its major businesses include Regional Community Banking, National Consumer Banking, Mortgage Banking, Private Banking, Asset Management, Mutual Fund Servicing, Corporate Banking and Secured Lending.

Visit PNC Bank on the World Wide Web at <http://www.pncbank.com>

PNC Bank Corp.'s SEC reports, accessible on its website, identify factors that can affect forward-looking statements.

[TABULAR MATERIAL FOLLOWS]

#### PNC BANK CORP. AND SUBSIDIARIES Consolidated Financial Highlights

Page 6

<TABLE>  
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ended	Three months ended		Nine months	
	September 30		September 30	
	1998	1997	1998	
1997				
-----				
<S>	<C>	<C>	<C>	<C>
FINANCIAL PERFORMANCE (in thousands, except per share data)				
Revenue				
Net interest income (taxable-equivalent basis)	\$652,532	\$627,431	\$1,933,748	
\$1,885,295				
Noninterest income	675,870	459,247	1,825,988	
1,336,917				
Total revenue	1,328,402	1,086,678	3,759,736	
3,222,212				
Net income	280,588	261,595	830,259	
786,979				
Per common share				
Basic earnings	.92	.84	2.71	
2.47				
Diluted earnings	.91	.83	2.68	
2.44				
Cash dividends declared	.39	.37	1.17	
1.11				
SELECTED RATIOS				
Return on				
Average common shareholders' equity	20.52%	20.11%	21.00%	
19.93%				
Average assets	1.48	1.47	1.51	
1.49				
Net interest margin	3.81	3.89	3.86	
3.91				
Noninterest income to total revenue	50.88	42.26	48.57	

41.49			
After-tax profit margin	21.12	24.07	22.08
24.42			
Efficiency ratio*	53.28	54.57	55.50
55.82			
Net charge-offs to average loans	.62	.54	.65
.49			

\* Excluding amortization of intangibles, distributions on capital securities and mortgage banking hedging activities

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	September 30	June 30	March 31	December 31
	1998	1998	1998	1997

1997

-----

<S>	<C>	<C>	<C>	<C>
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BALANCE SHEET DATA (in millions)				
Assets	\$76,238	\$75,873	\$72,355	\$75,120
\$71,828				
Earning assets	68,638	68,353	65,210	66,688
64,208				
Loans, net of unearned income	56,752	56,237	54,511	54,245
53,651				
Securities available for sale	7,152	7,540	7,511	8,522
8,000				
Deposits	46,875	47,096	46,068	47,649
44,788				
Borrowed funds	19,972	20,488	18,375	19,622
19,052				
Shareholders' equity	5,793	5,633	5,487	5,384
5,476				
Common shareholders' equity	5,479	5,318	5,173	5,069
5,161				

#### CAPITAL RATIOS

Leverage	7.20%	7.18%	7.36%	7.30%
7.43%				
Common shareholders' equity to assets	7.19	7.01	7.15	6.75
7.18				

#### ASSET QUALITY RATIOS

Nonperforming assets to loans and foreclosed assets	.58%	.57%	.61%	.61%
.73%				
Allowance for credit losses to loans	1.44	1.53	1.67	1.79
1.91				
Allowance for credit losses to nonperforming loans	289.02	315.09	320.96	351.79
324.25				

Book value per common share	\$18.21	\$17.64	\$17.20	\$16.87
\$16.92				

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</TABLE>

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<TABLE>  
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	Three months ended	Nine months
	September 30	September

30

-----

In thousands, except per share data  
1997

1998

1997

1998

-----			
<S>	<C>	<C>	<C>
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INTEREST INCOME			
Loans and fees on loans	\$1,166,728	\$1,101,508	\$3,424,186
\$3,236,193			
Securities available for sale	102,569	125,347	323,816
420,587			
Other	84,989	43,489	210,758
112,880			
-----			
Total interest income	1,354,286	1,270,344	3,958,760
3,769,660			
INTEREST EXPENSE			
Deposits	371,563	372,860	1,095,409
1,087,015			
Borrowed funds	336,676	277,567	949,450
819,628			
-----			
Total interest expense	708,239	650,427	2,044,859
1,906,643			
-----			
Net interest income	646,047	619,917	1,913,901
1,863,017			
Provision for credit losses	45,000	20,000	110,000
45,000			
-----			
Net interest income less provision for credit losses	601,047	599,917	1,803,901
1,818,017			
NONINTEREST INCOME			
Asset management	143,018	115,197	420,969
332,596			
Mutual fund servicing	47,373	35,608	133,900
103,799			
Service charges on deposits	52,598	50,899	150,307
152,231			
Consumer services	97,966	78,260	273,638
224,421			
Corporate finance and capital markets	57,414	45,987	174,733
143,012			
Mortgage banking	85,988	71,956	246,873
155,453			
Net securities gains (losses)	50,842	(2,657)	76,574
27,139			
Other	140,671	63,997	348,994
198,266			
-----			
Total noninterest income	675,870	459,247	1,825,988
1,336,917			
NONINTEREST EXPENSE			
Staff expense	335,260	308,492	1,023,230
918,757			
Net occupancy and equipment	98,928	90,704	297,164
271,769			
Amortization	175,068	48,459	303,350
117,817			
Marketing	14,407	11,376	78,531
59,653			
Distributions on capital securities	16,396	13,192	43,503
30,015			
Other	203,121	179,932	619,301
548,327			
-----			
Total noninterest expense	843,180	652,155	2,365,079
1,946,338			
Income before income taxes	433,737	407,009	1,264,810
1,208,596			
Income taxes	153,149	145,414	434,551
421,617			
-----			
Net income	\$280,588	\$261,595	\$830,259

\$786,979

Net income applicable to common shareholders  
\$775,649

\$276,054      \$257,813      \$817,522

EARNINGS PER COMMON SHARE

Basic	\$ .92	\$ .84	\$2.71
\$2.47			
Diluted	.91	.83	2.68
2.44			

CASH DIVIDENDS DECLARED PER COMMON SHARE  
\$1.11

\$ .39      \$ .37      \$1.17

AVERAGE COMMON SHARES OUTSTANDING

Basic	300,640	305,920	300,521
312,487			
Diluted	304,186	311,847	305,302
318,465			

</TABLE>

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PNC BANK CORP. AND SUBSIDIARIES  
Details of Net Interest Income

Page 8

<TABLE>  
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months ended  
NET INTEREST INCOME  
September 30  
Taxable-equivalent basis  
-----  
In thousands  
1997  
-----

Three months ended  
September 30  
-----  
1998      1997      1998  
-----

<\$>  
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Interest income  
    Loans  
\$3,253,317  
    Securities available for sale  
425,541  
    Other  
113,080  
-----

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\$1,171,965      \$1,107,250      \$3,440,161  
103,597      127,053      327,228  
85,209      43,555      211,218  
-----

-----  
Total interest income  
3,791,938  
Interest expense  
    Deposits  
1,087,015  
    Borrowed funds  
819,628  
-----

1,360,771      1,277,858      3,978,607  
371,563      372,860      1,095,409  
336,676      277,567      949,450  
-----

-----  
Total interest expense  
1,906,643  
-----

708,239      650,427      2,044,859  
-----

-----  
Net interest income  
\$1,885,295  
=====

\$652,532      \$627,431      \$1,933,748  
=====

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Taxable-equivalent basis  
September 30

September 30      June 30      March 31      December 31



Three months ended - in thousands 1997	1998	1998	1998	1997
-----				
<S>	<C>	<C>	<C>	<C>
<C>				
Interest income				
Loans	\$1,171,965	\$1,144,084	\$1,124,112	\$1,123,127
\$1,107,250				
Securities available for sale	103,597	107,124	116,507	120,395
127,053				
Other	85,209	68,295	57,714	44,532
43,555				
-----				
Total interest income	1,360,771	1,319,503	1,298,333	1,288,054
1,277,858				
Interest expense				
Deposits	371,563	362,324	361,522	369,572
372,860				
Borrowed funds	336,676	320,193	292,581	279,570
277,567				
-----				
Total interest expense	708,239	682,517	654,103	649,142
650,427				
-----				
Net interest income	\$652,532	\$636,986	\$644,230	\$638,912
\$627,431				
=====				
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PNC BANK CORP. AND SUBSIDIARIES  
Details of Net Interest Margin

Page 9

<TABLE>			
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NET INTEREST MARGIN			
ended	Three months ended		Nine months
30	September 30		September
-----			
Taxable-equivalent basis	1998	1997	1998
1997			
-----			
<S>	<C>	<C>	<C>
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Rates earned/paid			
Yield on earning assets			
Loans	8.28%	8.23%	8.29%
8.21%			
Securities available for sale	5.85	6.17	5.91
6.23			
Other	6.87	6.83	6.86
6.75			
Total yield on earning assets	7.92	7.92	7.94
7.87			
Rate on interest-bearing liabilities			
Deposits	4.17	4.23	4.17
4.16			
Borrowed funds	5.83	5.92	5.83
5.84			
Total rate on interest-bearing liabilities	4.82	4.82	4.80
4.74			
-----			
Interest rate spread	3.10	3.10	3.14
3.13			
Impact of noninterest-bearing sources	.71	.79	.72
.78			
-----			
Net interest margin	3.81%	3.89%	3.86%

3.91%				
=====				
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Taxable-equivalent basis	September 30	June 30	March 31	December 31
September 30				
Three months ended	1998	1998	1998	1997
1997				
-----				
<S>				
<C>				
Rates earned/paid				
Yield on earning assets				
Loans	8.28%	8.23%	8.36%	8.27%
8.23%				
Securities available for sale	5.85	5.86	6.01	6.19
6.17				
Other	6.87	6.80	6.96	6.68
6.83				
Total yield on earning assets	7.92	7.89	8.00	7.96
7.92				
Rate on interest-bearing liabilities				
Deposits	4.17	4.15	4.19	4.23
4.23				
Borrowed funds	5.83	5.81	5.85	5.91
5.92				
Total rate on interest-bearing liabilities	4.82	4.79	4.79	4.82
4.82				
-----				
Interest rate spread	3.10	3.10	3.21	3.14
3.10				
Impact of noninterest-bearing sources	.71	.71	.75	.81
.79				
-----				
Net interest margin	3.81%	3.81%	3.96%	3.95%
3.89%				
=====				
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NONINTEREST INCOME			
ended	Three months ended		Nine months
30	September 30		September
	-----		
In thousands	1998	1997	1998
1997			
	-----		
<S>	<C>	<C>	<C>
<C>			
Asset management	\$143,018	\$115,197	\$420,969
\$332,596			
Mutual fund servicing	47,373	35,608	133,900
103,799			
Service charges on deposits	52,598	50,899	150,307
152,231			
Consumer services			
Credit card	35,109	23,292	93,386
64,356			
Brokerage	16,226	14,138	48,654

40,111			
Insurance	11,587	10,421	32,361
29,226			
Other	35,044	30,409	99,237
90,728			
-----	-----	-----	-----
Total consumer services	97,966	78,260	273,638
224,421			
Corporate finance and capital markets	57,414	45,987	174,733
143,012			
Mortgage banking			
Servicing	43,952	30,316	106,208
85,728			
Origination	18,162	13,597	55,369
32,744			
Marketing	23,790	27,360	78,219
34,629			
Sales of servicing	84	683	7,077
2,352			
-----	-----	-----	-----
Total mortgage banking	85,988	71,956	246,873
155,453			
Net securities gains (losses)	50,842	(2,657)	76,574
27,139			
Other	140,671	63,997	348,994
198,266			
-----	-----	-----	-----
Total noninterest income	\$675,870	\$459,247	\$1,825,988
\$1,336,917			
=====	=====	=====	=====
=====			

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	September 30	June 30	March 31	December 31
September 30				
Three months ended - in thousands	1998	1998	1998	1997
1997				
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
Asset management	\$143,018	\$136,886	\$141,065	\$128,916
\$115,197				
Mutual fund servicing	47,373	46,006	40,521	37,493
35,608				
Service charges on deposits	52,598	49,928	47,781	50,621
50,899				
Consumer services				
Credit card	35,109	31,785	26,492	28,802
23,292				
Brokerage	16,226	17,272	15,156	14,230
14,138				
Insurance	11,587	10,785	9,989	10,543
10,421				
Other	35,044	33,625	30,568	33,611
30,409				
-----	-----	-----	-----	-----
Total consumer services	97,966	93,467	82,205	87,186
78,260				
Corporate finance and capital markets	57,414	66,686	50,633	54,981
45,987				
Mortgage banking				
Servicing	43,952	33,025	29,231	30,503
30,316				
Origination	18,162	20,080	17,127	14,070
13,597				
Marketing	23,790	29,811	24,618	12,869
27,360				
Sales of servicing	84	275	6,718	463
683				
-----	-----	-----	-----	-----
Total mortgage banking	85,988	83,191	77,694	57,905
71,956				
Net securities gains (losses)	50,842	2,890	22,842	21,434
(2,657)				
Other	140,671	132,149	76,174	79,527

63,997

-----  
 Total noninterest income  
 \$459,247  
 =====

-----  
 \$675,870      \$611,203      \$538,915      \$518,063  
 =====

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PNC BANK CORP. AND SUBSIDIARIES  
 Details of Noninterest Expense

Page 11

<TABLE>  
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 NONINTEREST EXPENSE

ended	Three months ended		Nine months
30	September 30		September
	-----		-----
In thousands	1998	1997	1998
1997	-----		-----
-----			
<S>	<C>	<C>	<C>
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Staff expense			
Compensation	\$291,142	\$260,351	\$867,284
\$762,051			
Employee benefits	44,118	48,141	155,946
156,706			
-----	-----		-----
Total staff expense	335,260	308,492	1,023,230
918,757			
Net occupancy and equipment			
Net occupancy	47,425	46,221	148,543
139,532			
Equipment	51,503	44,483	148,621
132,237			
-----	-----		-----
Total net occupancy and equipment	98,928	90,704	297,164
271,769			
Amortization			
Mortgage servicing rights	146,683	24,681	222,293
48,592			
Goodwill	17,827	13,110	48,617
39,652			
Other	10,558	10,668	32,440
29,573			
-----	-----		-----
Total amortization	175,068	48,459	303,350
117,817			
Marketing	14,407	11,376	78,531
59,653			
Distributions on capital securities	16,396	13,192	43,503
30,015			
Other	203,121	179,932	619,301
548,327			
-----	-----		-----
Total noninterest expense	\$843,180	\$652,155	\$2,365,079
\$1,946,338			
=====	=====		=====

</TABLE>

<TABLE>  
 <CAPTION>

September 30	September 30	June 30	March 31	December 31
Three months ended - in thousands	1998	1998	1998	1997

1997

	<C>	<C>	<C>	<C>
<S>				
<C>				
Staff expense				
Compensation	\$291,142	\$285,051	\$291,091	\$286,617
\$260,351				
Employee benefits	44,118	48,635	63,193	35,571
48,141				
-----				
Total staff expense	335,260	333,686	354,284	322,188
308,492				
Net occupancy and equipment				
Net occupancy	47,425	52,533	48,585	49,813
46,221				
Equipment	51,503	49,894	47,224	47,798
44,483				
-----				
Total net occupancy and equipment	98,928	102,427	95,809	97,611
90,704				
Amortization				
Mortgage servicing rights	146,683	42,505	33,105	32,230
24,681				
Goodwill	17,827	17,630	13,160	13,143
13,110				
Other	10,558	10,968	10,914	10,731
10,668				
-----				
Total amortization	175,068	71,103	57,179	56,104
48,459				
Marketing	14,407	26,728	37,396	10,742
11,376				
Distributions on capital securities	16,396	13,914	13,193	13,123
13,192				
Other	203,121	232,801	183,379	215,493
179,932				
-----				
Total noninterest expense	\$843,180	\$780,659	\$741,240	\$715,261
\$652,155				

&lt;/TABLE&gt;

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PNC BANK CORP. AND SUBSIDIARIES  
Consolidated Balance Sheet

Page 12

	September 30	December 31
<TABLE>		
<CAPTION>		
September 30		
Dollars in millions, except par value	1998	1997
1997		
-----		
<S>	<C>	<C>
<C>		
ASSETS		
Cash and due from banks	\$1,982	\$4,303
\$3,460		
Short-term investments	832	1,526
1,084		
Loans held for sale	3,833	2,324
1,398		
Securities available for sale	7,152	8,522
8,000		
Loans, net of unearned income of \$445, \$412 and \$382	56,752	54,245
53,651		
Allowance for credit losses	(816)	(972)
(1,027)		
-----		
Net loans	55,936	53,273

52,624		
Other	6,503	5,172
5,262		
-----		
Total assets	\$76,238	\$75,120
\$71,828		
=====		
LIABILITIES		
Deposits		
Noninterest-bearing	\$9,136	\$10,158
\$9,914		
Interest-bearing	37,739	37,491
34,874		
-----		
Total deposits	46,875	47,649
44,788		
Borrowed funds		
Bank notes and senior debt	10,558	9,826
10,469		
Federal funds purchased	771	3,632
1,739		
Repurchase agreements	1,041	714
889		
Other borrowed funds	5,759	3,753
4,257		
Subordinated debt	1,843	1,697
1,698		
-----		
Total borrowed funds	19,972	19,622
19,052		
Other	2,750	1,815
1,862		
-----		
Total liabilities	69,597	69,086
65,702		
Mandatorily redeemable capital securities of subsidiary trusts		
650	848	650
SHAREHOLDERS' EQUITY		
Preferred stock	7	7
7		
Common stock - \$5 par value		
Authorized 450,000,000 shares		
Issued 352,822,767; 348,447,600 and 347,914,081 shares	1,764	1,742
1,740		
Capital surplus	1,178	1,042
1,024		
Retained earnings	5,105	4,641
4,499		
Deferred benefit expense	(54)	(41)
(61)		
Accumulated other comprehensive income	17	(23)
(35)		
Common stock held in treasury at cost: 51,937,391; 48,017,641 and 42,887,837 shares	(2,224)	(1,984)
(1,698)		
-----		
Total shareholders' equity	5,793	5,384
5,476		
-----		
Total liabilities, capital securities and shareholders' equity	\$76,238	\$75,120
\$71,828		
=====		
</TABLE>		

-more-

<TABLE>  
<CAPTION>

months ended	Three months ended		Nine
September 30	September 30		
-----	-----		-----
In millions	1998	1997	1998
1997			
-----	-----		-----
<S>	<C>	<C>	<C>
<C>			
ASSETS			
Interest-earning assets			
Securities available for sale	\$7,073	\$8,216	\$7,391
\$9,113			
Loans, net of unearned income			
Consumer (excluding credit card)	11,038	10,996	11,073
11,352			
Credit card	4,029	3,871	3,942
3,475			
Residential mortgage	12,455	13,503	12,598
13,152			
Commercial	23,359	18,839	22,159
18,737			
Commercial real estate	2,850	4,041	3,224
4,067			
Other	2,207	1,952	2,133
1,868			
-----	-----		-----
Total loans, net of unearned income	55,938	53,202	55,129
52,651			
Loans held for sale	3,850	1,555	3,059
1,329			
Other	1,097	981	1,042
900			
-----	-----		-----
Total interest-earning assets	67,958	63,954	66,621
63,993			
Noninterest-earning assets	7,332	6,627	7,078
6,575			
-----	-----		-----
Total assets	\$75,290	\$70,581	\$73,699
\$70,568			
=====			
LIABILITIES			
Interest-bearing liabilities			
Deposits	\$35,353	\$34,952	\$35,086
\$34,934			
Borrowed funds	22,642	18,484	21,501
18,584			
-----	-----		-----
Total interest-bearing liabilities	57,995	53,436	56,587
53,518			
Noninterest-bearing deposits	9,169	9,654	9,353
9,585			
Other	1,632	1,460	1,518
1,469			
-----	-----		-----
Total liabilities	68,796	64,550	67,458
64,572			
Mandatorily redeemable capital securities of subsidiary trusts	848	650	733
498			
SHAREHOLDERS' EQUITY	5,646	5,381	5,508
5,498			
-----	-----		-----
Total liabilities, capital securities and shareholders' equity	\$75,290	\$70,581	\$73,699
\$70,568			

=====			
COMMON SHAREHOLDERS' EQUITY	\$5,332	\$5,065	\$5,193
\$5,182			
=====			
</TABLE>			

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PNC BANK CORP. AND SUBSIDIARIES  
Consolidated Balance Sheet Data

Page 14

<TABLE>				
<CAPTION>				
AVERAGE BALANCES				
	September 30	June 30	March 31	December 31
September 30				
Three months ended - in thousands	1998	1998	1998	1997
1997				
-----				
<S>	<C>	<C>	<C>	<C>
<C>				
ASSETS				
Interest-earning assets				
Securities available for sale	\$7,073	\$7,323	\$7,784	\$7,769
\$8,216				
Loans, net of unearned income				
Consumer (excluding credit card)	11,038	10,995	11,186	11,108
10,996				
Credit card	4,029	4,048	3,748	3,803
3,871				
Residential mortgage	12,455	12,560	12,784	12,966
13,503				
Commercial	23,359	22,425	20,665	19,838
18,839				
Commercial real estate	2,850	3,206	3,624	4,067
4,041				
Other	2,207	2,114	2,076	1,881
1,952				
-----				
Total loans, net of unearned income	55,938	55,348	54,083	53,663
53,202				
Loans held for sale	3,850	2,948	2,363	1,680
1,555				
Other	1,097	1,069	959	975
981				
-----				
Total interest-earning assets	67,958	66,688	65,189	64,087
63,954				
Noninterest-earning assets	7,332	6,944	6,952	6,782
6,627				
-----				
Total assets	\$75,290	\$73,632	\$72,141	\$70,869
\$70,581				
=====				
LIABILITIES				
Interest-bearing liabilities				
Deposits	\$35,353	\$34,956	\$34,945	\$34,655
\$34,952				
Borrowed funds	22,642	21,844	19,989	18,624
18,484				
-----				
Total interest-bearing liabilities	57,995	56,800	54,934	53,279
53,436				
Noninterest-bearing deposits	9,169	9,213	9,685	9,925
9,654				
Other	1,632	1,445	1,474	1,601
1,460				
-----				



-----				
Total liabilities	68,796	67,458	66,093	64,805
64,550				
Mandatorily redeemable capital securities of subsidiary trusts	848	698	650	650
650				
SHAREHOLDERS' EQUITY	5,646	5,476	5,398	5,414
5,381				
-----				
Total liabilities, capital securities and shareholders' equity	\$75,290	\$73,632	\$72,141	\$70,869
\$70,581				
=====				
COMMON SHAREHOLDERS' EQUITY	\$5,332	\$5,161	\$5,083	\$5,099
\$5,066				
=====				
</TABLE>				

<TABLE>				
<CAPTION>				
LOAN PORTFOLIO				
	September 30	June 30	March 31	December 31
September 30				
Period ended - in millions	1998	1998	1998	1997
1997				
-----				
<S>	<C>	<C>	<C>	<C>
<C>				
Consumer (excluding credit card)	\$11,120	\$11,035	\$11,106	\$11,205
\$11,206				
Credit card	3,874	4,150	3,729	3,830
3,861				
Residential mortgage	12,388	12,698	12,351	12,785
13,064				
Commercial	24,239	23,359	21,823	19,989
19,536				
Commercial real estate	2,838	2,872	3,467	3,974
4,085				
Other	2,738	2,516	2,428	2,874
2,281				
-----				
Total loans	57,197	56,630	54,904	54,657
54,033				
Unearned income	(445)	(393)	(393)	(412)
(382)				
-----				
Total loans, net of unearned income	\$56,752	\$56,237	\$54,511	\$54,245
\$53,651				
=====				
</TABLE>				

-more-

<TABLE>				
<CAPTION>				
ALLOWANCE FOR CREDIT LOSSES				
	September 30	June 30	March 31	December 31
September 30				
Three months ended - in millions	1998	1998	1998	1997
1997				
-----				
-----				

<S>	<C>	<C>	<C>	<C>
<C>				
Beginning balance	\$859	\$912	\$972	\$1,027
\$1,075				
Charge-offs				
Consumer (excluding credit card)	(21)	(21)	(25)	(27)
(25)				
Credit card	(73)	(75)	(72)	(54)
(53)				
Residential mortgage	(1)	(3)	(2)	(1)
(3)				
Commercial	(8)	(7)	(6)	(18)
(11)				
Commercial real estate	(4)	(1)	(2)	(5)
(3)				
-----				
Total charge-offs	(107)	(107)	(107)	(105)
(95)				
Recoveries				
Consumer (excluding credit card)	8	9	10	10
9				
Credit card	4	5	3	5
4				
Residential mortgage		1		
Commercial	6	3	3	4
7				
Commercial real estate	1		1	6
2				
-----				
Total recoveries	19	18	17	25
22				
-----				
Net charge-offs	(88)	(89)	(90)	(80)
(73)				
Provision for credit losses	45	35	30	25
20				
Acquisitions		1		
5				
-----				
Ending balance	\$816	\$859	\$912	\$972
\$1,027				
=====				
=====				

#### NONPERFORMING ASSETS

	September 30	June 30	March 31	December 31
September 30				
Period ended - in millions	1998	1998	1998	1997
1997				
-				
-----				
<S>	<C>	<C>	<C>	<C>
<C>				
Nonaccrual loans				
Commercial	\$148	\$129	\$145	\$128
\$142				
Commercial real estate	73	80	81	94
122				
Residential mortgage	56	56	51	44
45				
Consumer	5	7	7	10
6				
-----				
Total nonaccrual loans	282	272	284	276
315				
Restructured loans				
2				
-----				
Total nonperforming loans	282	272	284	276
317				
Foreclosed assets				
Commercial real estate	20	22	23	27
37				
Residential mortgage	18	20	19	21
23				

Other	9	9	9	9
17				
-----				
Total foreclosed assets	47	51	51	57
77				
-----				
Total nonperforming assets	\$329	\$323	\$335	\$333
\$394				
=====				
=====				
</TABLE>				