FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
SEC Accession No. 0000823870-94-000004

(HTML Version on secdatabase.com)

FILER

FIRST FIDELITY BANCORPORATION /NJ/

CIK:**823870**| IRS No.: **222826775** | State of Incorp.:**NJ** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-20389** | Film No.: **94527970**
SIC: **6021** National commercial banks

Business Address
2673 MAIN STREET
15TH FLOOR
NEWARK NJ 08648
6098956800

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 1994

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ______ to ______

Commission File Number: 1-9839

FIRST FIDELITY BANCORPORATION
(Exact name of registrant as specified in its charter)

New Jersey	22-2826775
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2673 Main Street P.O. Box 6980 Lawrenceville, NJ	08648-0980
(Address of principal executive office)	(Zip Code)

(609)-895-6800
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes   [ ] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 1994
Common Stock, $1.00 Par Value	79,870,086 Shares

Part I - Financial Information

Item 1 - Financial Statements

FIRST FIDELITY BANCORPORATION (AND SUBSIDIARIES)
CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(thousands, except per share amounts)

	Three Months Ended March 31	
	1994	1993
INTEREST INCOME		
Interest and fees on loans	$394,146	$371,907
Interest on federal funds sold and securities purchased under agreements to resell	118	6,829
Interest and dividends on securities:		
Taxable interest income	96,715	94,338
Tax-exempt interest income	10,509	12,736
Dividends	1,195	1,163
Interest on bank deposits	10,359	21,963
Interest on trading account securities	1,575	1,535
Total Interest Income	514,617	510,471
INTEREST EXPENSE		
Interest on:		
Deposits	143,107	166,821
Short-term borrowings	10,480	7,396
Long-term debt	10,833	10,553
Total Interest Expense	164,420	184,770
Net Interest Income	350,197	325,701
Provision for possible credit losses	24,000	45,000

Net Interest Income after Provision for Possible Credit Losses	326,197	280,701
NON-INTEREST INCOME		
Trust Income	27,263	23,246
Service charges on deposit accounts	37,284	35,768
Other service charges, commissions and fees	23,695	18,624
Trading revenue	3,651	4,157
Net securities transactions	4,082	3,677
Other income	7,234	3,541
Total Non-Interest Income	103,209	89,013
NON-INTEREST EXPENSE		
Salaries and benefits expense	122,139	107,946
Occupancy expense	31,934	28,551
Equipment expense	10,928	10,033
Other expenses	102,403	91,791
Total Non-Interest Expense	267,404	238,321

Income before income taxes and cumulative effect of changes in accounting principles	162,002	131,393
Income taxes	53,136	38,780
Income before cumulative effect of changes in accounting principles	108,866	92,613
Cumulative effect of changes in accounting principles, net of tax	-	2,373
Net Income	108,866	94,986
Dividends on Preferred Stock	5,131	5,244
Net Income Applicable to Common Stock	$103,735	$89,742
Per common share:		
Primary		
Income before cumulative effect of changes in accounting principles	$1.26	$1.11
Cumulative effect of changes in accounting principles, net of tax	-	.03
Net income - primary	1.26	1.14
Fully diluted		
Income before cumulative effect of changes in accounting principles	$1.23	$1.09
Cumulative effect of changes in accounting principles, net of tax	-	.03
Net income - fully diluted	1.23	1.12

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CONDITION

(thousands)	March 31 1994 (unaudited)	December 31 1993
ASSETS		
Cash and due from banks............................	$2,069,777	$1,831,270
Interest-bearing time deposits.....................	611,196	979,769
Securities held to maturity........................	5,055,789	5,241,987
(market value of $5,081,179 at March 31, 1994 and $5,321,239 at December 31, 1993)		
Securities available for sale......................	2,743,903	2,656,721
Trading account securities at market value.........	183,757	149,887
Federal funds sold and securities purchased under agreements to resell............................	191,180	15,000
Loans, net of unearned income......................	21,445,793	21,386,911
Less: Reserve for possible credit losses.........	(597,356)	(602,183)

Net loans	20,848,437	20,784,728
Premises and equipment	404,075	404,208
Customers' acceptance liability	188,805	187,903
Other assets	1,551,548	1,511,112
Total Assets	$33,848,467	$33,762,585
LIABILITIES		
Deposits in domestic offices:		
Demand deposits	$5,779,395	$5,347,007
Savings/NOW deposits	9,600,985	9,650,774
Money market deposit accounts	3,823,981	3,893,130
Other consumer time deposits	8,429,488	8,637,296
Corporate certificates of deposit	359,731	398,435
Deposits in overseas offices	255,261	216,380
Total Deposits	28,248,841	28,143,022
Short-term borrowings	1,233,273	1,620,125
Acceptances outstanding	191,858	196,117
Other liabilities	597,464	451,835
Long-term debt	812,991	613,058
Total Liabilities	31,084,427	31,024,157

STOCKHOLDERS' EQUITY		
Preferred stock	230,422	230,422
Common stock ($1.00 par)		
Authorized: 150,000,000 shares		
Issued: 80,935,596 shares at March 31, 1994 and 79,937,719 shares at December 31, 1993	80,936	79,938
Surplus	1,230,138	1,202,373
Retained earnings	1,237,268	1,227,368
Less treasury stock, at cost: 333,031 shares at		

March 31, 1994 and 36,714 shares at December 31, 1993	(14,724)	(1,673)
Total Common Stockholders' Equity	2,533,618	2,508,006
Total Stockholders' Equity	2,764,040	2,738,428
Total Liabilities and Stockholders' Equity	$33,848,467	$33,762,585

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(thousands)	Three Months Ended March 31 1994	1993
Cash flows from operating activities:		
Net income	$108,866	$94,986
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for possible credit losses	24,000	45,000
Depreciation, amortization and accretion	6,164	16,909
Deferred income tax provision	5,047	(1,512)
Gain on sale of assets	(1,072)	(3,618)
Net securities transactions (gains)	(4,082)	(3,677)
Proceeds from sales of trading account securities	2,435,352	1,832,444
Purchases of trading account securities	(2,466,551)	(1,849,047)
(Increase) decrease in accrued interest receivable	(3,501)	14,648
Increase (decrease) in accrued interest payable	12,163	(4,110)
Change in current taxes payable	53,732	(55,358)
Other, net	79,752	79,407
Cumulative effect of changes in accounting principles, net of tax	-	(2,373)
Net cash provided by operating activities	249,870	163,699
Cash flows from investing activities:		
Proceeds from maturities of securities held to maturity	901,570	490,230
Purchases of securities held to maturity	(668,577)	(441,835)
Proceeds from sales of securities available for sale	162,720	58,354
Proceeds from maturities of securities available for sale	175,537	-
Purchases of securities available for sale	(474,477)	-
Net (disbursements) from lending activities	(45,398)	(121,159)
Purchases of premises and equipment	(12,889)	(24,723)
Proceeds from sales of premises and equipment	2,759	5,600
Net change in acceptances	(5,161)	(2,642)
Net cash paid on acquisitions	(14,392)	-
Net cash provided by/(used in) investing activities	21,692	(36,175)
Cash flows from financing activities:		
Change in demand, savings/NOW and money market deposits	253,649	(1,372,325)
Change in corporate certificates of deposit and deposits in overseas offices	177	(76,729)
Change in other consumer time deposits	(232,454)	(463,411)
Change in short-term borrowings	(391,750)	702,598

Issuance of long-term debt........................	200,000	-
Payments on long-term debt........................	(67)	(1,082)
Purchases of treasury stock.......................	(82,695)	-
Issuance of common stock..........................	66,396	9,455
Dividends paid....................................	(38,704)	(29,702)
Net cash (used in) financing activities........	(225,448)	(1,231,196)

Net change in cash and cash equivalents........	46,114	(1,103,672)
Cash and cash equivalents at beginning of period (A)...............................	2,826,039	5,287,115
Cash and cash equivalents at end of period (A)...............................	$2,872,153	$4,183,443

Supplemental disclosures:

Total amount of interest paid for the period.......	$152,257	$188,880
Total amount of income taxes paid for the period....................................	$4,000	$10,032
Total amount of loans transferred to OREO..........	$13,934	$33,412
Total amount of loans transferred to assets held for sale............................	$8,835	$ -

(A) Reconciliation:	March 31		December 31	
	1994	1993	1993	1992
Cash and due from banks.........	$2,069,777	$1,437,001	$1,831,270	$1,913,177
Interest-bearing time deposits..	611,196	1,951,016	979,769	2,635,938
Federal funds sold and securities purchased under agreements to resell.........	191,180	795,426	15,000	738,000
Total cash and cash equivalents..................	$2,872,153	$4,183,443	$2,826,039	$5,287,115

See accompanying notes to consolidated financial statements.

SUMMARIZED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) In Management's opinion, the financial information, which is unaudited, reflects all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the financial information as of March 31, 1994 and for the three months ended March 31, 1994 and March 31, 1993 in conformity with generally accepted accounting principles. These financial statements should be read in conjunction with First Fidelity Bancorporation's ("First Fidelity" or "the Company" herein) 1993 Annual Report on Form 10-K.

(2) Primary earnings per share is based on the weighted average number of common shares outstanding during each period, including the assumed exercise of dilutive stock options and warrants, using the treasury stock method. Primary earnings per share also reflects provisions for dividend requirements on all outstanding shares of the Company's preferred stock.

Fully diluted earnings per share is based on the weighted average number of common shares outstanding during each period, including the assumed conversion of convertible preferred stock into common stock and the assumed exercise of dilutive stock options and warrants using the treasury stock method. Fully diluted earnings per share also reflects provisions for dividend requirements on non-convertible preferred stock.

Item 2

Management's Discussion and Analysis of Financial Condition and

Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes and with the statistical information and financial data appearing in this report as well as the Company's 1993 Annual Report on Form 10-K. Results of operations for the three months ended March 31, 1994 are not necessarily indicative of results to be attained for any other period.

Summary

First Fidelity recorded net income of $108.9 million, or $1.26 per common share on a primary basis and $1.23 per common share on a fully-diluted basis, for the first quarter of 1994. These results compare to net income before the cumulative effect of changes in accounting principles of $92.6 million or $1.11 per common share on a primary basis and $1.09 per common share on a fully-diluted basis for the first quarter of 1993.

The earnings improvement for the current quarter, compared to the first quarter of 1993, resulted from stronger net interest income, a lower provision for possible credit losses and higher non-interest income, partly offset by higher non-interest expense and an increased provision for income taxes. Net interest income increased $24.5 million to $350.2 million as a result of increased earning assets, due primarily to acquisitions during the last nine months of 1993. This increase in earning assets was partially offset by a slight reduction

in net interest margin, reflecting, in part, recent acquisitions. The provision for possible credit losses was $24.0 million in the first quarter of 1994, down from $45.0 million in the first quarter of 1993, reflecting management's evaluation of the adequacy of the level of the reserve for possible credit losses in light of improving asset quality trends, current economic conditions, the continued decline in non-performing loans and lower charge-offs. Non-performing assets totaled $457.1 million at March 31, 1994, compared to $641.4 million at March 31, 1993. Increases of $14.2 million in non-interest income and $29.1 million in non-interest expense were primarily the result of acquisitions consummated after the first quarter of 1993. The $14.4 million increase in income taxes resulted primarily from higher pre-tax income.

Return on average stockholders' equity for the current quarter was 16.11% compared to 16.88% for the first quarter of last year. Return on average common stockholders' equity was 16.75% in the current quarter as compared to 17.75% for the same period of 1993. These ratios declined as the increase in net income for the first quarter of 1994 was more than offset by increases in average stockholders' equity and average common stockholders' equity. Return on average assets for the first quarter of 1994 improved to 1.32% compared to 1.28% a year earlier.

Recent Acquisitions:

On January 31, 1994, First Fidelity acquired Greenwich Financial Corporation and its 7 branch subsidiary, Greenwich Federal Savings and Loan Association (total assets of approximately $425 million and total deposits of approximately $255 million), for $41.9 million in cash.

On March 25, 1994, the Company acquired BankVest, Inc. and its 2 branch subsidiary, First Peoples National Bank of Edwardsville, Pennsylvania (total assets of approximately $100 million and total deposits of approximately $85 million), for $19.7 million in cash.

On May 12, 1994, First Fidelity acquired The Savings Bank of Rockland County ("Rockland") for $5.9 million in cash. Rockland, which reported assets of $177 million and deposits of $169 million at March 31, 1994, has 4 offices, all in Rockland County, New York.

Each of these acquisitions was accounted for using the "purchase" method.

Pending Acquisitions:

On January 27, 1994, First Fidelity entered into a definitive agreement to acquire First Inter-Bancorp Inc., of Fishkill, New York and its 16 branch, federally-chartered savings bank subsidiary, Mid-Hudson Savings Bank FSB (together, "Mid-Hudson") for approximately $56 million in cash. Mid-Hudson, which operates throughout Dutchess, Ulster, Orange and Putnam Counties, New York, reported $511 million in assets and $450 million in

deposits at March 31, 1994. The acquisition is subject to approval by regulators and the shareholders of Mid-Hudson. Completion of the acquisition is expected before the end of 1994.

On March 21, 1994, the Company entered into a definitive agreement to acquire Baltimore Bancorp, of Baltimore, Maryland and its 42 branch commercial bank subsidiary, Bank of Baltimore, for approximately $346 million in cash. Bank of Baltimore, which operates primarily in Baltimore, Montgomery, Anne Arundel and Prince Georges counties, Maryland, reported $2.2 billion in assets and $1.9 billion in deposits at March 31, 1994. The acquisition is subject to approval by regulators and the shareholders of Baltimore Bancorp. This acquisition is expected to close prior to the end of 1994.

Each of the recent and pending acquisitions described above is expected to have an additive effect on earnings per share within 18 months of its consummation, assuming the absence of significant adverse economic conditions. These acquisitions are not expected to have a material adverse impact on liquidity or capital levels.

Consolidation/Acquisition Strategy:

First Fidelity is continually evaluating acquisition opportunities, and frequently conducts due diligence activities in connection with possible acquisitions both on an assisted and unassisted basis. Acquisition candidates that may be under consideration at any time include, without limitation, depository institutions, financial service companies, thrift or savings type associations and related companies. Companies which First Fidelity may be considering in connection with its acquisition strategy would generally be based in markets in which First Fidelity presently operates or in markets in proximity to one of First Fidelity's then existing markets. First Fidelity contemplates that any such acquisition would be financed through working capital and/or the issuance of equity and debt securities.

On April 26, 1994, the United States Senate approved a bill (S. 1963) which would authorize nationwide interstate branching and interstate bank acquisitions one year after enactment. Earlier in the year, the U.S. House of Representatives had approved a similar bill (H.R. 3841). The bills allow states to opt out of interstate branching provisions. Although it is uncertain what provisions the final law, if any, will have, the Company anticipates that, in the event that a law in the form proposed by the House and Senate is enacted, there may very well be further consolidation in the banking industry.

On January 11, 1994, the Company consolidated (the "Bank Consolidation") its two largest subsidiary banks, First Fidelity Bank, N.A., New Jersey and First Fidelity Bank, N.A., Pennsylvania (formerly Fidelity Bank, N.A. ("Fidelity")) into a new entity, First Fidelity Bank, N.A. ("First Fidelity Bank"). This Bank Consolidation was effected following the relocation of the head office of Fidelity from Philadelphia, Pennsylvania to Salem, New Jersey, which location became the resulting head office of First Fidelity Bank.

Capital Markets:

On January 20, 1994, the Company announced a 13.5% increase in its quarterly dividend on the Common Stock, or $.05 per share, to $.42 per share. The dividend was paid to holders of record on January 31, 1994.

On February 2, 1994, the Company sold to the public $200 million of floating rate senior notes due August 2, 1996. The notes bear interest at .10% per annum above the London Interbank Offered Rate ("LIBOR") for three-month eurodollar deposits.

During 1993, the Board of Directors (the "Board") authorized the Company to acquire up to 2% of its outstanding Common Stock in each calendar year. On March 7, 1994, the Board authorized the Company to acquire up to an additional 1.3 million shares of its Common Stock during 1994. As of April 30, 1994, the Company had acquired a total of 2.4 million shares in 1994 pursuant to the open market repurchase program (exclusive of shares acquired to fund certain benefit plans).

During the first quarter of 1994, Santander exercised the third tranche of its warrants pursuant to the Investment Agreement, dated March 18, 1991, (the "Investment Agreement") between the Company and Santander and acquired 2,376,250 shares of First Fidelity Common Stock at $25.50 per share, for total consideration of $60.6 million. Over half of the shares of Common Stock issued to Santander pursuant to its warrants exercise (1.4 million shares) came from treasury stock, representing Common Stock recently repurchased by First Fidelity on the open market at market prices (the average price paid was $44.03 per share). Santander has notified the Company that it intends to exercise the final tranche of warrants (for 2,376,250 shares of Common Stock) during the second quarter of 1994.

In May, 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 114, "Accounting by Creditors for Impairment of a Loan". SFAS 114 requires that "impaired" loans be measured based on the present value of expected future cash flows, discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. Although management is continuing to review SFAS 114 and the expected changes to that standard, it does not currently expect that the adoption of SFAS 114, which is required for fiscal years beginning after December 15, 1994, will have a material effect on the Company's financial statements.

RESULTS OF OPERATIONS

Net Interest Income

The following table reflects the significant components of net interest income for the three months ended March 31, 1994 and 1993.

NET INTEREST INCOME SUMMARY
(dollars in thousands - taxable equivalent basis) (1)
Three months ended March 31, 1994

ASSETS	Average Balance	Interest Income/ Expense	Average Interest Rate
Earning Assets (2)			
Loans in domestic offices			
Commercial	$6,761,761	$115,314	6.82%
Installment	5,784,851	117,991	8.27
Mortgage	8,509,999	161,761	7.60
Loans in overseas offices	116,415	1,455	5.07
Total Loans	21,173,026	396,521	7.52
Taxable mortgage-backed securities (3)	4,768,320	63,324	5.31
Other taxable securities	2,546,850	34,715	5.45
Tax-exempt securities	563,042	15,285	10.86
Time deposits with banks	870,978	10,359	4.76
Federal funds sold and securities purchased under agreements to resell	18,247	118	2.59
Trading account	151,564	1,652	4.36
Total Earning Assets	30,092,027	521,974	6.96
Reserve for possible credit losses	(613,158)		
Cash and due from banks	1,827,972		
Other assets	2,070,804		
Total Assets	$33,377,645		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Demand deposits	$5,399,835		
Interest-bearing Liabilities			
Savings/NOW deposits	9,787,188	44,473	1.84
Money market deposit accounts	3,719,806	20,943	2.28
Other consumer time deposits	8,269,072	73,121	3.59
Corporate certificates of deposit	373,700	2,932	3.18
Deposits in overseas offices	214,469	1,638	3.05
Short-term borrowings	1,428,578	10,480	2.93
Long-term debt	742,046	10,833	5.84
Total Interest-bearing Liabilities	24,534,859	164,420	2.71
Other liabilities	701,502		
Preferred stockholders' equity	230,422		

Common stockholders' equity....................	2,511,027		
	-----------	--------	
Total Liabilities and Stockholders' Equity...................	$33,377,645	164,420	
	===========	--------	
Net interest income/spread......................		$357,554	4.25
		========	
Net interest margin.............................			4.75
Tax equivalent adjustment.......................		$7,357	
		========	

(1) In this table, and in other data presented herein on a taxable equivalent basis, income that is exempt from federal income taxes or taxed at a preferential rate, such as interest on state and municipal securities, has been adjusted to a taxable equivalent basis using a federal income tax rate of 35%.
(2) Includes non-performing loans. The effect of including such loans is to reduce the average rate earned on the Company's loans.
(3) Includes Collateralized Mortgage Obligations.

NET INTEREST INCOME SUMMARY
(dollars in thousands - taxable equivalent basis) (1)
Three months ended March 31, 1993

ASSETS	Average Balance	Interest Income/ Expense	Average Interest Rate
Earning Assets (2)			
Loans in domestic offices			
Commercial..................................	$6,200,789	$119,115	7.68%
Installment.................................	5,350,876	116,350	8.82
Mortgage....................................	6,417,933	137,839	8.59
Loans in overseas offices.....................	119,375	1,610	5.47
Total Loans...............................	18,088,973	374,914	8.33
Taxable mortgage-backed securities (3)........	3,878,208	67,028	6.91
Other taxable securities......................	1,781,944	28,683	6.44
Tax-exempt securities.........................	699,605	18,325	10.48
Time deposits with banks......................	1,975,590	21,963	4.45
Federal funds sold and securities purchased under agreements to resell........	855,012	6,829	3.19
Trading account...............................	148,605	1,595	4.29
Total Earning Assets....................	27,427,937	519,337	7.60
Reserve for possible credit losses.............	(628,322)		

Cash and due from banks	1,565,270		
Other assets	1,817,449		
Total Assets	$30,182,334		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Demand deposits	$4,513,766		
Interest-bearing Liabilities			
Savings/NOW deposits	7,764,825	47,559	2.48
Money market deposit accounts	3,769,661	25,441	2.74
Other consumer time deposits	8,994,761	89,056	4.02
Corporate certificates of deposit	404,067	3,061	3.07
Deposits in overseas offices	211,315	1,704	3.23
Short-term borrowings	1,088,689	7,396	2.72
Long-term debt	580,925	10,553	7.27
Total Interest-bearing Liabilities	22,814,243	184,770	3.28
Other liabilities	571,650		
Preferred stockholders' equity	232,137		
Common stockholders' equity	2,050,538		
Total Liabilities and Stockholders' Equity	$30,182,334	184,770	
Net interest income/spread		$334,567	4.32
Net interest margin			4.87
Tax equivalent adjustment		$8,866	

(1) In this table, and in other data presented herein on a taxable equivalent basis, income that is exempt from federal income taxes or taxed at a preferential rate, such as interest on state and municipal securities, has been adjusted to a taxable equivalent basis using a federal income tax rate of 34%.
(2) Includes non-performing loans. The effect of including such loans is to reduce the average rate earned on the Company's loans.
(3) Includes Collateralized Mortgage Obligations.

Taxable-equivalent net interest income for the first quarter of 1994 was $357.6 million, compared to $334.6 million for the first quarter of 1993. The increase was primarily due to higher average earning assets, partially offset by a slight decrease in net interest margin. Average earnings assets increased to $30.1 billion in the first quarter of 1994 from $27.4 billion in the first quarter of 1993. Net interest margin decreased to 4.75% from 4.87% in the first quarter of 1993. The increase in average earning assets was largely the result of higher average total loans, taxable mortgage-backed securities and other taxable securities, partially offset by a reduction in time deposits with banks and federal funds sold and securities purchased under agreements to resell. Increases in average mortgage, commercial and installment loans resulted from acquisitions and from growth in selected categories, partially offset by prepayments and normal paydowns. The 12 basis point decline in the net interest margin from the first quarter of 1993 to the first quarter of 1994 was primarily due to refinancings and maturing higher yielding assets being replaced by lower yielding assets and the integration of acquired banks which had been operating with lower net interest margins.

First Fidelity expects that its net interest margin percentage may continue to decline modestly in 1994, as higher yielding assets mature and are replaced by lower yielding assets, as deposit rates trend higher and as acquisitions initially tend to reduce the overall average margin. The Company expects that these negative effects will be partially offset by lower levels of non-performing assets, increasing loan demand and First Fidelity's large core deposit base, which is both relatively rate insensitive and low cost. On April 19, 1994, the Company raised its prime rate to 6.75% in response to the rising interest rate environment.

Core deposits (demand deposits, savings and NOW accounts, money market deposits and other consumer time deposits) averaged $27.2 billion in the first quarter of 1994, compared to $25.0 billion for the same quarter of 1993. This increase was attributable to acquisitions, partially offset by deposit run-off, which, in the Company's view, has been moderating as fewer consumers appear to be shifting funds to alternative market instruments.

Non-Interest Income
- -------------------

Non-interest income was $103.2 million for the first quarter of 1994, compared to $89.0 million for the first quarter of 1993. Trust income increased to $27.3 million in the first quarter of 1994 from $23.2 million in the same quarter of 1993, primarily as a result of acquisitions and trust marketing campaigns conducted through account relationships and the branch network. Service charges on deposit accounts increased to $37.3 million in the first quarter of 1994 from $35.8 million for the first quarter of 1993. The increase was primarily due to additional deposit accounts from acquisitions. Other service charges, commissions and fees were $23.7 million, up $5.1 million compared to the same quarter in 1993, primarily as a result of increased revenues from credit card services and commission income earned on branch-based investment sales. The $3.7 million increase in other income resulted primarily from net gains on the sale of various assets.

Non-Interest Expense

- ---------------------

In July, 1993, First Fidelity and Bankers Trust Company formed a bank service corporation, Global Processing Alliance, Inc. ("GPA"), which is primarily involved in providing check-processing and related services, and which is 50%-owned by each company. As of January, 1994, GPA became operational and First Fidelity's check-processing expenses, which were previously reflected in each expense category (i.e., salaries and benefits, occupancy, equipment and other expenses), are now reported in "other expenses". Non-interest expense increased $29.1 million, or 12%, in the first quarter of 1994 compared to the same quarter in 1993. Salaries and benefits expense was $122.1 million in the first quarter of 1994, an increase of $14.2 million, or 13%, from the prior year's level for the same quarter, primarily reflecting additional personnel expenses associated with acquisitions. Occupancy expense increased $3.4 million, or 12%, compared to the first quarter of 1993, due primarily to severe weather conditions and acquisitions. Other expenses for the first quarter of 1994 increased $10.6 million, or 12%, from the prior year's first quarter. The increase in other expenses primarily resulted from the reclassification of check-processing expenses as noted above. In addition, there was a reduction in other expenses related to other real estate owned ("OREO") of $3.8 million from the 1993 first quarter, while the amortization of intangibles increased by $2.4 million over the prior year's first quarter, to $9.5 million, due to acquisitions.

Income Taxes

- -------------

Income taxes increased to $53.1 million in the first quarter of 1994 from $38.8 million in the first quarter of 1993. The increase resulted primarily from the higher level of pre-tax income. Other factors affecting the increase were the increase in the corporate income tax rate and lower tax-exempt income. The effective tax rates for the three months ended March 31, 1994 and 1993 were 32.8% and 29.5%, respectively.

FINANCIAL CONDITION

Liquidity and Funding

- ---------------------

The Company's liquidity position remained strong during the first quarter of 1994. Total assets grew by $85.9 million, from $33,763 million at December 31, 1993 to $33,848 million at March 31, 1994. Total loans increased $58.9 million, securities decreased $65.1 million, money market assets decreased by $192.4 million, cash and due from banks increased $238.5 million and other assets increased by $40.4 million.

Core deposits were $27.6 billion at March 31, 1994, an increase of $105.6 million from December 31, 1993. The increase was due to core deposits acquired in recent acquisitions, partially offset by modest deposit run-off. In addition, short-term borrowings decreased $386.9 million, other liabilities increased $145.6 million and long-term debt increased $199.9 million.

At March 31, 1994 and December 31, 1993, core deposits represented 129% of total loans, as both total loans and core deposits increased.

The Company has other potential sources of liquidity, including its ability to enter into repurchase agreements, primarily using

investment securities as collateral. Management believes that First Fidelity's liquidity position is strong, based on its levels of cash, cash equivalents and core deposits, the stability of its other funding sources and the support provided by its capital base.

Cash and cash equivalents (cash and due from banks, interest-bearing time deposits, federal funds sold and securities purchased under agreements to resell) are the Company's most liquid assets. At March 31, 1994, cash and cash equivalents were $2.9 billion, an increase of $46.1 million (2%) from December 31, 1993. Financing activities absorbed $225.4 million in cash and cash equivalents, as the Company paid down short-term borrowings. The Company increased its long-term debt during the first quarter of 1994 by $199.9 million from December 31, 1993 levels, by issuing floating rate senior notes. Operating activities provided $249.9 million of cash and cash equivalents for the three months ended March 31, 1994. Cash and cash equivalents of $21.7 million were provided by investing activities.

As part of its ongoing management of interest rate sensitivity, the Company employed $5.4 billion (notional value) of swaps at March 31, 1994, for hedging purposes (continuing its program of adjusting the Company's sensitivity to floating rate loans and certain fixed rate liabilities), compared to $4.3 billion (notional value) at December 31, 1993. Futures contracts decreased from $750 million (notional value) at December 31, 1993 to $250 million (notional value) at March 31, 1994, due to maturities.

Capital

The Federal Reserve Board (the "FRB") measures capital adequacy for bank holding companies on the basis of a risk-based capital framework and a leverage ratio. The minimum ratio of total risk-based capital to risk-adjusted assets (including certain off balance-sheet items, such as standby letters of credit) is 8%. At least half of the total capital must be common equity and qualifying perpetual preferred stock, less goodwill and certain identifiable intangible assets, such as core deposit intangibles, acquired after February 18, 1992 ("Tier I capital"). The remainder ("Tier II capital") may consist of mandatory convertible debt securities, a designated amount of qualifying subordinated debt, other preferred stock and a portion of the reserve for possible credit losses. At March 31, 1994, the Company's Tier I and total capital ratios were 10.03% and 13.45%, respectively.

In addition, the FRB has established minimum leverage ratio guidelines for bank holding companies. These guidelines currently provide for a minimum leverage ratio (Tier I capital to quarterly average total assets less goodwill and certain identifiable intangible assets, such as core deposit intangibles acquired after February 18, 1992) of 3% for bank holding companies that meet certain criteria, including that they maintain the highest regulatory rating. All other bank holding companies are required to maintain a leverage ratio of 3% plus an additional cushion of at least 1 to 2 percentage points. First Fidelity's Tier I leverage ratio at March 31, 1994, was 7.07%. The FRB has not advised First Fidelity of any specific minimum leverage ratio under these guidelines which would be applicable to the Company. The guidelines also indicate that, when appropriate, including when a bank holding company is undertaking expansion,

engaging in new activities or otherwise facing unusual or abnormal risk, the FRB will consider a "tangible Tier I leverage ratio" (deducting all intangibles) in making an overall assessment of capital adequacy.

The Company's subsidiary banks are subject to capital requirements which generally are similar to those affecting the Company. As of March 31, 1994 and December 31, 1993, the Company and its subsidiary banks had capital in excess of all regulatory minimums, including the higher minimum capital and leverage ratios agreed to by the Company in connection with various acquisitions.

The Federal Deposit Insurance Corporation Improvement Act ("FDICIA") established a capital-based supervisory system of prompt corrective action for all depository institutions. The bank regulatory agencies' implementing rule under FDICIA defines "well capitalized" institutions (the highest possible rating) as those whose capital ratios equal or exceed all of the following: Tier I Risk-Based Ratio, 6.0%, Total Risk-Based Ratio, 10.0% and Tier I Leverage Ratio, 5.0%. At December 31, 1993 and March 31, 1994, the Company and all of its subsidiary banks' capital ratios exceeded each of these minimum percentages.

The following table presents information regarding the Company's risk-based capital at March 31, 1994 and December 31, 1993, calculated using the FRB guidelines.

(thousands)	March 31 1994	December 31 1993
Tier I:		
Common stockholders' equity (excluding fair value adjustment)....	$ 2,539,341	$ 2,480,711
Qualifying perpetual preferred stock......................	230,422	230,422
Less: goodwill and other intangibles...	(442,294)	(412,534)
Total Tier I capital...............	2,327,469	2,298,599
Tier II:		
Allowable portion of the reserve for possible credit losses...............	294,029	291,878
Includable subordinated debt...........	327,350	327,350
Mandatory convertible debt securities..	174,150	174,150
Total Tier II capital..............	795,529	793,378
Total risk-based capital...........	$ 3,122,998	$ 3,091,977
Risk-adjusted assets.....................	$23,214,636	$23,033,788

	Regulatory Minimums	March 31 1994	December 31 1993
Tier I Capital/Risk-Adjusted Assets................	4.00%	10.03%	9.98%
Total Risk-based Capital/ Risk-Adjusted Assets...........	8.00%	13.45%	13.42%
Tier I Capital/Average Total Assets less Goodwill (Leverage Ratio)...............	3.00% to 5.00%	7.07%	7.22%

Stockholders' equity at March 31, 1994 was $2,764.0 million compared to $2,738.4 million at December 31, 1993. Changes during the first quarter of 1994 resulted from the following:

	(millions)
Balance, December 31, 1993	$2,738.4
Net income	108.9
Common Stock issued:	
Private placement--Santander exercise of warrants	60.6
Stock options and dividend reinvestment plan	5.8
Other	1.6
Purchases of treasury stock	(82.7)
Dividends on Common and Preferred Stock	(38.7)
Fair value adjustment--securities available for sale	(33.0)
Other	3.1
Balance, March 31, 1994	$2,764.0

The change in unrealized gains and losses on securities classified as available for sale is reported as a separate component of stockholders' equity, net of taxes, as noted above.

Capital ratios were relatively unchanged at March 31, 1994, compared to December 31, 1993, primarily due to the retention of earnings, offset by a higher level of risk-adjusted assets. The decrease in the Company's Tier I leverage ratio from 7.22% at December 31, 1993 to 7.07% at March 31, 1994 was due primarily to a higher level of quarterly average total assets, which was only partially offset by the increase in stockholders' equity.

Non-Performing Assets

Non-performing assets, which include non-accruing loans, restructured loans and OREO, net of the OREO reserve, were $457.1 million at March 31, 1994, compared to $494.7 million at December 31, 1993. The following table presents non-performing asset and contractually past due loan information at March 31, 1994 and December 31, 1993 (contractually past due loan amounts are not included in non-performing loan or non-performing asset totals).

(thousands)	March 31 1994	December 31 1993
Non-performing assets (a):		
Non-accruing loans:		
Domestic:		
Real estate.....................	$155,801	$184,610
Other...........................	178,794	168,487
Foreign...........................	11,944	11,913
Total...........................	346,539	365,010
Restructured loans..................	5,422	13,871
Total Non-Performing Loans........	351,961	378,881
Other real estate owned:		
Foreclosed property...............	96,139	103,344
In-substance foreclosures.........	15,430	19,145
Total...........................	111,569	122,489
Less reserve......................	(6,391)	(6,622)
Net.............................	105,178	115,867
Total Non-Performing Assets...	$457,139	$494,748
Contractually past due but still accruing loans (b):		
Consumer..........................	$136,665	$133,112
Other.............................	9,493	8,373
Total Contractually Past Due But Still Accruing Loans......	$146,158	$141,485
Non-performing loans/loans (a)........	1.64%	1.77%
Non-performing assets/loans and other real estate owned (a).....	2.12%	2.30%
Reserve for possible credit losses/ non-performing loans (a)............	170%	159%
Reserve for possible credit losses/ non-performing assets (a)...........	131%	122%

- -----------------

(a) Non-performing assets and non-performing loans exclude loans classified as contractually past due 90 days or more and still accruing, assets subject to FDIC loss-sharing provisions and assets classified as held for sale, which are included in other assets.

(b) Accruing loans past due 90 days or more.

Non-performing loans totaled $352.0 million at March 31, 1994, compared to $378.9 million at December 31, 1993. The decline in total non-performing loans primarily reflected charge-offs and repayments resulting from continuing workout and collection efforts, as well as a decreased volume of loans migrating to non-accrual status. Restructured loans were $5.4 million at March 31, 1994, down from $13.9 million at December 31, 1993. The decrease in restructured loans was primarily due to the return to accruing status of certain loans whose rates and terms are consistent with market rates and terms, where continued performance is expected and where a sufficient period of satisfactory performance by the borrowers in accordance with the modified terms has occurred.

At March 31, 1994, OREO, net of a $6.4 million OREO reserve, totaled $105.2 million compared to $115.9 million at December 31, 1993. The March 31, 1994 balance consisted of foreclosed property of $96.1 million and in-substance foreclosures of $15.4 million.

Loans that were 90 days or more past due but still accruing totaled $146.2 million compared to $141.5 million at December 31, 1993. Management's determination regarding the accrual of interest on these loans is based on the availability and sufficiency of collateral and the status of collection efforts. In the present environment, certain of such loans could become non-performing assets or result in charge-offs in the future.

In connection with the acquisition of assets from The Howard Savings Bank on October 2, 1992, the Company obtained certain assets subject to a loss-sharing arrangement with the FDIC. At March 31, 1994, such loans (classified as "segregated assets") totaled $200.5 million. The FDIC has agreed to assume 80 percent of the first $130 million of losses and associated expenses and 95 percent thereafter on segregated assets. The Company's total net exposure on such assets was approximately $14.3 million at March 31, 1994. First Fidelity's related reserve for possible losses was $6.0 million at March 31, 1994.

The Company pursues an accelerated disposition approach for certain assets. Such assets (classified as "assets held for sale") increased from $88.4 million at December 31, 1993 to $90.9 million at March 31, 1994, including $10.5 million of additions related to the acquisition of Greenwich Financial Corporation in the first quarter of 1994. Assets held for sale are carried at the lower of adjusted cost or fair value.

Neither segregated assets nor assets held for sale are included in the non-performing asset and contractually past due loan totals presented above.

While the Company believes it has responded appropriately to the current economic environment, management remains sensitive to the evolving economic situation and its potential impact on asset quality and the reserve for possible credit losses.

Provision and Reserve for Possible Credit Losses

The following table presents information regarding the Company's provision and reserve for possible credit losses and charge-off experience.

(thousands)	Three Months Ended March 31 1994	1993
Balance at beginning of period..............	$602,183	$610,353
Provision..................................	24,000	45,000
Charge-offs................................	(41,531)	(61,458)
Recoveries.................................	9,859	10,284
Net charge-offs..........................	(31,672)	(51,174)
Acquired reserves..........................	2,845	-
Balance at end of period...................	$597,356	$604,179

At March 31, 1994, the reserve for possible credit losses was $597.4 million, or 2.79% of total loans, compared to $602.2 million, or 2.82% of total loans, at December 31, 1993. The reserve was 170% of non-performing loans at March 31, 1994, compared to 159% at December 31, 1993.

The provision for possible credit losses for the first quarter of 1994 was $24.0 million, compared to a first quarter 1993 provision of $45.0 million. The levels of the provision and reserve for possible credit losses are based on management's ongoing assessment of the Company's credit exposure and consideration of a number of relevant variables. These variables include prevailing and anticipated domestic and international economic conditions, assigned risk ratings on credit exposures, the diversification and size of the loan portfolio, the results of the most recent regulatory examinations available to the Company, the current and projected financial status and creditworthiness of borrowers, certain off balance sheet credit risks, the nature and level of non-performing assets and loans that have been identified as potential problems, the adequacy of collateral, past and expected loss experience and other factors deemed relevant by management. The Company's risk rating system and the quarterly reporting process for problem and vulnerable credits are utilized by management in determining the adequacy of the Company's reserve for possible credit losses.

Net charge-offs were $31.7 million in the first quarter of 1994, compared to $51.2 million in the first quarter of 1993. In the first quarter of 1994 and 1993, respectively, net charge-offs included $19.4 million and $25.6 million related to commercial borrowers, $2.9 million and $14.8 million in commercial real estate-related credits and $9.4 million and $10.8 million of consumer credits.

OREO Reserve

The following table sets forth information regarding the Company's provision and reserve for OREO:

(thousands)	Three Months Ended March 31 1994	1993
Balance at beginning of period................	$6,622	$5,765
Provision.......................................	3,250	6,800
Acquired reserves..............................	456	-
Charge-offs and write-downs...................	(3,937)	(5,563)
Balance at end of period......................	$6,391	$7,002

An OREO reserve is maintained at a level sufficient to absorb unidentified declines in the fair value of OREO properties between periodic appraisals, and for estimated selling costs.

Part II - Other Information

Item 4. Submission of Matters to a Vote of Security Holders

First Fidelity's Annual Meeting of Shareholders was held on April 19, 1994.

Proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. There was no solicitation in opposition to management's nominees as listed in the proxy statement, and all such nominees were elected.

With respect to management's nominees, voting was as follows: John Gilray Christy, For - 65,789,959, Against - 415,326; Gonzalo de Las Heras, For - 65,775,359, Against - 429,926; E. James Ferland, For - - 65,793,085, Against - 412,200; Arthur M. Goldberg, For - 65,781,662, Against - 423,623; John R. Kennedy, For - 65,788,240, Against -

417,045; Joseph Neubauer, For - 65,792,043, Against - 413,255; Rebecca Stafford, For - 65,777,500, Against - 427,785; and Bernard C. Watson, For - 65,788,986, Against - 416,299. There were no abstentions or broker non-votes in connection with election of director nominees.

Proxies also were solicited at the annual meeting for amendment of the Company's Stock Option and Restricted Stock Plan (the "Plan"). The amendments included: (i) an increase in the number of shares of the Company's Common Stock issuable pursuant to the Plan from 6,600,000 shares to 8,600,000 shares, (ii) the establishment of 258,000 shares as the maximum number of shares that may be granted to any employee during any calendar year and (iii) a requirement that a minimum target level of fully diluted earnings per share be attained as a condition for granting of certain deferred cash incentive awards to executives in connection with the Plan. Such proposal was adopted with 54,747,584 shares voting For, 10,870,970 shares voting Against, and 586,731 shares Abstaining (including 0 broker non-votes).

In addition, proxies were solicited for approval of material performance standards under the Company's Annual Incentive Plan (the "Incentive Plan"). The proposal was designed to qualify payments made under the Incentive Plan as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended. Such proposal was adopted with 59,722,749 shares voting For, 5,874,708 shares voting Against, and 607,828 shares Abstaining (including 0 broker non-votes).

Proxies also were solicited at the annual meeting for ratification of KPMG Peat Marwick as independent auditors of the Company. The proposal was adopted with 65,683,339 shares voting For, 250,169 shares voting Against, and 271,777 shares Abstaining (including 0 broker non-votes).

In addition, a shareholder proposal, which management opposed, requesting the Company's Board of Directors to take certain actions with respect to the nominating of Directors was defeated, with 7,175,437 shares voting For, 52,383,954 shares voting Against, and 1,564,594 shares Abstaining (including 5,081,300 broker non-votes).

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits as required by Item 601 of Regulation S-K.

(10) Amended and Restated First Fidelity Bancorporation Stock Option and Restricted Stock Plan.

(11) Statement regarding computation of per share earnings.

(28) Letter from the Company's independent accountants referred to in Paragraph (d) of Rule 10-01 of Regulation S-X.

(b) Reports on Form 8-K filed during the first quarter:

During the quarter ended March 31, 1994, the Company filed a Current Report on Form 8-K, updating the Form 8-K dated May 4, 1993, pertaining to the acquisition of Northeast Bancorp, Inc.

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.

FIRST FIDELITY BANCORPORATION

Wolfgang Schoellkopf
Vice Chairman
Chief Financial Officer
Date: May 12, 1994

Anthony R. Burriesci
Executive Vice President
Corporate Controller
Date: May 12, 1994

FIRST FIDELITY BANCORPORATION

EXHIBIT 10

STOCK OPTION AND RESTRICTED STOCK PLAN

ARTICLE I

Purpose and Scope of Plan

1.1 Amendment and Restatement:

This Plan constitutes an amendment and restatement of the First Fidelity Bancorporation 1982 Stock Option Plan, known as the "First Fidelity Bancorporation Stock Option and Restricted Stock Plan".

1.2 Purposes:

The purpose of the Plan is to promote the long-term success of First Fidelity Bancorporation by providing financial incentives to key employees who are in positions to make significant contributions toward such success. The Plan is designed to encourage key employees to acquire a proprietary interest in the Company and thereby to align their interests with those of the Company's stockholders, to continue employment with the Company, and to render superior performance during such employment.

1.3 Definitions:

Unless the content clearly indicates otherwise, the following terms have the meanings set forth below:

"Award" shall mean a restricted stock award granted pursuant to Article III hereof. "Awardee" means the individual to whom an Award is granted by the Committee pursuant to the Plan. "Award Date", as used with respect to a particular Award, means the date as of which such Award is granted by the Committee pursuant to the Plan.

"Board of Directors" means the Board of Directors of the Company.

"Change in Control Event" means any of the following events:

(a) the acquisition by any one person, within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, or more than one person, acting as a group, (other than the Company, its affiliates and benefit plans sponsored by the Company or its affiliates) of ownership of stock of the Company possessing 20% or more of the total voting power of the Company, other than an acquisition of stock by the Banco de Santander Group if, and only so long as, the Banco de Santander Group (a) does not constitute an Acquiring Person and (b) is and continues to be in compliance with Sections 8.01, 8.04, 8.05 and 8.06 of the Investment Agreement, without giving effect to any waiver, amendment or modification of such sections and notwithstanding the expiration or termination of the Investment Agreement; provided that, for purposes of this clause, (i) "Banco de Santander Group" shall mean Banco de Santander, Sociedad Anonima de Credito ("Banco de

Santander"), its "Affiliates" and "Associates" (as such terms are defined in the Investment Agreement) and any Defined Financial Institution, (ii) "Investment Agreement" shall mean the Investment Agreement, dated as of March 18, 1991, between Banco de Santander and the Company as in effect on March 18, 1991 without giving effect to any waiver, amendment or modification thereof, (iii) "Acquiring Person" shall have the meaning given to such term in Exhibit D to the Investment Agreement and (iv) "Defined Financial Institution" shall mean a financial Institution of the type described in clause (iii) of the definition of "Acquiring Person" set forth in Exhibit D to the Investment Agreement;

(b) the approval by the stockholders of the Company of (i) any consolidation or merger of the Company in which the holders of voting stock of the Company immediately before the consolidation or merger will not own 50% or more of the voting shares of the continuing or surviving corporation immediately after such consolidation or merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, or

(c) a change of 25% (rounded to the next whole person) in the membership of the Board of Directors of the Company within a 12-month period, unless the election or nomination for election by stockholders of each new director within such period was approved by the vote of 85% (rounded to the next whole person) of the directors then still in office at the beginning of the 12-month period.

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

"Committee" means the Human Resources Committee of the Board of Directors, which committee shall be composed of not less than three directors who have not been eligible to receive stock,

stock options, stock appreciation rights or deferred cash incentive awards under the Plan or any other plan of the Company or its affiliates entitling the participants therein to acquire stock, stock options, stock appreciation rights or deferred cash incentive awards, at any time within a period of one year immediately preceding the date of their appointment to such committee.

"Common Stock" means the common stock of the Company, $1.00 par value, or such other class of shares or other securities as to which the provisions of the Plan may be applicable.

"Company" mean First Fidelity Bancorporation (formerly, "FFB, Inc.").

"Deferred Cash Incentive Agreement" means a written instrument specifying the terms and conditions of a Deferred Cash Incentive Award, as provided in Section 4.2 of the Plan.

"Deferred Cash Incentive Award" means an award granted pursuant to Article IV of the Plan.

"Fair Market Value" of a share of Common Stock on any particular date is the mean between the highest and lowest sales price of a share of Common Stock on the New York Stock Exchange Composite Transaction Report; provided, that (i) if no sales of Common Stock are included on the Composite Tape for such date, or (ii) if in the opinion of the Committee the sales of Common Stock on such date are insufficient to constitute a representative market, the Fair Market Value of a share of Common Stock on such date shall be deemed equal to the mean between the highest and lowest sales price of a share of Common Stock on the Composite Tape for the first preceding date on which sales of Common Stock are included and to which clause (ii) does not apply. In any event, in case of the grant of an Incentive Stock Option, "Fair Market Value" shall be determined in a manner consistent with the requirements imposed under Section 422 of the Code.

"Grant Date," as used with respect to a particular Option, means the date as of which such Option is granted by the Committee pursuant to the Plan.

"Grantee" means the individual to whom an Option has been granted by the Committee pursuant to the Plan.

"Option" means an option, granted by the Committee pursuant to Article II, to purchase shares of Common Stock and which shall be designated as either an "Incentive Stock Option" or "Supplemental Stock Option".

"Incentive Stock Option" means an option that qualifies as an Incentive Stock Option as described in Section 422 of the Code.

"Supplemental Stock Option" means any Option granted under the Plan other than an Incentive Stock Option.

"Option Agreement" means a written instrument evidencing an Option, as provided in Section 2.2(a) of the Plan.

"Option Period" means, with respect to Incentive Stock Options, the period beginning on the Grant Date and ending the day prior to the tenth anniversary of the Grant Date and means, with respect to Supplemental Stock Options, the period beginning on the Grant Date and ending on the day following the tenth anniversary of the Grant Date.

"Plan" means the Company's 1982 Stock Option Plan as amended and restated and as it may be further amended and restated from time to time in the future. The title of the Plan shall be as set forth in Section 1.1 hereof.

"Retirement," as applied to a Grantee, means the Grantee's termination of employment at a time when the Grantee receives an immediately payable retirement benefit under the Company's Employees' Pension Plan.

"SAR" shall mean a stock appreciation right granted by the Committee pursuant to Section 2.4 of the Plan.

"Termination of Employment" shall mean the last day of active employment with the Company or any participating subsidiary or

affiliate, without regard to the payment of severance or other continuation pay.

"Total and Permanent Disability," as applied to a Grantee, means that the Grantee: (i) has established to the satisfaction of the Company that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, all within the meaning of Section 22(e)(3) of the Code; and (ii) has satisfied any requirement imposed by the Committee.

1.4 Aggregate Limitation:

(a) The aggregate number of shares of Common Stock with respect to which Options, SARs and Awards may be granted shall not exceed 8,600,000 shares of Common Stock, subject to adjustment in accordance with Section 5.1. The aggregate number of shares of Common Stock with respect to which Options, SARs and Awards may be granted to any one Grantee or Awardee, as applicable, shall not exceed 258,000 shares in any calendar year, subject to adjustment in accordance with Section 5.1.

(b) Any shares of Common Stock to be delivered by the Company upon the exercise of Options or SARs or the realization of Awards shall be issued from authorized but unissued shares of Common Stock or from treasury stock acquired by the Company at the discretion of the Board of Directors.

(c) In the event that any Option or SAR expires, lapses, or otherwise terminates prior to being fully exercised, any shares of Common Stock allocable to the unexercised portion of such Option or SAR may again be made subject to an Option, a SAR or an Award. In the event that any Award lapses prior to realization thereof, any shares of Common Stock allocable to such Award may again be made subject to an Option, a SAR or an Award. An Option that terminates upon the exercise of a related SAR shall be deemed to have been exercised at the time of exercise of the SAR and the shares of Common Stock subject thereto shall not be available for further grants.

(d) For purposes of paragraph (a) of this Section 1.4, the payment of a Deferred Cash Incentive Award shall not be deemed to result in the issuance of any shares of Common Stock in addition to those issued pursuant to the exercise of the related Option.

1.5 Administration of the Plan:

(a) The Plan shall be administered by the Committee, which shall have the authority:

(i) to determine key employees of the Company to whom, and the times at which, Options, Awards, SARs and Deferred Cash Incentive Awards shall be granted, the number of shares of Common Stock to be subject to each such Option, Award and SAR, and the amount of each such Deferred Cash Incentive Award, taking into account the nature of the services rendered by the particular employee, the employee's potential contribution to the long-term

success of the Company and such other factors as the Committee in its discretion shall deem relevant;

(ii) to interpret the Plan, to make factual determinations and to establish rules and regulations relating to it and all actions taken by the Committee shall be conclusive and binding on all parties;

(iii) to prescribe the terms and provisions of the agreements for the grant of Options, Awards, SARs and Deferred Cash Incentive Awards; and

(iv) to make all other determinations necessary or advisable in order to administer the Plan.

(b) All decisions of the Committee upon questions concerning the Plan, any Option, any Award, any SAR or any Deferred Cash Incentive Award may be taken in its sole discretion and shall be conclusive and binding on all parties.

(c) No person acting under this Section 1.5 shall be held liable for any action or determination made in good faith with respect to the Plan or any grant of an Option or SAR or any Award under the Plan and the Company shall indemnify and hold harmless each such person from any liability, cost or expense (including reasonable counsel fees) incurred in connection with such person's performance hereunder.

1.6 Eligibility:

The Committee shall designate from time to time the key employees of the Company who are to be granted Options, Awards, SARs and Deferred Cash Incentive Awards. In no event may a member of the Committee or any non-employee Director be granted an Option, an Award, a SAR or a Deferred Cash Incentive Award.

1.7 Effective Date and Duration of Plan:

The Plan initially became effective upon its adoption by the Board of Directors of First Fidelity Incorporated. Unless previously terminated by the Board of Directors, the Plan shall terminate on February 11, 1997. The Plan, as amended and restated shall become effective January 1, 1994; provided, however, that the amendments to Section 1.4(a) as well as the amendments designed to cause the Plan to comply with section 162(m) of the Code, shall become effective only if approved by the affirmative vote of the holders of a majority of shares of Common Stock present or represented and entitled to vote at the annual meeting of shareholders to be held on April 19, 1994.

ARTICLE II

Stock Options

2.1 Grant of Options:

The Committee may, from time to time, subject to the provisions of the Plan, grant Options to key employees to purchase shares of Common Stock allotted in accordance with Section 1.4. The Committee may designate any Option granted as either an Incentive Stock Option or a Supplemental Stock Option, or the Committee may designate a portion of the Option as an "Incentive Stock Option" and the remaining portion as a "Supplemental Stock Option." Any portion of an Option that is not designated as an "Incentive Stock Option" shall be a "Supplemental Stock Option" and shall satisfy the requirements of Section 2.2, but shall not be subject to the requirements of Section 2.3.

2.2 Option Requirements:

(a) An Option shall be evidenced by an Option Agreement specifying the number of shares of Common Stock that may be purchased by its exercise and containing such terms and conditions consistent with the Plan as the Committee shall determine.

(b) An Option shall not be granted on or after February 11, 1997.

(c) An Option shall not be exercisable after the expiration of the Option Period.

(d) The Committee may provide, in the instrument evidencing an Option, for the lapse of the Option, prior to the expiration of the Option Period, upon the occurrence of any event specified by the Committee.

(e) The option price per share of Common Stock shall be equal to the Fair Market Value of a share of Common Stock on the Grant Date.

(f) An Option and any related SAR shall not be transferable other than by will or the laws of descent and distribution and, during the Grantee's lifetime, an Option and any related SAR shall be exercisable only by the Grantee; except that the Committee may permit:

(i) exercise, during the Grantee's lifetime, by Grantee's guardian or legal representative; and

(ii) transfer, upon Grantee's death, to beneficiaries designated by Grantee in a manner authorized by the Company; provided, that the Committee determines that such exercise and such transfer are consonant with requirements for exemption from Section 16(b) of the Securities Exchange Act of 1934, as amended, and, with respect to an Incentive Stock Option, the requirements of Section 422(b)(5) of the Code.

(g) Unless otherwise provided by the Committee or in this Plan, an Option shall not be exercisable until the earliest of one year after its Grant Date or the date of Retirement, death or Total and

Permanent Disability of the Grantee. Pursuant to the terms of an Option Agreement or Deferred Cash Incentive Agreement or otherwise, the Committee may, at the time of grant or any time thereafter, (i) provide irrevocably that an Option or Deferred Cash Incentive Award shall become fully exercisable immediately and automatically upon the occurrence of a Change in Control Event or (ii) change the date on which an outstanding Option or any related Deferred Cash Incentive Award become exercisable; provided, however, that an

exercise date designated in an Option Agreement or in a Deferred Cash Incentive Agreement may not be changed to a later date without the consent of the Grantee. In the event of Retirement, the Option to exercise shall lapse at the earlier of (i) the last day of the Option Period for such Option or (ii) three years after the date of Retirement. In the event of voluntary Termination of Employment at the election of the employee or termination for cause, as determined pursuant to the Company's normal employment practices, at the election of the Committee, all Options shall lapse on the date of termination; provided, however, that the Committee shall have authority to permit exercise until the earlier of the last day of the Option Period for the applicable Option or three months after employment is terminated. In the event of Termination of Employment by the Company without cause, as determined pursuant to the Company's normal employment practices, all Options shall lapse on the earlier of the last day of the Option Period for the applicable Option or six months after Termination of Employment. In the event of Termination of Employment due to death or Total and Permanent Disability, the Option shall lapse at the earlier of the last day of the Option Period for such Option or three years after Termination of Employment due to such causes. In no event shall an Option be exercisable after the last day of its Option Period or be exercisable for more shares than the number of shares which could be purchased if the Option were exercised on the date of Termination of Employment.

(h) A person electing to exercise an Option shall give written notice, in such form as the Committee may require, of such election to the Company and shall tender to the Company the full purchase price of the shares of Common Stock for which the election is made. Payment of the purchase price shall be made in cash or in such other form as the Committee may approve, including shares of Common Stock of the Company valued at their Fair Market Value on the date of exercise of the Option.

2.3 Additional Incentive Stock Option Requirements:

(a) An Incentive Stock Option shall not be granted to an individual who, on the date of grant, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any subsidiary or parent corporation.

(b) The Fair Market Value (determined at the time that the Incentive Stock Options are granted) of Common Stock with respect to which Incentive Stock Options (granted on or after January 1, 1987) are exercisable for the first time by any person during any calendar year (under this Plan and all other plans of the Company and its parent and subsidiary corporations) cannot be greater than $100,000.

(c) An Incentive Stock Option granted prior to January 1, 1987 shall not be exercisable while there is outstanding (within the meaning of Section 422A(c)(7) of the Internal Revenue Code of 1954, as amended) any other "incentive stock option" (within the meaning of Subsection (b) of Section 422A of such Code), which was granted before the granting of such Incentive Stock Option to the Grantee and which was granted to enable the Grantee to purchase stock in the Company or in

a corporation which (on the Grant Date) is a parent or subsidiary corporation of the Company or in a predecessor corporation of any of such corporations.

2.4 Stock Appreciation Rights:

The Committee may, in its discretion, grant stock appreciation rights (hereinafter, "SAR") to the holders of Options granted under the Plan. A SAR shall be subject to the following terms and conditions:

(a) Each SAR shall relate to a specific Option or portion of an Option granted under the Plan and may be granted at the same time that the Option is granted or at any time thereafter prior to the last day on which the Option may be exercised. SARs will be subject to such terms and conditions as the Committee may specify.

(b) A SAR shall entitle a Grantee, upon surrender of the unexpired Option, or a portion thereof, to receive from the Company an amount equal to the Fair Market Value, on the surrender date, of shares which the Grantee would have been entitled to purchase on that date pursuant to the Option or portion thereof surrendered, less

(i) the amount which the Grantee would have been required to pay to purchase such shares, or

(ii) if higher, the Fair Market Value of a share as of the date of grant of the SAR but only where the SAR is granted after the Option to which it relates and a lesser purchase price would result in the disallowance of the Company's expense deduction upon exercise of the SAR pursuant to Section 162(m) of the Code.

The amount shall be paid at the sole discretion of the Committee to Grantees all in Common Stock, all in cash, or any combination of the two. No fractional shares shall be issued as a result of exercising a SAR under this Section 2.4. A Grantee wishing to exercise a right shall give written notice of such exercise to the Company. The date that the Company receives such notice shall be the date on which the Option or portion thereof is deemed surrendered.

(c) A SAR shall be exercisable only for the same number of shares, and only at the same times, as the Option or a portion of an Option to which it relates. Accordingly, a SAR shall lapse at such time as the related Option is exercised or lapses pursuant to the terms of the Plan. However, in no event shall an SAR be exercisable during the first six months after being granted, except that an SAR shall be exercisable at the time of death or disability of the Grantee if the Option to which the SAR relates is then exercisable.

ARTICLE III

Stock Awards

3.1 Grant of Awards:

An Award will consist of Common Stock to be transferred to an Awardee without other payment therefor upon completion of the restriction period relating to such Award and satisfaction of any performance criteria established by the Committee. Notwithstanding the fact that such shares are not transferred to the Awardee until the completion of a restriction period or the satisfaction of specified criteria, all dividends paid with respect to such shares shall be distributed currently to the Awardee as additional compensation.

3.2 Agreement:

Each Award granted under the Plan shall be evidenced by an Award Agreement between the Company and the Awardee which shall set forth the following conditions:

(a) Restriction Period. Each Award Agreement shall state the date upon which the shares awarded shall fully vest. The period from the Award Date to the date on which an Award vests is described herein as the "Restriction Period".

(b) Performance Criteria. If the Committee determines that the vesting of a particular Award should be conditioned upon satisfaction of certain performance criteria, such condition shall be described in the applicable Award Agreement.

(c) Time of Issue. Shares shall be issued promptly after the conclusion of the Restriction Period, provided that such issuance is consistent with Sections 3.2(d) and 3.2(e) hereof and provided that any applicable performance criteria have been satisfied.

(d) Termination of Employment. Except in the case of Total and Permanent Disability or death of an Awardee, or at the election of the Committee, Retirement, no shares shall be issued to an Awardee whose employment relationship with the Company terminates for any voluntary or involuntary reason prior to the conclusion of the Restriction Period pertaining to those shares. If such termination should occur after the conclusion of the Restriction Period, but prior to the date of issue of the awarded shares, the awarded shares shall be issued to the Awardee as though he/she were still employed at the date of issue.

(e) Awardee's Retirement, Disability or Death. If an Awardee incurs a Termination of Employment by reason of death or Total and Permanent Disability, or at the election of the Committee, Retirement, prior to the conclusion of the Restriction Period or after the conclusion of the Restriction Period but prior to the date of issue of the awarded shares, the awarded shares shall be issued to the Awardee or, in the case of an Awardee's death, the decreased Awardee's estate promptly after the conclusion of the Restriction Period.

(f) Change in Control Event. The Committee shall have the authority to provide, either at the time an Award is granted or thereafter, that all restrictions and performance criteria pertaining to an Award shall lapse upon the occurrence of a Change in Control Event and that the awarded shares shall be promptly issued to the Awardee.

(g) Withholding of Taxes. At the time an Award vests or is granted, the Company may withhold from an Award any taxes that it is required to withhold in connection with the granting of the Award.

3.3 Non-Assignability:

No Award shall be assignable or transferable by a participant otherwise than by will or the laws of descent and distribution.

ARTICLE IV

Deferred Cash Incentive Awards

4.1 Granting of Deferred Cash Incentive Awards:

Deferred Cash Incentive Awards, as described in Section 4.2 of the Plan, may be granted by the Committee in conjunction with all or any part of any Option granted under the Plan, either at the time of the grant of such Option or at any time thereafter during the term of such Option. Each Deferred Cash Incentive Award shall be subject to such conditions as specified by the Committee which is described in Section 5.10 and certification by such Committee that such conditions have been met.

4.2 Deferred Cash Incentive Agreements:

A Deferred Cash Incentive Award shall entitle the holder of an Option to receive from the Company an amount of cash equal to the aggregate exercise price of all Options exercised by such holder in accordance with the terms of a written "Deferred Cash Incentive Agreement" executed by the Company and the Grantee. A Deferred Cash Incentive Agreement shall specify the conditions under which a Deferred Cash Incentive Award becomes payable, the conditions under which a Deferred Cash Incentive Award is forfeited and any other terms and conditions as the Committee may from time to time determine. Under no circumstances may a Deferred Cash Incentive Award be applied to any purpose other than the payment of (i) the exercise price of a properly exercised related Option, or (ii) taxes attributable to the receipt of shares of Common Stock or of a payment pursuant to a Deferred Cash Incentive Award.

ARTICLE V

General Provisions

5.1 Adjustment Provisions:

(a) If:

(i) any recapitalization, reclassification, split-up, or consolidation of Common Stock is effected;

(ii) the outstanding shares of Common Stock are exchanged, in connection with the merger or consolidation of the Company or a sale by the Company of all or a part of its assets, for a different number or class of shares of stock or other securities of the Company or for shares of the stock or other securities of any other corporation;

(iii) new, different, or additional shares or other securities of the Company or of another corporation are received by the holders of Common Stock; or

(iv) any distribution is made to the holders of Common Stock other than a cash dividend;

then the Committee shall make appropriate adjustments to:

(i) the number and class of shares or other securities that may be issued or transferred pursuant to Options, SARs and Awards; or

(ii) the purchase price to be paid per share under outstanding Options and the amount of outstanding Deferred Cash Incentive Awards.

In any event, however, no fractional shares shall be issued.

(b) Upon the dissolution or liquidation of the Company other than within two years following a Change in Control Event, the Plan shall terminate, and all Options, SARs, Awards and Deferred Cash Incentive Awards previously granted shall lapse on the date of such dissolution or liquidation of the Company.

(c) Adjustments under Subsection (a) shall be made according to the sole discretion of the Committee, and its decision shall be binding and conclusive.

(d) Except as provided in Subsections (a) and (b), the issuance by the Company of shares of stock of any class shall not affect the outstanding Options, SARs, Awards and Deferred Cash

Incentive Awards.

5.2 Additional Conditions:

Any shares of Common Stock issued or transferred under any provision of the Plan may be issued or transferred subject to such

conditions, in addition to those specifically provided in the Plan, as the Committee or the Company may impose.

5.3 No Right to Employment:

Nothing in the Plan or in any instrument executed pursuant thereto shall confer upon any employee any right to continue in the employ of the Company or shall affect the right of the Company to terminate the employment of any employee with or without cause.

5.4 Legal Restrictions:

(a) The Company will not be obligated to issue shares of Common Stock or make any payment if counsel to the Company determines that such issuance or payment would violate any law or regulation of any governmental authority or any agreement between the Company and any national securities exchange upon which the Common Stock is listed. In connection with any stock issuance or transfer, the person acquiring the shares shall, if required by the Company, give assurances satisfactory to counsel to the Company regarding such matters as the Company may deem desirable to assure compliance with all legal requirements. The Company shall in no event be obligated to take any action in order to cause the exercise of any Option or SAR or the issuance of Common Stock upon realization of any SAR.

(b) The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Common Stock under Options or Awards shall be subject to all applicable law and required approvals including governmental or regulatory agencies. With respect to persons subject to section 16 of the Securities Exchange Act of 1934, it is the intent of the Company that the Plan and all transactions under the Plan shall comply with all applicable conditions of Rule 16b-3 or any successor provisions under such Act. The Committee may revoke any Option or Award if it is contrary to law or modify any Option or Award to bring it into compliance with any valid or mandatory government regulations.

5.5 No Rights as Shareholders:

No Grantee, and no beneficiary or other person claiming through a Grantee, shall have any interest in any shares of Common Stock allocated for the purposes of the Plan or subject to any Option, SAR or Award until such shares of Common Stock shall have been transferred to the Grantee or such person. Furthermore, the existence of the Options, SARs, Awards or Deferred Cash Incentive Awards shall not affect: the right or power of the Company or its stockholders to make adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business; any issue of bonds, debentures, or preferred or prior preference stocks affecting the Common Stock or the rights thereof; the dissolution or liquidation of the Company, or the sale or transfer of any part of its assets or businesses; or any other corporate act, whether of a similar character or otherwise.

5.6 Choice of Laws:

The validity, interpretation, and administration of the Plan and of any rules, regulations, determinations, or decisions made thereunder, and the right of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with the laws of the State of New Jersey.

Without limiting the generality of the foregoing, the period within which any action in connection with the Plan must be commenced shall be governed by the laws of the State of New Jersey, without regard to the place where the act or omission complained of took place, the residence of any party to such action, or the place where the action may be brought.

5.7 Amendment, Suspension, and Termination of the Plan:

The Board of Directors (or any committee thereof) may at any time terminate, suspend, or amend the Plan; however, no such amendment shall, without the approval of the shareholders of the Company:

(i) increase the aggregate number of shares that may be issued in connection with Options, Awards and SARs;

(ii) change the Option exercise price;

(iii) increase the maximum period during which Options and SARs may be exercised;

(iv) extend the effective period of the Plan; or

(v) materially modify the requirements as to eligibility for participation in the Plan.

5.8 Payment of Withholding Taxes:

At any time when a participant in the Plan is required to pay to the Company an amount required to be withheld under applicable income tax laws in connection with the grant or exercise of any Option, SAR, Award or Deferred Cash Incentive Award, the participant may satisfy this obligation in whole or in part by electing (the "Election") to have the Company withhold an appropriate number of shares from the issuance of shares to which he would otherwise be entitled, or by paying the withholding amount to the Company in cash or tendering already owned shares to the Company, such number of shares to be withheld or tendered, as the case may be, having a Fair Market Value, calculated on the date that the amount of tax to be withheld shall be determined ("Tax Date"), equal to the amount required to be withheld.

(a) Each Election must be made prior to the Tax Date. The Committee may disapprove of any Election, may suspend or terminate the right to make Elections, or may provide with respect to any Option, SAR, Award or Deferred Cash Incentive Award that the right to make Elections shall not apply to such Option, SAR, Award or Deferred Cash Incentive Award. An Election is irrevocable.

(b) If a participant is an officer or director of the Company within the meaning of Section 16 of the Securities

Exchange Act of 1934, then an Election is subject to the following additional requirements:

(i) No Election shall be effective for a Tax Date which occurs within six months of the grant of an Option, SAR, Award or Deferred Cash Incentive Award, except that this limitation shall not apply in the event death or Total and Permanent Disability of the participant occurs prior to the expiration of the six month period.

(ii) The Election must be made either six months prior to the Tax Date or must be made during a period beginning on the third business day following the date of release for publication of the Company's quarterly or annual summary statements of earnings and ending on the twelfth business day following such date.

5.9 Funded Status of the Plan:

The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment pursuant to any Option, SAR, Award or Deferred Cash Incentive Award under the Plan.

5.10 Approval by Outside Directors:

(a) Options and SARs granted under the Plan after February 17, 1993, shall not be exercisable until after approval of the Plan and such Options or SARs by a Committee of the Board of Directors which is comprised solely of two or more directors who at the time of the action taken are:

(i) not employees of the Company (or related entities);

(ii) not former employees still receiving compensation for prior services (other than benefits under a tax-qualified pension plan);

(iii) not officers of the Company (or related entities) at any time; and

(iv) not receiving compensation for personal services in any capacity other than as a director.

(b) Deferred Cash Incentive Awards made pursuant to the Plan on or after January 1, 1994 to certain officers, as specified by the Committee described in subsection (a), shall be made subject to performance criteria specified by such Committee and subject to such Committee's certification that each of such officers has satisfied the applicable performance criteria.

EXHIBIT 11

FIRST FIDELITY BANCORPORATION (AND SUBSIDIARIES)
COMPUTATION OF EARNINGS PER SHARE

	Three Months Ended March 31
	1994
Net income	$108,866,000
Less: Total preferred dividends	5,131,000
A. Net income applicable to common stock	$103,735,000
Net income	$108,866,000
Less: Non-convertible preferred dividends	2,542,000
B. Net income for fully diluted earnings per share	$106,324,000
Primary Earnings Per Share:	
Average shares outstanding	79,648,000
Dilutive average shares outstanding under options and warrants	7,407,255
Exercise prices	$15.44 to $44.06
Assumed proceeds on exercise	$193,686,382
Market value per share	$44.11
Less: Treasury stock purchased with the assumed proceeds from exercise of options and warrants	4,391,295
C. Adjusted average shares - Primary	82,663,960
Primary Earnings Per Share (A/C)	$1.26

Fully Diluted Earnings Per Share:

Average shares outstanding	79,648,000
Dilutive average shares outstanding under options and warrants	7,412,973
Exercise prices	$15.44 to $44.31
Assumed proceeds on exercise	$193,939,817
Market value per share	$44.38
Less: Treasury stock purchased with the assumed proceeds from exercise of options and warrants	4,370,475
Adjusted average shares	82,690,498
Common shares from the assumed conversion of Convertible Preferred Stock	3,757,654
D. Adjusted average shares - Fully diluted	86,448,152
Fully Diluted Earnings Per Share (B/D)	$1.23

EXHIBIT 28

KPMG Peat Marwick
Certified Public Accountants
345 Park Avenue
New York, NY 10154

Independent Accountant's Report

The Board of Directors
First Fidelity Bancorporation:

We have reviewed the accompanying consolidated statement of condition of First Fidelity Bancorporation and subsidiaries as of March 31, 1994, and the related consolidated statements of income and cash flows for the three-month period then ended. These financial statements are the responsibility of First Fidelity Bancorporation's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated statement of condition of First Fidelity Bancorporation and subsidiaries as of December 31, 1993 (presented herein) and the related consolidated statements of income and cash flows for the year then ended (not presented herein); and in our report dated January 14, 1994, except for the sixth paragraph of Note 11 which was dated February 2, 1994, we expressed an unqualified opinion on those consolidated financial statements.

KPMG Peat Marwick
April 14, 1994