

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1994-10-24** | Period of Report: **1994-09-30**  
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FILER

**PNC BANK CORP**

CIK: **713676** | IRS No.: **251435979** | State of Incorporation: **PA** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-09718** | Film No.: **94554616**  
SIC: **6021** National commercial banks

Mailing Address  
*ONE PNC PLAZA  
FIFTH AVENUE & WOOD  
STREET  
PITTSBURGH PA 15265*

Business Address  
*ONE PNC PLAZA  
FIFTH AVE & WOOD ST  
PITTSBURGH PA 15265  
4127622666*

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 19, 1994  
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

COMMISSION FILE NUMBER 1-9718

PNC BANK CORP.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

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

ONE PNC PLAZA  
FIFTH AVENUE AND WOOD STREET  
PITTSBURGH, PENNSYLVANIA 15265  
(Address of principal executive offices)  
(Zip Code)

(412) 762-3900  
(Registrant's telephone number, including area code)

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

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ITEM 5. OTHER EVENTS

THIRD QUARTER 1994 FINANCIAL RESULTS

On October 19, 1994, PNC Bank Corp. ("Corporation") reported results of operations for the three months and nine months ended September 30, 1994. Excerpts from the earnings press release issued by the Corporation are 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 4 of this Form 8-K is filed herewith.

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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 21, 1994

By /s/ Robert L. Haunschild  
-----  
Robert L. Haunschild  
SENIOR VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER

EXHIBIT INDEX

- 99 Excerpts from the earnings press release issued by the Corporation on October 19, 1994, with respect to results of operations for the three months and nine months ended September 30, 1994, filed herewith.

PNC BANK CORP. AND SUBSIDIARIES  
Consolidated Financial Highlights

<TABLE>  
FINANCIAL PERFORMANCE

<CAPTION>

IN THOUSANDS, EXCEPT PER SHARE DATA AND RATIOS	Three months ended September 30		Nine months ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Net interest income (taxable-equivalent basis)	\$503,240	\$467,878	\$1,510,407	\$1,397,580
Income before cumulative effect of changes in accounting principles	187,998	217,676	581,532	573,829
Net income	187,998	217,676	581,532	554,436
Earnings per common share				
Before cumulative effect of changes in accounting principles				
Primary	.79	.92	2.45	2.42
Fully diluted	.79	.91	2.44	2.41
Net income				
Primary	.79	.92	2.45	2.34
Fully diluted	.79	.91	2.44	2.33
Cash dividends declared per common share	.32	.285	.96	.855
Average common shares outstanding				
Primary	236,914	236,544	236,954	236,345
Fully diluted	238,735	238,647	238,807	238,414
Net interest margin	3.45%	3.93%	3.57%	4.01%
Returns before cumulative effect of changes in accounting principles				
Return on average total assets	1.20	1.72	1.29	1.55
Return on average common shareholders' equity	17.15	21.59	18.04	19.74
Returns based on net income				
Return on average total assets	1.20	1.72	1.29	1.50
Return on average common shareholders' equity	17.15	21.59	18.04	19.07
Average shareholders' equity to average total assets	7.03	7.98	7.17	7.89
Net charge-offs to average loans	.18	.54	.27	.69
Provision for credit losses to net charge-offs	62.87	145.09	89.24	127.19
After-tax profit margin	25.60	29.73	26.10	25.95
Overhead ratio	59.36	47.25	57.49	50.46

</TABLE>

<TABLE>  
<CAPTION>  
PERIOD-END RATIOS

	September 30 1994	December 31 1993	September 30 1993
<S>	<C>	<C>	<C>
Capital			
Leverage	6.82%	7.85%	8.10%
Common shareholders' equity to total assets	6.92	6.93	7.84
Asset quality			
Nonperforming loans to total loans	1.03	1.15	1.53
Nonperforming assets to total loans and foreclosed assets	1.44	1.65	2.25
Nonperforming assets to total assets	.80	.89	1.19
Allowance for credit losses to total loans	2.89	2.92	3.43
Allowance for credit losses to nonperforming loans	281.35	253.12	223.87
Book value per common share			
As reported	\$18.87	\$18.34	\$17.50
Excluding net unrealized securities gains/losses	19.46	17.96	17.50

</TABLE>

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PNC BANK CORP. AND SUBSIDIARIES  
Condensed Consolidated Statement of Income

<TABLE>  
<CAPTION>

IN THOUSANDS	Three months ended September 30		Nine months ended September 30	
	1994	1993	1994	1993

<S>	<C>	<C>	<C>	<C>
<b>INTEREST INCOME</b>				
Loans and fees on loans	\$652,127	\$472,378	\$1,818,974	\$1,433,932
Securities	335,117	308,860	947,572	923,293
Other	20,325	10,652	71,121	28,694
<b>Total interest income</b>	<b>1,007,569</b>	<b>791,890</b>	<b>2,837,667</b>	<b>2,385,919</b>
<b>INTEREST EXPENSE</b>				
Deposits	249,532	174,496	664,777	562,208
Borrowed funds	131,161	89,219	338,394	276,570
Notes and debentures	131,921	70,193	349,241	179,822
<b>Total interest expense</b>	<b>512,614</b>	<b>333,908</b>	<b>1,352,412</b>	<b>1,018,600</b>
<b>Net interest income</b>	<b>494,955</b>	<b>457,982</b>	<b>1,485,255</b>	<b>1,367,319</b>
Provision for credit losses	10,078	50,021	60,123	165,252
<b>Net interest income less provision for credit losses</b>	<b>484,877</b>	<b>407,961</b>	<b>1,425,132</b>	<b>1,202,067</b>
<b>NONINTEREST INCOME</b>				
Investment management and trust	72,354	68,214	218,815	203,580
Service charges, fees and commissions	95,094	91,845	275,135	261,194
Mortgage banking	78,911	7,648	159,274	24,624
Net securities gains (losses)	(44,202)	72,513	(13,895)	184,290
Other	28,942	23,984	78,561	65,231
<b>Total noninterest income</b>	<b>231,099</b>	<b>264,204</b>	<b>717,890</b>	<b>738,919</b>
<b>NONINTEREST EXPENSE</b>				
Staff expense	208,128	165,669	618,999	512,009
Net occupancy and equipment	67,880	55,730	200,022	168,822
Other	159,905	124,515	462,033	397,246
<b>Total noninterest expense</b>	<b>435,913</b>	<b>345,914</b>	<b>1,281,054</b>	<b>1,078,077</b>
<b>Income before income taxes and cumulative effect of changes in accounting principles</b>	<b>280,063</b>	<b>326,251</b>	<b>861,968</b>	<b>862,909</b>
Applicable income taxes	92,065	108,575	280,436	289,080
<b>Income before cumulative effect of changes in accounting principles</b>	<b>187,998</b>	<b>217,676</b>	<b>581,532</b>	<b>573,829</b>
Cumulative effect of changes in accounting principles, net of tax benefit of \$5,343				(19,393)
<b>Net income</b>	<b>\$187,998</b>	<b>\$217,676</b>	<b>\$581,532</b>	<b>\$554,436</b>

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PNC BANK CORP. AND SUBSIDIARIES  
Other Financial Data

<TABLE>

<CAPTION>

NET INTEREST MARGIN

THREE MONTHS ENDED	September 30	June 30	March 31	September 30
TAXABLE-EQUIVALENT BASIS	1994	1994	1994	1993
<S>	<C>	<C>	<C>	<C>
Book-basis yield on earning assets	6.70%	6.48%	6.23%	6.40%
Effect of loan fees	.13	.11	.14	.13
Taxable-equivalent adjustment	.06	.06	.06	.08
<b>Taxable-equivalent yield on earning assets</b>	<b>6.89</b>	<b>6.65</b>	<b>6.43</b>	<b>6.61</b>
Rate on interest-bearing liabilities	4.16	3.90	3.69	3.72
<b>Interest rate spread</b>	<b>2.73</b>	<b>2.75</b>	<b>2.74</b>	<b>2.89</b>
Effect of noninterest-bearing sources	.56	.55	.53	.58
Net benefit of interest rate swaps	.16	.28	.41	.46
<b>Net interest margin</b>	<b>3.45%</b>	<b>3.58%</b>	<b>3.68%</b>	<b>3.93%</b>

</TABLE>

<TABLE>

NONINTEREST INCOME

<CAPTION>

Three months ended  
September 30

Six months ended  
September 30

IN THOUSANDS	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Investment management and trust				
Trust	\$47,853	\$45,488	\$146,658	\$137,675
Mutual funds	24,501	22,726	72,157	65,905
Total investment management and trust	72,354	68,214	218,815	203,580
Service charges, fees and commissions				
Deposit account and corporate services	41,931	39,275	124,156	117,347
Credit card and merchant services	13,723	14,189	40,520	40,734
Brokerage	9,306	10,721	26,529	28,238
Corporate finance	12,075	11,990	33,302	30,295
Other services	18,059	15,670	50,628	44,580
Total service charges, fees and commissions	95,094	91,845	275,135	261,194
Mortgage banking				
Servicing	32,439	6,386	93,140	19,417
Sales of servicing	34,747		51,338	
Marketing	11,725	1,262	14,796	5,207
Total mortgage banking	78,911	7,648	159,274	24,624
Net securities gains (losses)	(44,202)	72,513	(13,895)	184,290
Other	28,942	23,984	78,561	65,231
Total	\$231,099	\$264,204	\$717,890	\$738,919

</TABLE>

<TABLE>  
NONINTEREST EXPENSE

IN THOUSANDS	Three months ended September 30		Nine months ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Compensation	\$168,433	\$143,906	\$497,835	\$423,309
Employee benefits	39,695	21,763	121,164	88,700
Total staff expense	208,128	165,669	618,999	512,009
Net occupancy	34,545	28,246	101,107	86,449
Equipment	33,335	27,484	98,915	82,373
Amortization of intangible assets	21,648	7,371	59,478	22,737
Federal deposit insurance	18,406	15,732	54,745	48,664
Taxes other than income	11,533	9,448	33,411	28,058
Other	108,318	91,964	314,399	297,787
Total	\$435,913	\$345,914	\$1,281,054	\$1,078,077

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PNC BANK CORP. AND SUBSIDIARIES  
Condensed Consolidated Balance Sheet

IN MILLIONS, EXCEPT SHARE DATA	September 30 1994	December 31 1993	September 30 1993
<S>	<C>	<C>	<C>
ASSETS			
Cash and due from banks	\$1,938	\$1,817	\$1,742
Short-term investments	782	856	250
Loans held for sale	517	1,392	296
Securities available for sale, fair value of \$3,484 on September 30, 1993	4,985	11,388	3,443
Investment securities, fair value of \$17,113, \$11,716 and \$18,006	17,976	11,672	17,732
Loans, net of unearned income of \$223, \$222 and \$205	35,700	33,308	27,385
Allowance for credit losses	(1,030)	(972)	(940)
Net loans	34,670	32,336	26,445
Other	3,136	2,619	2,372

Total assets	\$64,004	\$62,080	\$52,280
<b>LIABILITIES</b>			
Deposits			
Noninterest-bearing	\$6,572	\$7,057	\$5,394
Interest-bearing	26,997	26,058	22,872
Total deposits	33,569	33,115	28,266
Borrowed funds			
Notes and debentures	11,839	9,585	7,010
Other	1,775	3,393	1,572
Total liabilities	59,558	57,755	48,161
<b>SHAREHOLDERS' EQUITY</b>			
Realized shareholders' equity	4,584	4,237	4,119
Net unrealized securities gains (losses)	(138)	88	
Total shareholders' equity	4,446	4,325	4,119
Total liabilities and shareholders' equity	\$64,004	\$62,080	\$52,280
<b>COMMON SHAREHOLDERS' EQUITY</b>			
COMMON SHARES OUTSTANDING	234,565,250	234,705,237	234,227,545

</TABLE>

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PNC BANK CORP. AND SUBSIDIARIES  
Condensed Consolidated Average Balance Sheet

<TABLE>  
<CAPTION>

IN MILLIONS	Three months ended September 30		Nine months ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
<b>ASSETS</b>				
Interest-earning assets				
Short-Term investments	\$744	\$523	\$821	515%
Securities	22,422	21,011	21,844	20,393
Loans, net of unearned income				
Commercial	12,454	11,121	11,963	10,803
Real estate project	1,621	1,810	1,693	1,870
Real estate mortgage	9,836	3,812	9,293	3,911
Consumer	8,993	7,950	8,689	7,871
Other	1,590	835	1,387	855
Total loans, net of unearned income	34,494	25,528	33,025	25,310
Other interest-earning assets	615	362	828	278
Total interest-earning assets	58,275	47,424	56,518	46,496
Other	3,713	2,846	3,686	2,918
Total assets	\$61,988	\$50,270	\$60,204	\$49,414
<b>LIABILITIES</b>				
Interest-bearing liabilities				
Deposits	\$27,657	\$22,550	\$26,507	\$22,765
Borrowed funds	11,346	10,410	11,284	10,682
Notes and debentures	11,358	7,027	10,848	5,791
Total interest-bearing liabilities	50,361	39,987	48,639	39,238
Noninterest-bearing deposits	6,325	5,263	6,158	5,232
Other	942	1,007	1,087	1,045
Total liabilities	57,628	46,257	55,884	45,515
<b>SHAREHOLDERS' EQUITY</b>				
Total liabilities and shareholders' equity	\$61,988	\$50,270	\$60,204	\$49,414



&lt;/TABLE&gt;

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PNC BANK CORP. AND SUBSIDIARIES

Asset Quality Data

&lt;TABLE&gt;

&lt;CAPTION&gt;

NONPERFORMING ASSETS

IN MILLIONS	September 30 1994	December 31 1993	September 30 1993
<S>	<C>	<C>	<C>
Nonaccrual loans			
Commercial	\$211	\$181	\$219
Real estate project	78	91	160
Real estate mortgage	73	84	33
Total nonaccrual loans	362	356	412
Restructured loans	4	28	8
Total nonperforming loans	366	384	420
Foreclosed assets			
Real estate project	91	108	159
Real estate mortgage	30	42	8
Other	28	20	34
Total foreclosed assets	149	170	201
Total	\$515	\$554	\$621

&lt;/TABLE&gt;

&lt;TABLE&gt;

ALLOWANCE FOR CREDIT LOSSES

&lt;CAPTION&gt;

IN MILLIONS	Three months ended September 30		Nine months ended September 30	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Beginning balance	\$1,036	\$917	\$972	\$897
Charge-offs	(39)	(56)	(120)	(183)
Recoveries	23	21	53	53
Net charge-offs	(16)	(35)	(67)	(130)
Provision for credit losses	10	50	60	165
Acquisitions		8	65	8
Ending balance	\$1,030	\$940	\$1,030	\$940

&lt;/TABLE&gt;

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