SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

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

DATE OF REPORT: SEPTEMBER 30, 1997

HUNTINGTON BANCSHARES INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Maryland	0-2525	31-0724920
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification Number)

Huntington Center
41 South High Street
Columbus, Ohio 43287
(614) 480-8300
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER
INCLUDING AREA CODE OF REGISTRANT'S
PRINCIPAL EXECUTIVE OFFICES)

N/A
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

ITEM 5. OTHER INFORMATION.

As previously reported by Huntington Bancshares Incorporated, a Maryland corporation and a registered bank holding company ("Huntington"), on its Current Report on Form 8-K filed with the Securities and Exchange Commission on October 15, 1997, First Michigan Bank Corporation, a Michigan corporation and a registered bank holding company ("First Michigan"), was merged (the "Merger") into Huntington on September 30, 1997, pursuant to the terms of an Agreement and Plan of Merger and a Supplemental Agreement (collectively, the "Merger Agreements"). As a result of the Merger, each outstanding share of First Michigan's common stock, $1.00 par value ("First Michigan Common"), was converted into 1.155 shares of Huntington's common stock, without par value ("Huntington Common"). Cash was paid for fractional shares. Approximately 32.2 million Huntington Common shares were issued in the Merger. In addition, each outstanding First Michigan stock option was converted into an option to acquire Huntington Common, with the number of Huntington Common shares subject to such option equal to the number of First Michigan shares subject to the First Michigan stock option multiplied by 1.155, rounded to the nearest whole share. The Merger was accounted for as a pooling of interests under generally accepted accounting principles.

In accordance with Item 7 of Form 8-K, Huntington is submitting with this filing the required historical financial information of First Michigan.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a)(i) The following audited consolidated financial statements of First

Michigan required by Item 7(a) of Form 8-K are incorporated herein by reference to Exhibit 99(c) filed herewith:

Consolidated Statement of Income for the year ended December 31, 1996;
Consolidated Balance Sheet as of December 31, 1996;
Consolidated Statement of Cash Flows for the year ended December 31, 1996;
Consolidated Statement of Shareholders' Equity for the year ended December 31, 1996;
Notes to Consolidated Financial Statements
Independent Auditors Report - BDO Seidman LLP

The information presented in Exhibit 99(c) with respect to the years ended December 31, 1995 and 1994 is not incorporated herein by reference.

(ii) The following unaudited consolidated financial statements of First Michigan required by Item 7(a) of Form 8-K are incorporated herein by reference to Exhibit 99(d) filed herewith:

Consolidated Balance Sheet as of June 30, 1997*;
Consolidated Statement of Income for the three and six months ended June 30, 1997 and 1996;
Consolidated Statement of Cash Flows for the six months ended June 30, 1997 and 1996;
Notes to Consolidated Financial Statements.

*The information presented in the Consolidated Balance Sheet as of December 31, 1996 and June 30, 1996 is not incorporated herein by reference.

(b) Pro Forma Financial

The pro forma financial information required by Item 7(b) of Form 8-K was incorporated by reference into Huntington's initial Current Report on Form 8-K filed with the Securities and Exchange Commission on October 15, 1997.

(c) Exhibits.

* 2(a) Agreement and Plan of Merger, dated May 5, 1997, between Huntington Bancshares Incorporated and First Michigan Bank Corporation -- previously filed as Exhibit A to the Joint Proxy Statement/Prospectus, dated July 11, 1997, filed with the Securities and Exchange Commission pursuant to 424(b)(3), and incorporated herein by reference.

* 2(b) Supplemental Agreement, dated May 5, 1997, between Huntington Bancshares Incorporated and First Michigan Bank Corporation -- previously filed as Exhibit B to the Joint Proxy Statement/Prospectus, dated July 11, 1997, filed with the Securities and Exchange Commission pursuant to 424(b)(3), and incorporated herein by reference.

* 2(c) Warrant Purchase Agreement, dated May 5, 1997, between Huntington Bancshares Incorporated and First Michigan Bank Corporation -- previously filed as Exhibit 2(c) to Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 7, 1997, and incorporated herein by reference.

* 2(d) Warrant to Purchase 5,268,716 shares of First Michigan Bank Corporation common stock, dated May 5, 1997 -- previously filed as Exhibit 2(d) to Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 7, 1997, and incorporated herein by reference.

* 2(e) Agreement Not to Exercise Share Appreciation Rights, dated May 5, 1997, executed by certain executives of First Michigan Bank Corporation -- previously filed as Exhibit 2(e) to Registration Statement on Form S-4 (Registration No. 333-30313), filed with the

Securities and Exchange Commission on June 27, 1997, and incorporated herein by reference.

*	99(a)	News Release, dated September 30, 1997, relating to the merger of First Michigan Bank Corporation with and into Huntington Bancshares Incorporated -- previously filed as Exhibit 99(a) to Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 15, 1997, and incorporated herein by reference.
*	99(b)	News Release, dated October 14, 1997, relating to Huntington's earnings for the third quarter and nine months ended September 30, 1997 -- previously filed as Exhibit 99(b) to Current Report on Form 8-K, filed with the Securities and Exchange commission on October 15, 1997, and incorporated herein by reference.
	99(c)	Consolidated Financial Statements of First Michigan Bank Corporation and Report of BDO Seidman, LLP.
	99(d)	Unaudited Financial Statements of First Michigan Bank Corporation.

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* Previously filed.

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 hereunto duly authorized.

HUNTINGTON BANCSHARES INCORPORATED

Date: October 22, 1997

By: /s/ Gerald R. Williams

Gerald R. Williams
Executive Vice President

Exhibit 99(c)

<TABLE>
<CAPTION>
Consolidated Statements of Income
(Dollars in Thousands, Except for Per Share Data)

<S>	Year ended December 31, 1996 <C>	1995 <C>	1994 <C>
Interest Income			
Loans and fees on loans	$ 221,856	$ 202,395	$ 156,755
Securities:			
Taxable	32,244	29,376	28,128
Tax-exempt	12,899	13,824	14,307
Other	2,472	3,002	1,051
Total interest income	269,471	248,597	200,241
Interest Expense			
Deposits	121,172	113,037	77,957
Other borrowed funds	6,911	5,793	4,395
Long-term debt	1,008	697	857
Total interest expense	129,091	119,527	83,209
Net Interest Income	140,380	129,070	117,032
Provision for loan losses	11,321	7,991	6,670
Net interest income after provision for loan losses	129,059	121,079	110,362
Non-Interest Income			
Service charges on deposits	14,239	12,792	11,939
Trust and investment management fees	8,228	7,250	6,829
Mortgage banking revenue	6,351	4,017	3,847
Other operating	9,003	6,758	7,144
Net realized securities gains (losses)	(84)	324	(297)
Total non-interest income	37,737	31,141	29,462
Non-Interest Expense			
Salaries and employee benefit	59,348	55,157	50,153
Occupancy	7,132	6,561	6,013
Equipment	7,187	6,062	5,757
FDIC insurance	29	2,918	5,180
Other operating	34,653	30,886	28,218
Total non-interest expense	108,349	101,584	95,321
Income Before Income Taxes	58,447	50,636	44,503
Income taxes	16,279	13,324	10,776
Net Income	$ 42,168	$ 37,312	$ 33,727
Net Income Per Share	$ 1.57	$ 1.40	$ 1.27
Average Shares Outstanding (in thousands)	26,779	26,652	26,643

</TABLE>
See accompanying notes to consolidated financial statements.
<TABLE>
<CAPTION>
Consolidated Balance Sheets
(Dollars in Thousands)

<S>	December 31, 1996 <C>	1995 <C>
Assets		
Cash and due from banks	$ 155,725	$ 128,168
Federal funds sold	12,950	117,100
Total cash and cash equivalent	168,675	245,268
Interest bearing deposits with banks	1,713	5,361
Securities:		
Available-for-sale	465,460	329,688
Held-to-maturity (market values of $293,595 and $362,788)	284,691	349,227
Total securities	750,151	678,915
Loans	2,499,038	2,216,947
Allowance for loan losses	(31,720)	(28,031)
Net loans	2,467,318	2,188,916
Net premises and equipment	68,667	68,551
Other assets	63,909	53,728
Total assets	$ 3,520,433	$ 3,240,739
Liabilities and Shareholders' Equity		
Deposits:		
Non-interest bearing demand	$ 361,692	$ 337,370

Interest bearing:		
Savings and NOW accounts	1,011,153	893,732
Time	1,643,124	1,582,589
Total deposits	3,015,969	2,813,691
Other borrowed funds	163,220	134,323
Other liabilities	37,563	33,219
Long-term debt	29,537	5,678
Total liabilities	3,246,289	2,986,911
Shareholders' equity:		
Preferred stock - no par value; 1,000,000 shares authorized, none outstanding	--	--
Common stock - $1 par value; 50,000,000 shares authorized; issued and outstanding: 26,304,157 and 18,848,338	26,304	18,848
Surplus	163,828	146,930
Retained earnings	83,374	86,232
Securities valuation, net of tax	638	1,818
Total shareholders' equity	274,144	253,828
Total liabilities and shareholders' equity	$ 3,520,433	$ 3,240,739

</TABLE>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
(Dollars in Thousands)

<TABLE>
<CAPTION>

	Year ended December 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Cash Flows From Operating Activities			
Net income	$ 42,168	$ 37,312	$ 33,727
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	11,321	7,991	6,670
Origination of loans held for sale in secondary market	(218,158)	(169,861)	(140,356)
Proceeds from sale of loans in secondary market	219,540	171,135	141,499
Gain on sale of loans	(1,382)	(1,274)	(1,143)
Capitalization of mortgage servicing rights	(1,865)	--	--
Net realized securities (gains) losses	84	(324)	297
Provision for depreciation, amortization and accretion	6,265	7,725	8,234
Deferred income taxes	(874)	(853)	58
Net increase in interest receivable	(763)	(1,519)	(3,850)
Net increase (decrease) in interest payable	(166)	3,964	1,799
Other-net	2,343	4,353	(402)
Total adjustments	16,345	21,337	12,806
Net cash provided by operating activities	58,513	58,649	46,533
Cash Flows From Investing Activities			
Net (increase) decrease in interest bearing deposits with banks	3,648	(1,395)	(1,183)
Purchase of securities available-for-sale	(260,713)	(104,623)	(52,427)
Proceeds from sales of securities available-for-sale	27,906	6,240	16,097
Proceeds from maturities and prepayments of securities available-for-sale	96,254	29,961	17,357
Purchase of securities held-to-maturity	(15,247)	(6,451)	(132,336)
Proceeds from maturities and prepayments of securities held-to-maturity	80,418	131,671	143,575
Net increase in loans	(288,893)	(262,497)	(287,190)
Purchase of premises and equipment and other assets	(13,723)	(11,314)	(12,616)
Net cash used in investing act	(370,350)	(218,408)	(308,723)
Cash Flows From Financing Activities			
Net increase in non-interest bearing demand and savings and NOW account deposits	133,908	19,315	19,205
Net increase in time deposits	40,258	306,437	227,659
Deposits from branch acquisitions	28,112	--	--
Net increase (decrease) in			

other borrowed funds	53,897	(38,456)	56,666
Repayment of long-term debt	(1,141)	(2,384)	(1,833)
Cash dividends and fractional shares	(16,073)	(13,386)	(10,846)
Proceeds from issuance of common stock	5,538	4,278	3,854
Common stock repurchased	(9,255)	(1,911)	(6,311)
Net cash provided by financing activities	235,244	273,893	288,394
Increase (Decrease) In Cash and Cash Equivalents	(76,593)	114,134	26,204
Cash and Cash Equivalents, At Beginning of Year	245,268	131,134	104,930
Cash and Cash Equivalents, At End of Year	$ 168,675	$ 245,268	$ 131,134
Supplemental Cash Flow Information			
Interest paid	$ 129,257	$ 115,563	$ 81,410
Income taxes paid	17,836	12,559	10,638

</TABLE>
See accompanying notes to consolidated financial statements.
Consolidated Statements of Shareholders' Equity
(Dollars in Thousands)
<TABLE>
<CAPTION>

	Common Stock	Surplus	Retained Earnings	Securities Valuation, Net of Tax
<S>	<C>	<C>	<C>	<C>
Balance, January 1, 1994, as previously reported	$ 16,493	$ 108,154	$ 77,728	$ 1,853
Adjustment to record acquisition of subsidiary on pooling-of-interests basis	541	2,951	693	--
Balance, January 1, 1994, as adjusted	17,034	111,105	78,421	1,853
Net income	--	--	33,727	--
Cash dividends - $.47 per share	--	--	(11,488)	--
Cash dividends paid by subsidiary prior to acquisition	--	--	(142)	--
Stock issued under terms of dividend reinvestment and employee stock purchase plans	125	2,597	--	--
Stock issued upon exercise of stock options	101	1,233	--	--
Stock issued in payment of 5% stock dividend, at market	853	15,676	(16,579)	--
Common stock repurchased	(277)	(6,034)	--	--
Effect of stock issued by subsidiary under terms of employee stock ownership plan prior to acquisition	--	34	--	--
Net unrealized loss on available-for-sale securities	--	--	--	(4,788)
Balance, December 31, 1994	17,836	124,611	83,939	(2,935)
Net income	--	--	37,312	--
Cash dividends - $.55 per share	--	--	(14,021)	--
Stock issued under terms of dividend reinvestment and employee stock purchase plans	152	3,524	--	--
Stock issued upon exercise of stock options	41	466	--	--
Stock issued under terms of directors' current stock purchase plan	4	91	--	--
Stock issued in payment of 5% stock dividend, at market	893	20,071	(20,998)	--
Common stock repurchased	(78)	(1,833)	--	--
Net unrealized gain on available-for-sale securities	--	--	--	4,753
Balance, December 31, 1995	18,848	146,930	86,232	1,818
Net income	--	--	42,168	--
Cash dividends - $.65 per share	--	--	(16,906)	--
Stock issued under terms of dividend reinvestment and employee stock purchase plans	179	4,357	--	--
Stock issued upon exercise of stock options	93	840	--	--

Stock issued under terms of directors' current stock purchase plan	3	88	--	--
Stock issued in payment of 5% stock dividend, at market	944	27,105	(28,095)	--
Four-for-three common stock split	6,564	(6,564)	(25)	--
Common stock repurchased	(327)	(8,928)	--	--
Net unrealized loss on available-for-sale securities	--	--	--	(1,180)
Balance, December 31, 1996	$ 26,304	$ 163,828	$ 83,374	$ 638

</TABLE>

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization and Nature of Operations

First Michigan Bank Corporation (FMB) is a bank holding company with 14 subsidiary community banks engaged in the business of commercial banking (the Banks). FMB has four non-bank subsidiaries providing trust, brokerage, credit and title insurance services to customers of the Banks.

The Banks are engaged in the business of general commercial, retail and mortgage banking. The Banks offer a variety of deposit products including checking accounts, savings accounts, time deposits and short-term deposits. The Banks conduct lending activities in the residential and commercial mortgage markets, in the general commercial market and in the consumer installment marketplace. These financial services and products are delivered through a network of full-service branches, specialized offices, automatic teller machines and various electronic delivery channels.

The principal markets for the Banks' financial services are the Michigan communities in which each of the banks is located and the areas immediately surrounding these communities. The Banks serve these markets through 90 branch offices in or near these communities.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of FMB and its subsidiaries. Upon consolidation, all significant intercompany accounts and transactions have been eliminated. Goodwill is being amortized over periods up to 20 years.

In March 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." SFAS No. 121 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment and reported at the lower of carrying amount or fair value, less cost to sell, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management periodically reviews goodwill and other long-lived assets for impairment based upon the projected, undiscounted net cash flows of the subsidiaries to which the goodwill relates or the long-lived assets belong. FMB has not experienced any impairment of its goodwill and long-lived assets.

In June 1996, the FASB issued SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The Statement provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are borrowings and for derecognition of liabilities that have been extinguished. This Statement also requires that liabilities and derivatives incurred or obtained as part of a transfer be measured initially at fair value. SFAS No. 125 also amends SFAS No. 122 (discussed under "Mortgage Banking Operations") to provide further guidance on measurement of servicing rights relating to assets transferred. The Statement is effective for transfers, servicing or extinguishments occurring after December 31, 1996, except for certain provisions which are effective after December 31, 1997. Adoption of the accounting provisions of this standard is not expected to have a material effect upon FMB's financial condition or results of operations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. The amount of those assets actually realized and liabilities actually settled in future periods could differ from those estimates. The differences, if any, would be reflected in the reported amounts of revenues and expenses in future periods.

Cash and Cash Equivalents

For the purposes of reporting cash flows, cash equivalents include amounts due from banks and federal funds sold. Generally, federal funds are purchased and sold for one-day periods.

Securities
Management has identified as "available-for-sale" certain securities which may be sold in the future to meet FMB's investment objectives of quality, liquidity and yield and to avoid significant market value deterioration. Securities available-for-sale are adjusted to fair market value each reporting period with unrealized gains and losses reported as a separate component of shareholders' equity, net of tax. Securities held-to-maturity are stated at cost adjusted for amortization of premium and accretion of discount. The adjusted cost of the specific security sold is used to compute gain or loss on all securities transactions.

Loans and Allowance for Loan Losses
Loans are stated at their principal balance outstanding, net of unearned income. The allowance for loan losses is maintained at a level considered by management to be adequate to absorb possible future loan losses inherent in the current portfolio. Management's assessment of the adequacy of the allowance is based upon type and volume of the loan portfolio, past loan loss experience, existing and anticipated economic conditions, and other factors which deserve current recognition in estimating possible future loan losses.

A portion of the total allowance for loan losses is related to impaired loans. A loan is impaired when it is probable that the creditor will be unable to collect all principal and interest amounts due according to the contracted terms of the loan agreement. FMB considers loans that have been placed on non-accrual status or which have been renegotiated in a troubled debt restructuring to be impaired. The allowance for loan losses for an impaired loan is recorded at the amount by which the outstanding recorded principal balance exceeds the fair value of the collateral on the impaired loan. For a loan that is not collateral-dependent, the allowance for loan losses is recorded at the amount by which the outstanding recorded principal balance exceeds the current best estimate of the future cash flows on the loan, discounted at the loan's effective interest rate. FMB adopted the accounting provisions for impaired loans prospectively as of January 1, 1995. Accordingly, the required disclosures are presented for 1995 and 1996 only.

Net Premises and Equipment
Premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method for financial reporting purposes. Accelerated depreciation methods are used for income tax purposes.

Other Real Estate
Other real estate, which is included in other assets, is comprised of properties in the possession of the subsidiary banks which are generally acquired through foreclosure proceedings or deed in lieu of foreclosure. These properties are held for sale and are carried at the lower of the amount of the related loan or the fair market value of the property minus estimated costs to sell the property (net realizable value). Losses which may result from the acquisition of such properties are charged against the allowance for loan losses. Losses in net realizable value during the holding period are expensed immediately, while gains are recognized in other operating income only upon disposition.

Employee Benefit Plans
FMB has a noncontributory pension plan for the benefit of all full-time employees and part-time employees working more than 1,000 hours per year. Benefits under the plan are based on the employee's years of service and compensation during the five consecutive highest paid plan years of the last ten plan years preceding retirement. FMB's funding policy is to contribute an actuarially-determined amount that can be deducted for federal income tax purposes.

FMB also sponsors a defined contribution 401(k) plan for the benefit of all employees over 21 years old. For those employees who work 1,000 or more hours per year, FMB matches employee contributions at levels that management determines to be appropriate.

FMB acts as a self-insurer for employees' medical, dental and accident insurance whereby it assumes limited liabilities with the excess liability assumed by underwriters. Claims for active employees are charged to operations during the year in which they occur.

FMB has a postretirement benefit plan that provides medical and dental coverage between the ages of 60 and 65 to any full-time employee who elects early retirement after 10 or more years of service. The plan contains the same cost-sharing features of deductibles and copayments that are contained in the medical and dental insurance plans provided to active employees. Partial funding of the plan is accomplished through monthly contributions to a self-insurance trust fund which was established to cover the medical and dental benefits of both retirees and active participants. The monthly contribution to the self-insurance trust fund for each retiree is equivalent to the amount contributed each month for an active participant.

Mortgage Banking Operations

FMB originates mortgage loans which it sells into the secondary market. Closed mortgage loans are held for sale generally less than 15 days, and book value approximates market value. FMB retains the servicing rights when it sells the mortgage loans. Servicing income is recognized in other non-interest income when received and expenses are recognized in operating expenses when incurred.

On January 1, 1996, FMB prospectively adopted the accounting provisions for mortgage servicing rights promulgated by SFAS No. 122, "Accounting for Mortgage Servicing Rights," which is an amendment to SFAS No. 65, "Accounting for Certain Mortgage Banking Activities." SFAS No. 122 amends SFAS No. 65 to require that an asset be recognized for the rights to service mortgage loans including those rights that are created by the origination of mortgage loans which are sold or securitized with the servicing rights retained by the originator. The amount of the asset for these originated mortgage servicing rights (OMSR) is determined based upon the relative fair value of the underlying mortgage loans without the OMSR and the OMSR itself. Recognition of these assets results in an increase in the gains recognized upon the sale of the underlying loans. The OMSR assets are being amortized in proportion to and over the life of the estimated net future servicing income. FMB stratifies the mortgage loans sold by sale date, term and interest rate for purposes of applying SFAS No. 122 both for the origination valuation of the OMSR and for evaluating the remaining book value of the OMSR assets for impairment. Any impairment is recognized as a separate valuation allowance for each impaired stratum. Due to the prospective adoption of these accounting provisions, the required disclosures are presented for 1996 only. The overall impact of adoption was not material to FMB's results of operations for the year.

Stock Options
FMB applies the intrinsic value method of accounting promulgated under Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees," and related interpretations for its fixed-price, stock option plan. Accordingly, no compensation cost is recognized as a result of options awarded to employees under the plan.

SFAS No. 123, "Accounting for Stock-Based Compensation," which became effective January 1, 1996, establishes a fair value method of accounting for all stock-based compensation, but it allows companies to continue to account for stock options granted to employees under the intrinsic value method in accordance with APB Opinion 25. Companies electing to maintain their accounting for employee stock compensation under APB Opinion 25 are required to provide pro forma net income and earnings per share disclosures, determined as if the company had applied the fair value accounting method under SFAS No. 123. FMB has elected to continue to account for its stock option plans in accordance with APB Opinion 25 and, accordingly, has provided the supplemental disclosures for 1995 and 1996 that are required by this new accounting standard.

Interest Income and Fees on Loans
Interest on loans is accrued based upon the principal balance outstanding. The recognition of interest income is discontinued when, in the opinion of management, there is sufficient doubt that the borrower will be able to meet the scheduled repayments. When the accrual of interest is discontinued, the balance of interest accrued but not collected is eliminated from income.

For impaired loans that are on non-accrual status, cash payments received are generally applied to reduce the outstanding recorded principal balance of the loans. However, all or a portion of a cash payment received on a non-accrual loan may be recognized as interest income to the extent allowed by the loan contract, provided that the borrower's financial condition or the underlying collateral on the loan support the collection in full of the remaining outstanding recorded principal balance of the loan. For an impaired loan that has been renegotiated in a troubled debt restructuring, interest income is recognized on an accrual basis according to the modified contractual terms so long as the restructured loan continues to perform in accordance with the modified contractual terms.

For loans with an initial term exceeding one year, loan origination and commitment fees and related lending costs are deferred, and the net amount is amortized as an adjustment of the related loan's yield over its original term. The net unamortized amount related to a loan that is subsequently sold is recognized currently as other operating income. For loans with an initial term of one year or less, the effect of the deferral of loan fees and costs is immaterial to the operations of FMB.

Interest Rate Swap Agreements
Interest rate swap agreements are derivative financial instruments entered into for the purpose of hedging short-term interest sensitivity positions against the impact of changes in interest rates. The interest rate differential to be paid or received is recognized in interest income over the life of the agreements.

Advertising Costs
All advertising costs incurred are expensed in the period in which they are incurred.

Income Taxes
FMB and its subsidiaries file a consolidated federal income tax return. The

parent company and its subsidiaries each report current income tax expense as allocated under a consolidated tax sharing agreement. Deferred tax assets and liabilities are computed by each member of the consolidated group based on the difference between the financial statement and income tax basis of assets and liabilities using enacted tax rates. The reversal of these temporary differences will result in taxable or deductible amounts in future years when the related asset or liability is recovered or settled within each entity.

Trust Assets and Income
Property, other than cash deposits, held by subsidiary banks in fiduciary or agency capacities for their customers is not included in the accompanying consolidated balance sheets since such property is not an asset of FMB. Trust income is reported on an accrual basis.

Income Per Share
Income per share is computed based on the average number of shares outstanding during each period including the assumed exercise of dilutive stock options, and is retroactively adjusted for stock dividends and splits.
Note 2. Acquisitions
On April 15, 1996, FMB acquired Arcadia Financial Corporation (Arcadia) and its wholly-owned subsidiary, which was subsequently renamed FMB-Arcadia Bank. The acquisition was effected through the exchange of 1.648 shares of FMB common stock (653,749 shares in total) for each outstanding share of Arcadia. The acquisition was accounted for as a pooling-of-interests. Accordingly, the accompanying consolidated financial statements have been restated to include the balances and results of operations of Arcadia prior to the acquisition.

Separate pro forma results of operations of the combined entities for the periods prior to their respective acquisition dates are as follows (dollars in thousands, except for per share data):

<TABLE>
<CAPTION>

	Three months ended March 31, 1996 (unaudited)	Year ended December 31, 1995 (unaudited)	1994 (unaudited)
Total interest income and non-interest income:			
<S>	<C>	<C>	<C>
FMB	$ 70,958	$270,651	$222,489
Arcadia	2,436	9,087	7,214
Combined	$ 73,394	$279,738	$229,703
Net income:			
FMB	$ 9,215	$ 35,910	$ 32,380
Arcadia	364	1,402	1,347
Combined	$ 9,579	$ 37,312	$ 33,727
Net income per share:			
FMB	$ 0.36	$ 1.39	$ 1.25
Combined	0.36	1.40	1.26

</TABLE>

Note 3. Securities
The amortized cost and carrying value, which is estimated market value, of securities available-for-sale are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	December 31, 1996 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value	December 31, 1995 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury securities and obligations of U.S. government corporations and agencies ...	$346,264	$ 1,436	$ 1,217	$346,483	$232,745	$ 1,910	$ 512	$234,143
Obligations of states and political subdivisions ..	32,575	899	109	33,365	28,895	1,426	9	30,312
Corporate securities	--	--	--	--	500	--	--	500
Mortgage-backed securities ...	73,419	391	418	73,392	57,016	420	439	56,997
Equity securities	12,220	--	--	12,220	7,736	--	--	7,736
Total	$464,478	$ 2,726	$ 1,744	$465,460	$326,892	$ 3,756	$ 960	$329,688

</TABLE>

The carrying value and estimated market value of securities held-to-maturity are as follows (dollars in thousands):

<TABLE>

	December 31, 1996				December 31, 1995	
	Gross	Gross	Estimated		Gross	Gross

	Carrying Value	Unrealized Gains	Unrealized Losses	Estimated Market Value	Carrying Value	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 48,864	$ 181	$ 110	$ 48,935	$ 81,793	$ 610	$ 144	$ 82,259
Obligations of states and political subdivisions ..	173,170	8,935	392	181,713	178,034	12,462	98	190,398
Corporate securities	118	1	--	119	2,530	23	--	2,553
Mortgage-backed securities ...	62,539	466	177	62,828	86,870	931	225	87,576
Total	$284,691	$ 9,583	$ 679	$293,595	$349,227	$ 14,026	$ 467	$362,786

</TABLE>

As permitted by the transition provisions in the guide to implementation of SFAS No. 115 issued by the FASB in November 1995, FMB transferred securities with an amortized cost of $110,674,000 from the held-to-maturity to the available-for-sale category on December 27, 1995. The net unrealized gain on the securities transferred amounted to $421,000.

As of December 31, 1996, all holdings of debt securities were of investment grade with over 95% of the holdings rated A or better by either Moody's or Standard and Poor's. Securities not rated by a nationally recognized organization represent smaller local issues which in management's opinion, if rated, would qualify as A or better. Securities with a carrying value of $171,380,000 at December 31, 1996 were pledged for various purposes as required or permitted by law.

The carrying value and estimated market value of debt securities, by contractual maturity, are shown in the table below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. For the purposes of this table, the maturities of mortgage-backed securities have been determined using weighted-average expected lives, taking into account anticipated future prepayments. Maturities of investments in debt securities as of December 31, 1996 are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	Available-for-sale		Held-to-maturity	
	Amortized Cost	Carrying Value	Carrying Value	Estimated Market Value
<S>	<C>	<C>	<C>	<C>
Due in one year or less	$124,785	$124,603	$ 83,011	$ 83,381
Due after one year through five years	301,597	302,587	137,689	143,063
Due after five years through ten years	22,596	22,717	60,751	63,837
Due after ten years	3,280	3,333	3,240	3,314
Total debt securities	452,258	453,240	$284,691	$293,595
Equity securities	12,220	12,220	--	--
Total	$464,478	$465,460	--	--

</TABLE>

Proceeds from sales of securities during 1996, 1995 and 1994 were $27,906,000, $6,240,000 and $16,097,000, respectively. Gross gains of $19,000, $339,000 and $45,000 and gross losses of $103,000, $15,000 and $342,000 were realized on those sales for 1996, 1995 and 1994, respectively.

Note 4. Loans

The composition of the loan portfolio is as follows (dollars in thousands):

<TABLE>

	December 31, 1996	1995
<S>	<C>	<C>
Commercial, financial and agricultural ...	$ 667,200	$ 608,718
Real estate:		
Commercial	521,283	474,887
Construction ..	225,043	155,872
Residential ...	637,991	548,869
Held-for-sale .	2,220	8,626
Consumer	445,301	419,975
Total .	$2,499,038	$2,216,947

</TABLE>

The Banks have granted loans to directors and executive officers of FMB and its significant subsidiaries and to their associates. These related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons and do not involve more than normal risk of collectibility. The aggregate dollar amount of these loans was $28,295,000 and $31,797,000 at December 31, 1996 and 1995, respectively. During 1996, $12,791,000 of new loans were made, repayments amounted to $12,387,000 and changes in persons included, decreased the aggregate loans to related parties by $3,906,000.

Note 5. Allowance for Loan Losses
A summary of the activity in the allowance for loan losses is as follows (dollars in thousands):
<TABLE>

<S>	Year ended December 31, 1996 <C>	1995 <C>	1994 <C>
Balance, at beginning of year .	$ 28,031	$ 24,733	$ 21,288
Provision charged to operations	11,321	7,991	6,670
Loan losses	(9,918)	(6,846)	(5,370)
Loan loss recoveries	2,286	2,153	2,145
Balance, at end of year	$ 31,720	$ 28,031	$ 24,733

</TABLE>
Information about FMB's impaired loans as of and for the year ended (dollars in thousands):
<TABLE>

<S>	December 31, 1996 <C>	1995 <C>
Recorded balance of impaired loans, at end of year:		
With related allowance for loan loss	$ 634	$1,683
With no related allowance for loan loss	7,958	3,933
Total	$8,592	$5,616
Average balance of impaired loans for the year	$8,108	$7,360
Allowance for loan loss related to impaired loans .	$ 260	$ 609
Interest income on impaired loans:		
Recorded on a cash basis	$ 261	$ 67
Recorded on an accrual basis	276	169
Foregone due to impairment	1,063	801

</TABLE>
Note 6. Premises and Equipment
Premises and equipment consists of the following (dollars in thousands):
<TABLE>

<S>	December 31, 1996 <C>	1995 <C>
Land and improvements	$ 17,164	$ 15,967
Building and improvements	47,654	47,869
Furniture and equipment ..	48,989	44,672
Total	113,807	108,508
Accumulated depreciation .	(45,140)	(39,957)
Net premises and equipment	$ 68,667	$ 68,551

</TABLE>
Note 7. Mortgage Loan Servicing
Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The total unpaid principal balance of mortgage loans serviced for others was $815,367,834 and $709,385,980 at December 31, 1996 and 1995, respectively. Custodial escrow balances maintained in connection with the foregoing loan servicing are included in demand deposits and amounted to $942,060 and $1,189,389 at December 31, 1996 and 1995, respectively.

Beginning January 1, 1996, FMB began to account for the rights to service mortgage loans that the Banks have originated and sold to others under SFAS No. 122. A summary of the activity relating to mortgage servicing rights is as follows (dollars in thousands):
<TABLE>

<S>	December 31, 1996 <C>
Book value, at beginning of year	$ --
Originated mortgage servicing rights capitalized	1,934
Amortization of mortgage servicing rights	(158)
Book value, at end of year	1,776
Impairment valuation allowance	(69)
Carrying value, at end of year	$ 1,707

</TABLE>
Note 8. Other Borrowed Funds
Other borrowed funds consist of the following (dollars in thousands):
<TABLE>

	December 31, 1996	1995
Short-term borrowings:		
<S>	<C>	<C>
Securities sold under agreements to repurchase	$ 78,543	$108,110
Other	5,009	12,713
Total short-term borrowings	83,552	120,823
Federal Home Loan Bank advances	79,668	13,500
Total	$163,220	$134,323

</TABLE>
FMB's only significant category of short-term borrowings during the year is securities sold under agreements to repurchase, of which over 95% are one-day retail repurchase agreements. The securities underlying all of these repurchase agreements remain under FMB's control for the duration of the agreement. The amounts and interest rates for this category for the applicable periods are as follows (dollars in thousands):

	1996	1995	1994
End of period:			
Balance	$ 78,543	$108,110	$122,758
Weighted average interest rate	4.14%	3.47%	3.51%
Daily average:			
Balance	$ 98,904	$110,216	$109,029
Interest rate	3.82%	3.84%	2.88%
Maximum amount outstanding at any month-end	$119,419	$114,630	$122,758

At both December 31, 1995 and 1994, other short-term borrowings included $10,000,000 that had been advanced under a line of credit and standby loan agreement with another financial institution. Advances on the agreement bore interest at seven-tenths of a percent over the daily federal funds rate. This replaces the previous $10,000,000 line of credit. All amounts advanced on the loan agreement were converted to a term note as of August 15, 1996, which is recorded as long-term debt. Various of the Banks have obtained advances from the Federal Home Loan Bank of which they are members. The advances are secured by blanket collateral agreements covering certain unpledged assets of the respective bank. Federal Home Loan Bank advances for all of the Banks consist of the following (dollars in thousands):

	December 31, 1996		December 31, 1995	
Year of Maturity	Total Outstanding	Weighted-Average Interest Rate	Total Outstanding	Weighted-Average Interest Rate
1997	$27,500	5.65%	$ 4,000	5.82%
1998	47,500	5.77	8,500	5.63
1999	--	--	--	--
2000	773	5.86	1,000	5.86
2001	1,000	6.36	--	--
After 2001	2,895	6.58	--	--
Total	$79,668	5.77%	$13,500	5.70%

Note 9. Long-Term Debt

Long-term debt consists of the following (dollars in thousands):

	December 31, 1996	December 31, 1995
Term note	$25,000	$ --
10% Subordinated debentures	4,537	4,537
Other	--	1,141
Total	$29,537	$ 5,678

The term note is payable to another financial institution. The note bears interest at seven-tenths of a percent over the daily federal funds rate and is scheduled to mature on August 15, 2002. The term note is unsecured and provides for various restrictions related to nonperforming loans, equity, regulatory capital, total indebtedness and dividend payments. FMB is in compliance with all requirements of the note as of December 31, 1996. The 10% subordinated debentures are payable to former shareholders of Northwestern Bank Corporation. Interest is payable semiannually on January 30 and July 30 of each year. The debentures are scheduled to mature on May 31, 2001. The debentures may not be called for redemption by FMB prior to May 31, 1998. FMB does not have any long-term debt maturing until 2001, at which time $4,537,000 will become due.

Note 10. Shareholders' Equity

Common stock consists of 50,000,000 shares authorized, at $1 par value, of which 26,304,157 and 18,848,338 were outstanding at December 31, 1996 and 1995, respectively. On June 13, 1996, the Board of Directors declared a four-for-three stock split to shareholders of record on July 1, 1996, payable July 26, 1996. There are 1,904,553 common shares reserved for issuance under the dividend reinvestment, employee stock purchase and stock option plans, and the deferred compensation, deferred stock and current stock purchase plan for non-employee directors. Preferred stock consists of 1,000,000 shares authorized, at no par value, none of which are issued. There are 120,000 shares reserved for issuance under the Shareholder Protection Rights Plan (Plan) Under the Plan, one preferred share right (Right) was distributed as a dividend on each outstanding share of common stock. The Plan is designed to protect shareholders against unsolicited attempts to acquire control of FMB in a manner that does not offer a fair price to all shareholders. Each right will entitle shareholders to buy one one-hundredth of a share of preferred stock from FMB at an exercise price of

$20.99. The Rights will be exercisable only if a person or group acquires 15 percent or more of the common stock. If any person or group does acquire 15 percent or more of FMB common stock, each Right will entitle its holder to purchase, for the exercise price, shares of FMB's common stock having a market value of twice the exercise price. Also, if any person or group acquires between 15 percent and 50 percent of FMB's common stock, the Board of Directors may elect to exchange one share of FMB's common stock or one one-hundredth of a share of preferred stock for each Right. FMB will be entitled to redeem the Rights at one cent per Right at any time before a 15 percent position has been acquired.

Note 11. Stock Option Plan

At December 31, 1996, 1,069,326 shares of common stock were reserved for issuance in connection with FMB's stock option plan. Options may be granted to certain executives and key employees at the fair market value of the stock on the date of grant. The plan provides that 100% of the shares become exercisable one year following the date granted and expire 10 years following the grant date.

The activity in FMB's stock option plan is as follows:

<TABLE>
<CAPTION>

	Year ended December 31,					
	1996		1995		1994	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding, at beginning of year	816,605	$10.75	721,834	$9.34	676,713	$7.80
Granted	162,106	20.08	161,586	16.33	182,289	13.42
Exercised	(65,895)	10.15	(62,626)	8.62	(133,652)	7.09
Forfeited	(3,780)	20.00	(4,189)	16.33	(3,516)	9.74
Outstanding, at end of year	909,036	$12.42	816,605	$10.75	721,834	$9.34
Exercisable, at end of year	750,681	$10.80	659,109	$9.41	539,441	$7.96

</TABLE>

Stratification and additional detail regarding the options outstanding at December 31, 1996 is as follows:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Excercise Price Range	Number Outstanding	Weighted-Average Remaining Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$4.49-$7.16	230,972	2.84 years	$ 6.22	230,972	$ 6.22
$8.60-$13.24	358,179	6.10 years	11.29	358,179	11.29
$15.48-$23.25	319,885	8.48 years	18.15	161,530	16.25

</TABLE>

The weighted-average grant-date fair value of stock options granted to employees during the year and the weighted-average significant assumptions used to determine those fair values, using a modified Black-Sholes option pricing model, and the pro forma effect on earnings of the fair value accounting for stock options under SFAS No. 123 are as follows:

<TABLE>
<CAPTION>

	Year ended December 31,	
	1996	1995
<S>	<C>	<C>
Grant-date fair value per share	$ 5.01	$ 5.76
Significant assumptions (weighted-average):		
Risk-free interest rate at grant date	5.50%	7.79%
Expected stock price volatility	22.01	23.64
Expected dividend payout	3.00	2.90
Expected option life*	7.5 years	10.0 years
Net income (in thousands):		
As reported	$ 42,168	$ 37,312
Pro forma	41,375	36,405
Net income per share:		
As reported	$ 1.57	$ 1.40
Pro forma	1.55	1.37

</TABLE>

*The expected option life considers historical option exercise patterns and future changes to those exercise patterns anticipated at the date of grant.

Note 12. Income Taxes

Income tax components are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	Year ended December 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>

Income tax expense:			
Current	$ 17,153	$ 14,177	$ 10,718
Deferred	(874)	(853)	58
Total	$ 16,279	$ 13,324	$ 10,776
Income tax expense (credit) included above which relates to security transactions .	$ (30)	$ 114	$ (105)

</TABLE>
The tax effect of temporary differences which give rise to a significant portion of FMB's deferred tax assets (liabilities) are as follows (dollars in thousands):
<TABLE>
<CAPTION>

	December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Allowance for loan losses ..	$ 10,963	$ 9,563	$ 8,318
Accumulated depreciation ...	(3,755)	(3,607)	(3,146)
Net prepaid retirement plans	(1,680)	(1,709)	(1,863)
Capitalized mortgage servicing rights	(598)	--	--
Deferred loan fees	(327)	(394)	(316)
Deferred compensation	1,015	895	1,001
Available-for-sale securities valuation	(344)	(977)	1,554
Other	166	162	63
Net deferred tax assets included in other assets ..	$ 5,440	$ 3,933	$ 5,611

</TABLE>
The amounts shown for income tax expense on the consolidated statements of income are less than amounts computed by applying the statutory federal income tax rate to income before taxes. A reconciliation of such amounts is as follows (dollars in thousands):
<TABLE>

	Year ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
<CAPTION>			
Income taxes at statutory rate	$ 20,456	$ 17,723	$ 15,574
Tax-exempt interest income	(4,477)	(4,729)	(4,918)
Goodwill amortization ...	103	103	103
Other	197	227	17
Income tax expense	$ 16,279	$ 13,324	$ 10,776
Effective income tax rate	27.9%	26.3%	24.2%
Statutory income tax rate	35.0	35.0	35.0

</TABLE>
Note 13. Employees' Benefit Plans
Net pension cost includes the following components (dollars in thousands):
<TABLE>
<CAPTION>

	Year ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Service cost	$ 1,750	$ 1,535	$ 1,558
Interest cost	2,535	2,152	1,959
Return on plan assets	(2,828)	(2,339)	(2,260)
Net amortization and deferral	209	367	252
Net periodic pension cost	$ 1,666	$ 1,715	$ 1,509
Major actuarial assumptions:			
Weighted-average discount rate	7.75%	7.5%	7.5%
Rate of increase in future compensation levels	4.5	5.0	5.0
Expected long-term rate of return on plan assets	9.0	9.0	9.0

</TABLE>
The pension plan's funded status and amounts recognized in FMB's consolidated balance sheets are as follows (dollars in thousands):
<TABLE>
<CAPTION>

	December 31, 1996	1995
<S>	<C>	<C>
Accumulated benefit obligation, including vested benefits of $25,674,000 and $23,120,000, respectively	$ 27,412	$ 25,054
Projected benefit obligation for service rendered to date	$ 33,562	$ 31,671
Plan assets at fair value, primarily corporate and governmental obligations and mutual funds	36,806	32,046

Plan assets in excess of projected benefit obligation	3,244	375
Unrecognized prior service cost	(2,013)	(2,152)
Unrecognized net loss	5,776	7,630
Unrecognized net transition obligation	26	40
Prepaid pension cost included in other assets	$ 7,033	$ 5,893

</TABLE>
The matching contributions to FMB's defined contribution 401(k) plan amounted to $933,000 for 1996, $769,000 for 1995 and $568,000 for 1994.

Net periodic postretirement benefit cost includes the following components (dollars in thousands):
<TABLE>
<CAPTION>

	Year ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Service cost	$ 144	$ 18	$ 114
Interest cost	124	60	76
Return on plan assets	(2)	(2)	(2)
Net amortization and deferral	76	36	61
Net periodic postretirement benefit cost	$ 342	$ 112	$ 249
Major actuarial assumptions:			
Weighted-average discount rate	7.75%	7.5%	7.5%
Health care cost trend rate ..	10.0	10.5	12.5

</TABLE>
Changes to, and refinement of, the retirement age assumptions during 1995 and 1996 also had a significant impact on the net periodic postretirement benefit cost from year to year.
The postretirement benefit plan's funded status and amounts recognized in FMB's consolidated balance sheet are as follows (dollars in thousands):
<TABLE>
<CAPTION>

	December 31, 1996	1995
<S>	<C>	<C>
Accumulated postretirement benefit obligation:		
Retirees	$ 238	$ 168
Fully eligible active plan participants	291	562
Other active plan participants	1,301	115
Total	1,830	845
Plan assets at fair value, primarily cash	(55)	26
Accumulated postretirement benefit obligation in excess of plan assets	1,885	819
Unrecognized transition obligation .	(838)	(908)
Unrecognized gain (loss)	(345)	539
Accrued other postretirement benefit cost included in other liabilities .	$ 702	$ 450

</TABLE>
The health care cost trend rate is assumed to decrease 0.5% annually through the year 1997 and 1.0% annually through the year 2002 to a rate of 5.0% and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. An increase of 1.0% each year in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1996 by $388,000 and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for 1996 by $71,000.

Note 14. Data Processing Commitments
FMB is a party to an agreement with a service company under which the latter furnishes data processing services and equipment to FMB and certain of its subsidiaries. FMB is required to pay minimum charges under the agreement and additional service fees depending on the volume of accounts. FMB furnishes the facilities to house the service center and is responsible for utilities, maintenance and other related costs. Total expense for services under this agreement was $4,754,000 for 1996, $3,888,000 for 1995 and $3,503,000 for 1994, including charges for data processing and professional services and amortization of software costs. The remaining minimum charges are payable as follows (dollars in thousands):
<TABLE>

<S>	<C>
1997	$ 4,510
1998	4,446
1999	792
Total	$ 9,748

</TABLE>
Note 15. Supplemental Income Statement Information
The components of other operating expenses that are detailed pursuant to various

reporting requirements are as follows (dollars in thousands):
<TABLE>
<CAPTION>

<S>	Year ended December 31, 1996 <C>	1995 <C>	1994 <C>
Other operating expenses:			
Printing and supplies ...	$3,704	$3,279	$2,814
Computer processing	4,604	4,197	3,768
Professional services ...	1,867	2,580	2,350
Advertising and promotion	2,500	2,486	2,250

</TABLE>

Note 16. Financial Instruments with Off-Balance-Sheet Risk

FMB is party to financial instruments with off-balance-sheet risk, all of which are entered into for purposes other than trading. These instruments are used in the normal course of business to meet the financing needs of its customers and reduce its own exposure to fluctuations in interest rates and include commitments to extend credit, letters of credit, foreign exchange forward contracts, interest rate forward contracts and interest rate swap agreements. To varying degrees, they involve elements of credit and interest rate risk in excess of the amounts recognized in the consolidated balance sheets. The contract or notional amounts of these instruments reflect the extent of involvement FMB has in these particular categories of financial instruments.

Commitments to extend credit are agreements to lend to customers as long as there are no violations of any conditions established in the contracts. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Letters of credit are conditional commitments issued by the Banks to guarantee the performance of customers to third parties. Letters of credit are written for a fixed period of time, usually one year or less, and generally require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

For both commitments to extend credit and letters of credit, the Banks evaluate each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Banks upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties.

FMB enters into foreign exchange forward contracts to purchase or sell foreign currencies at a future date at a predetermined exchange rate. These contracts are used to assist customers with international transactions based upon foreign denominated currencies. There is credit risk and exposure to foreign currency exchange fluctuations inherent in these transactions to the extent that the customer would fail to fulfill its purchase or delivery responsibility and FMB would execute the transaction at the prevailing currency valuation, which may be different than the value of the original contract.

Interest rate forward contracts are utilized by FMB in its mortgage banking operations to hedge the value of residential real estate loans that are being underwritten for anticipated sale to secondary market investors. Changes in market interest rates, between the time that a customer receives a rate-lock commitment and the sale of the fully-funded loan, can change the sale value of the loan. FMB enters into forward contracts to sell exchange traded instruments whose change in value, due to the same change in market interest rates, substantially offsets the change in sale value of the underlying rate-locked loans which are anticipated to be funded.

FMB and its subsidiaries enter into interest rate swap agreements as part of the asset/liability management process to hedge its short-term interest sensitivity position against the impact of changes in interest rates. Interest rate swap agreements generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts. The interest rate differential to be paid or received is recognized in interest income over the life of the agreements.

The exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and letters of credit written is represented by the contractual amount of those instruments. The Banks use the same credit policies in making commitments and conditional obligations as they do for on-balance-sheet instruments. For foreign exchange and interest rate forward contracts and interest rate swap agreements, the notional or contract amounts do not represent exposure to credit loss. FMB controls the credit risk for these instruments through credit approvals, limits and monitoring procedures.

Substantially all of FMB's business during the years presented is with customers in the State of Michigan with no group concentration of credit.

The contract or notional amounts of financial instruments with off-balance-sheet risk, held for purposes other than trading, are as follows (dollars in thousands):

	December 31, 1996	December 31, 1995
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$718,951	$588,727
Letters of credit	101,432	38,233
Financial instruments whose notional or contract amounts exceed the amount of credit risk:		
Foreign exchange forward contracts	924	--
Interest rate forward contract	15,000	--
Interest rate swap agreements	50,000	30,000

Note 17. Disclosures About Estimated Fair Value of Financial Instruments

Most of FMB's assets and liabilities are considered financial instruments. Many of FMB's financial instruments lack an available trading market, and it is the intent and general practice of FMB to hold its financial instruments to maturity. As a result, significant assumptions and present value calculations were used in determining estimated fair values.

For financial instruments bearing a variable interest rate, it is presumed that recorded book values are reasonable estimates of fair value. For all other financial instruments, the following methods and assumptions were used to estimate fair values:

Cash and cash equivalents

Recorded book value of cash and due from banks and federal funds sold is a reasonable estimate of fair value.

Interest bearing deposits with banks

The present value of future cash flows from interest bearing deposits with banks is used to determine estimated fair value. The discount rates used are the current rates that FMB would receive for similar deposits.

Securities

Quoted market prices for the specific instruments owned, or for similar securities, are used to determine estimated fair value.

Loans

FMB holds in its portfolio few loans of the type that are readily salable in the secondary market, or that are commonly used to collateralize investment securities. Therefore, the present value of estimated future cash flows from the loan portfolio is used to determine fair value. The discount rates used are the current rates at which loans with similar terms would be made to borrowers with similar credit ratings.

Mortgage servicing rights

The estimated fair value of mortgage servicing rights is computed by discounting the projected future net cash flows relating to mortgage loans sold with servicing retained given period-end assumptions regarding, among other things, market servicing costs and estimated long-term prepayments.

Deposits without stated maturities

Recorded book value of non-interest bearing demand deposits and savings and NOW account deposits, representing the amount payable on demand at the reporting date, is a reasonable estimate of fair value.

The relationship value of these instruments, commonly referred to as the core deposit intangible, is not considered a financial instrument and is not included in the fair value disclosure. The value of the core deposit intangible would significantly increase the estimated fair value of FMB's financial assets.

Deposits with stated maturities

The present value of future cash flows for time deposits is used to determine estimated fair value. The discount rates used are the current rates offered for time deposits with similar maturities.

Other borrowed funds

For short-term borrowings, recorded book value is a reasonable estimate of fair value due to the relatively short period between origination and expected repayment of these instruments.

For Federal Home Loan Bank advances, the present value of future cash flows is used to determine estimated fair value. The discount rates used are the current rates offered for advances with similar maturities.

Long-term debt

The present value of future cash flows for long-term debt issues is used to determine estimated fair value. The discount rate used is the average of quoted yields to maturity on trades of similarly-rated financial institution debt issues.

Accrued interest
Accrued interest receivable and payable on financial instruments is included in the reported values of the underlying instruments. For accrued interest receivable and payable, the recorded book values are reasonable estimates of fair value.

Off-balance-sheet financial instruments held for purposes other than trading
For foreign exchange and interest rate forward contracts and interest rate swap agreements, dealer quotes for the specific instruments owned are used to determine estimated fair value. These values represent the estimated amount FMB would pay to terminate the agreements, taking into account the current interest rates. For

commitments to extend credit and letters of credit, the fees currently charged for similar agreements are used to determine estimated fair value. Given the market in which it operates, FMB seldom charges fees on commitments to extend credit.

The estimated fair values of FMB's financial instruments are as follows (dollars in thousands):
<TABLE>
<CAPTION>

	December 31, 1996		December 31, 1995	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>
Financial Assets				
Cash and cash equivalents	$ 168,675	$ 168,675	$ 245,268	$ 245,319
Interest bearing deposits with banks	1,716	1,731	5,370	5,348
Securities	760,012	768,915	688,590	702,149
Loans, net of allowance	2,482,394	2,498,122	2,203,054	2,224,673
Mortgage servicing rights	1,707	1,769	--	--
Total financial assets	$ 3,414,504	$ 3,439,212	$ 3,142,282	$ 3,177,489
Financial Liabilities				
Deposits without stated maturities	$ 1,373,565	$ 1,373,565	$ 1,231,982	$ 1,231,982
Deposits with stated maturities	1,652,668	1,658,253	1,592,096	1,600,953
Other borrowed funds	163,512	163,006	134,412	134,412
Long-term debt	29,726	29,968	5,869	6,228
Total financial liabilities	$ 3,219,471	$ 3,224,792	$ 2,964,359	$ 2,973,575
Off-Balance-Sheet Financial Instruments Held For Purposes Other Than Trading				
Interest rate swap agreements	$ (3)	$ 70	$ (4)	$ (607)
Foreign exchange forward contracts	n/a	20	n/a	--
Interest rate forward contracts	n/a	35	n/a	--
Commitments to extend credit	n/a	--	n/a	--
Letters of credit	n/a	(347)	n/a	(173)
Total off-balance-sheet financial instruments	$ (3)	$ (222)	$ (4)	$ (780)

</TABLE>
The remaining balance sheet assets and liabilities of FMB are not considered financial instruments and have not been valued differently than is customary under historical cost accounting. Since assets and liabilities that are not financial instruments are excluded above, the difference between total financial assets and financial liabilities does not, nor is it intended to, represent the market value of FMB. Furthermore, the estimated fair value information may not be comparable between financial institutions due to the wide range of valuation techniques permitted, and assumptions necessitated, in the absence of an available trading market.
Note 18. First Michigan Bank Corporation (Parent Company Only) Financial Information
<TABLE>
<CAPTION>
Balance Sheets (dollars in thousands)

	December 31, 1996	1995
<S>	<C>	<C>
Assets		
Cash and cash equivalents	$ 1,976	$ 811
Interest bearing deposits with banks	17,100	15,200
Investment in subsidiaries	265,755	232,730
Net premises and equipment	18,899	18,684
Other assets	14,352	11,600
Total assets	$318,082	$279,025
Liabilities and Shareholders' Equity		
Liabilities:		
Short-term borrowings	$ 11	$ 10,011
Long-term debt	29,537	4,883
Other liabilities	14,390	10,303
Total liabilities	43,938	25,197

Shareholders' equity	274,144	253,828
Total liabilities and shareholders' equity	$318,082	$279,025

</TABLE>

Statements of Income (dollars in thousands, except per share data)

<TABLE>
<CAPTION>

	Year ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Income			
From subsidiaries:			
Dividends	$ 22,287	$ 27,600	$ 16,550
Centralized support service fees	19,853	15,696	12,093
Interest on notes receivable	--	--	17
Investment interest	861	451	534
Other	(8)	15	(6)
Total income	42,993	43,762	29,188
Expense			
Salaries and employee benefits	16,548	13,325	10,576
Interest on long-term debt	993	508	643
Other	12,917	9,241	6,927
Total expense	30,458	23,074	18,146
Income before income tax benefit and equity in undistributed net income of subsidiaries ...	12,535	20,688	11,042
Income tax benefit	3,210	2,225	1,723
Income before equity in undistributed net income of subsidiaries ...	15,745	22,913	12,765
Equity in undistributed net income of subsidiaries	26,423	14,399	20,962
Net Income	$ 42,168	$ 37,312	$ 33,727
Net Income Per Share	$ 1.57	$ 1.40	$ 1.27

</TABLE>
<TABLE>
<CAPTION>

Statements of Cash Flows (dollars in thousands)

	Year ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Cash Flows From Operating Activities			
Net income	$ 42,168	$ 37,312	$ 33,727
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for depreciation, amortization and accretion	3,178	2,378	1,914
Deferred income taxes	(350)	(53)	428
Other-net	1,902	2,102	(536)
Equity in undistributed net income of subsidiaries	(26,423)	(14,399)	(20,962)
Total adjustments	(21,693)	(9,972)	(19,156)
Net cash provided by operating activities	20,475	27,340	14,571
Cash Flows From Investing Activities			
Net (increase) decrease in interest bearing deposits with banks	(1,900)	(8,200)	8,000
Purchase of premises and equipment and other assets	(4,492)	(3,525)	(959)
Proceeds from sale of premises and equipment	--	293	2,034
Contribution to capital of subsidiaries	(7,500)	(4,250)	(8,900)
Net cash provided by (used in) investing activities	(13,892)	(15,682)	175
Cash Flows From Financing Activities			
Increase (decrease) in short-term borrowings	15,000	--	(3)
Repayment of long-term debt	(346)	(598)	(1,497)
Cash dividends and fractional shares	(16,073)	(13,386)	(10,703)
Proceeds from issuance of common stock	5,256	4,278	3,641

Common stock repurchased	(9,255)	(1,911)	(6,311)
Net cash used in financing activities	(5,418)	(11,617)	(14,873)
Increase (decrease) In Cash and Cash Equivalents	1,165	41	(127)
Cash and Cash Equivalents, At Beginning of Year	811	770	897
Cash and Cash Equivalents, At End of Year	$ 1,976	$ 811	$ 770

</TABLE>

Note 19. Regulatory Restrictions

The Banks may, from time to time, be required to maintain certain average reserve balances with the Federal Reserve Bank. During 1996 and 1995, these reserves were $9,021,000 and $7,594,000, respectively.

Federal and state banking laws and regulations place certain restrictions on the amount of dividends and loans that a bank must pay to its parent company. Of the $263,349,000 in net assets of the Banks, $49,311,000 is available for dividends to the parent company in 1997 (before considering 1997 net income), and the remaining $214,038,000 is restricted based on minimum risk-based capital requirements now in effect.

Note 20. Regulatory Capital Requirements

FMB and the Banks individually are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by the regulators that could have a direct material effect on the financial statements of the Banks and of FMB as a whole. Under the capital adequacy guidelines and the regulatory framework for prompt corrective action, the Banks must meet specific capital guidelines that involve quantitative measures the Banks' assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. In addition, the Banks' capital amounts and classifications are subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The table below sets forth the quantitative measures established by regulation to ensure capital adequacy for FMB and the Banks which are considered significant subsidiaries (dollars in thousands):

<TABLE>
<CAPTION>

	Actual		To Be Well Capitalized Under Prompt Corrective Action Provisions:		Minimum For Capital Adequacy Purposes:	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 1996						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total Capital (to risk weighted assets):						
FMB	$300,186	11.1%	$269,505	10.0%	$215,604	8.0%
FMB-First Michigan Bank	114,563	10.1	113,071	10.0	90,456	8.0
FMB-First Michigan Bank- Grand Rapids	47,311	10.5	45,096	10.0	36,077	8.0
FMB-Lumberman's Bank	35,184	10.3	34,037	10.0	27,230	8.0
Tier 1 Capital (to risk weighted assets):						
FMB	$264,836	9.8%	$161,703	6.0%	$107,802	4.0%
FMB-First Michigan Bank	102,449	9.1	67,842	6.0	45,228	4.0
FMB-First Michigan Bank- Grand Rapids	42,102	9.3	27,057	6.0	18,038	4.0
FMB-Lumberman's Bank	31,095	9.1	20,422	6.0	13,615	4.0
Tier 1 Capital (to average assets):						
FMB	$264,836	7.6%	$173,252	5.0%	$103,951	3.0%
FMB-First Michigan Bank	102,449	7.9	64,680	5.0	38,808	3.0
FMB-First Michigan Bank- Grand Rapids	42,102	8.0	26,300	5.0	15,780	3.0
FMB-Lumberman's Bank	31,095	7.1	21,867	5.0	13,120	3.0
As of December 31, 1995						
Total Capital (to risk weighted assets):						
FMB	$278,229	11.9%	$233,308	10.0%	$186,646	8.0%
FMB-First Michigan Bank	99,606	10.3	96,800	10.0	77,440	8.0
FMB-First Michigan Bank- Grand Rapids	40,042	11.0	36,284	10.0	29,027	8.0
FMB-Lumberman's Bank	31,494	10.7	29,367	10.0	23,494	8.0
Tier 1 Capital (to risk weighted assets):						
FMB	$245,625	10.5%	$139,985	6.0%	$ 93,323	4.0%
FMB-First Michigan Bank	88,571	9.2	58,080	6.0	38,720	4.0
FMB-First Michigan Bank- Grand Rapids	35,614	9.8	21,771	6.0	14,514	4.0

FMB-Lumberman's Bank	28,011	9.5	17,620	6.0	11,747	4.0
Tier 1 Capital (to average assets):						
FMB	$245,625	7.8%	$157,980	5.0%	$ 94,788	3.0%
FMB-First Michigan Bank	88,571	7.4	59,597	5.0	35,758	3.0
FMB-First Michigan Bank- Grand Rapids	35,614	7.9	22,646	5.0	13,587	3.0
FMB-Lumberman's Bank	28,011	7.1	19,658	5.0	11,795	3.0

</TABLE>

As of December 31, 1996, the most recent notifications from the Federal Deposit Insurance Corporation have respectively categorized the Banks as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that, in the opinion of management, have changed the categories under which any of the Banks would be classified.

First Michigan Bank Corporation
Holland, Michigan

We have audited the accompanying consolidated balance sheets of First Michigan Bank Corporation and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of FMB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position of First Michigan Bank Corporation and subsidiaries at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

/s/ BDO Seidman, LLP
BDO Seidman, LLP

January 16, 1997

Grand Rapids, Michigan

Exhibit 99(d)

CONSOLIDATED BALANCE SHEETS
<TABLE>
<CAPTION>

	June 30, 1997	December 31, 1996	June 30, 1996
		(dollars in thousands)	
Assets			
<S>	<C>	<C>	<C>
Cash and due from banks	$ 152,132	$ 155,725	$ 126,942
Federal funds sold	200	12,950	1,450
Total cash and cash equivalents	152,332	168,675	128,392
Interest bearing deposits with banks	2,163	1,713	1,310
Securities:			
Available-for-sale	490,042	465,460	418,194
Held-to-maturity (market values $247,584, $293,593 and $319,723 respectively)	239,191	284,691	312,374
Loans	2,692,453	2,499,038	2,345,385
Allowance for loan losses	(35,178)	(31,720)	(30,183)
Premises and equipment	67,967	68,667	69,489
Other assets	64,185	63,909	59,799
	----------	----------	----------
Total assets	$3,673,155	$3,520,433	$3,304,760
	=========	=========	=========
Liabilities and Shareholders' Equity			
Deposits:			
Non-interest bearing	$ 367,301	$ 361,692	$ 332,384
Interest bearing:			
Savings and NOW accounts	1,024,757	1,011,153	942,028
Time	1,652,310	1,643,124	1,565,525
	---------	---------	---------
Total deposits	3,044,368	3,015,969	2,839,937
Short-term borrowings	272,268	163,220	168,534
Other liabilities	37,311	37,563	33,532
Long-term debt	29,537	29,537	4,714
	----------	----------	-----------
Total liabilities	3,383,484	3,246,289	3,046,717
	---------	---------	---------
Shareholders' equity:			
Preferred stock - no par value; 1,000,000 shares authorized	--	--	--
Common stock - $1 par value; 50,000,000 shares authorized; issued and outstanding: 27,812,979, 26,304,157 and 19,736,038 respectively	27,813	26,304	19,736
Surplus	203,673	163,828	170,902
Retained earnings	57,672	83,374	69,951
Securities valuation, net of tax	513	638	(2,546)

Total shareholders' equity	289,671	274,144	258,043
Total liabilities and shareholders' equity	$3,673,155	$3,520,433	$3,304,760

</TABLE>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
	(in thousands, except for per share data)			
Interest Income				
<S>	<C>	<C>	<C>	<C>
Interest and fees on loans	$ 62,960	$ 53,984	$122,170	$106,896
Interest on securities:				
Taxable	8,705	8,163	17,332	15,494
Tax-exempt	2,985	3,239	6,104	6,497
Other interest income	140	291	537	1,561
Total interest income	74,790	65,677	146,143	130,448
Interest Expense				
Interest on deposits	32,245	29,213	64,242	59,039
Interest on short-term borrowings	3,321	1,721	5,484	3,175
Interest on long-term debt	518	122	1,017	255
Total interest expense	36,084	31,056	70,743	62,469
Net Interest Income	38,706	34,621	75,400	67,979
Provision for loan losses	4,449	2,317	7,937	4,689
Net interest income after provision for loan losses	34,257	32,304	67,463	63,290
Non-Interest Income				
Service charges on deposits	3,877	3,562	7,447	6,816
Trust income	2,302	1,996	4,576	4,016
Other operating income	4,851	3,275	9,532	6,608
Securities gains (losses)	--	(100)	121	(84)
Total non-interest income	11,030	8,733	21,676	17,356
Non-Interest Expense				
Salaries and employee benefits	16,067	14,524	31,409	29,182
Occupancy	1,778	1,772	3,679	3,613
Equipment	1,915	1,737	3,755	3,401
Other operating	9,921	8,878	19,763	17,248
Total non-interest expense	29,681	26,911	58,606	53,444

Income Before Income Taxes	15,606	14,126	30,533	27,202
Income taxes	4,549	3,925	8,747	7,422
Net Income	$ 11,057	$ 10,201	$ 21,786	$ 19,780
Net income per share	$.39	$.36	$.77	$.70
Cash dividends declared per share	.18	.15	.35	.29
Average shares outstanding (in thousands)	28,313	28,164	28,270	28,124

</TABLE>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

<TABLE>
<CAPTION>

	Six months ended June 30,	
	1997	1996
Cash Flows From Operating Activities		
<S>	<C>	<C>
Net income	$ 21,786	$ 19,780
	--------	--------
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	7,937	4,689
Origination of loans for sale in secondary market	(94,484)	(125,472)
Proceeds from sale of loans	95,078	126,144
Gain on sale of loans	(594)	(672)
Origination of mortgage servicing rights	(774)	--
Realized securities (gains) losses	(121)	84
Provision for depreciation, amortization and accretion	4,048	1,236
Deferred income taxes	(435)	(737)
Increase in interest receivable	(643)	(193)
Increase (decrease) in interest payable	572	(847)
Other - net	1,111	(539)
	--------	--------
Total adjustments	11,695	3,693
	-------	-------
Net cash provided by operating activities	33,481	23,473
	-------	-------
Cash Flows From Investing Activities		
Net (increase) decrease in interest bearing deposits with banks	(450)	4,051
Purchase of securities available-for-sale	(92,998)	(189,209)
Proceeds from sales of securities available-for-sale	33,681	27,906
Proceeds from maturities and prepayments of securities available-for-sale	32,208	68,137
Purchase of securities held-to-maturity	(1,783)	(6,959)
Proceeds from maturities and prepayments of securities held-to-maturity	50,247	43,984

Net increase in loans	(197,743)	(130,677)
Purchase of premises and equipment and other assets	(4,570)	(6,139)
Net cash used in investing activities	(181,408)	(188,906)
Cash Flows From Financing Activities		
Net increase in non-interest bearing demand, savings and NOW deposit accounts	19,212	43,262
Net increase (decrease) in time deposits	9,187	(17,065)
Net increase in short-term borrowings	109,048	34,211
Repayment of long-term debt	--	(964)
Cash dividends and fractional shares	(9,528)	(7,696)
Proceeds from sales of stock	3,665	2,928
Common stock repurchased	--	(6,119)
Net cash provided by financing activities	131,584	48,557
Decrease in Cash and Cash Equivalents	(16,343)	(116,876)
Cash and Cash Equivalents, beginning of period	168,675	245,268
Cash and Cash Equivalents, end of period	$152,332	$128,392

</TABLE>

See accompanying notes to financial statements.

Notes to Consolidated Financial Statements

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

1. In the opinion of management of the Company, the unaudited consolidated financial statements contained herein include all adjustments (consisting of only normal recurring accruals) necessary to present fairly the consolidated financial position of the Company as of June 30, 1997, June 30, 1996 and December 31, 1996 and consolidated results of operations for the three months and six months ended June 30, 1997 and 1996.

2. The results of operations for the three months and six months ended June 30, 1997 are not necessarily indicative of the results to be expected for the full year.

3. The accompanying unaudited consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Registrant's Form 10-K for the year ended December 31, 1996.