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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

Commission file number 1-10074

NATIONAL CITY CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)
34-1111088

(I.R.S. Employer
Identification No.)

1900 EAST NINTH STREET
CLEVELAND, OHIO 44114
(Address of principal executive office)

216-575-2000
(Registrant's telephone number, including area code)

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

YES X NO ___

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date.

Common stock — $4.00 Par Value
Outstanding as of June 30, 2000 — 607,433,924

National City Corporation®

Quarter Ended June 30, 2000

Financial Report
and Form 10-Q

FINANCIAL REPORT AND FORM 10-Q
QUARTER ENDED JUNE 30, 2000

TABLE OF CONTENTS

Market risk disclosures are presented in the Net Interest Income section of Management's Discussion and Analysis.

The information contained in Note 12 to the Consolidated Financial Statements on page 12 of this Quarterly Report is incorporated herein by reference.

On April 10, 2000, at the Annual Meeting of Stockholders of the Registrant, stockholders took the following actions:

1. Elected as directors all nominees designated in the proxy statement of March 6, 2000, as follows:

	Number of Votes	
	For	Withheld
J. E. Barfield	511,781,959	11,800,260
E. B. Brandon	511,360,879	12,221,340
J. G. Breen	511,521,137	12,061,082
J. S. Broadhurst	511,906,326	11,675,893
J. W. Brown	512,289,886	11,292,333
D. E. Collins	511,969,167	11,613,052
S. A. Crayton	511,142,935	12,439,284
D. A. Daberko	510,116,893	13,465,326
D. E. Evans	511,668,271	11,913,948
B. P. Healy	512,110,468	11,471,751
D. A. Johnson	512,163,482	11,418,737
P. A. Ormond	511,844,455	11,737,764
R. A. Paul	512,294,187	11,288,032
W. F. Roemer	511,643,566	11,938,653
M. A. Schuler	512,047,309	11,534,910
J. F. Tatar	511,938,395	11,643,824
M. Weiss	493,437,179	30,145,040

2. Approved the National City Corporation Amended and Restated Long-Term Incentive Compensation Plan for Senior Officers: 471,276,912 votes cast for, 39,957,492 votes cast against and 12,347,809 votes withheld.
3. Approved the selection of Ernst & Young LLP as independent auditors for National City for 2000: 515,717,851 votes cast for, 4,457,829 votes cast against and 3,392,534 votes withheld.

Exhibits: The index of exhibits has been filed as separate pages of the June 30, 2000 Financial Report and Form 10-Q and is available on request from the Secretary of the Corporation at the principal executive offices.

Reports on Form 8-K:

April 14, 2000 — National City Corporation reported earnings for the first quarter of fiscal year 2000.

May 11, 2000 — National City Corporation reported it had entered into an agreement with a third party that provides the Corporation with an option to purchase up to $300 million of National City common stock and in accordance with this agreement the Corporation had entered into forward transactions for its common stock beginning in April.

FINANCIAL HIGHLIGHTS

	Three Months Ended June 30		Percent	Six Months Ended June 30		Percent
	2000	1999	Change	**2000**	1999	Change
EARNINGS (In Thousands)						
Net interest income — tax-equivalent	**$748,972**	$758,186	(1)%	**$1,489,867**	$1,522,885	(2)%
Provision for loan losses	**68,691**	59,542	15	**135,017**	127,576	6
Fees and other income[(a)]	**600,112**	537,593	12	**1,157,478**	1,091,686	6
Securities gains[(a)]	**15,599**	25,171	(38)	**37,132**	48,859	(24)
Noninterest expense[(a)]	**785,070**	719,469	9	**1,544,163**	1,458,671	6
Net income before nonrecurring items[(a)]	**332,093**	354,942	(6)	**653,436**	702,813	(7)
Net income	**342,387**	354,488	(3)	**663,730**	705,507	(6)
PERFORMANCE RATIOS						
Return on average common equity — adjusted[(a)]	**22.43%**	22.99%		**22.44%**	21.93%	
Return on average common equity	**23.13**	22.96		**22.80**	22.01	
Return on average assets — adjusted[(a)]	**1.54**	1.71		**1.52**	1.68	
Return on average assets	**1.59**	1.71		**1.55**	1.68	
Efficiency ratio[(a)]	**58.19**	55.52		**58.33**	55.79	
Net interest margin	**3.80**	4.04		**3.79**	4.03	
PER COMMON SHARE						
Net income:						
Basic	**$.56**	$.56	—	**$1.09**	$1.11	(2)
Diluted	**.56**	.56	—	**1.09**	1.10	(1)
Diluted-adjusted[(a)]	**.54**	.56	(4)	**1.07**	1.09	(2)
Dividends paid	**.285**	.26	10	**.57**	.52	10
Book value				**10.05**	9.44	6
Market value (close)				**17.06**	32.75	(48)
Average shares — diluted	**611,070,243**	633,280,420	(4)	**610,882,275**	642,637,332	(5)
AT PERIOD END ($ in Millions)						
Assets				**$84,601**	$84,022	1
Loans				**61,570**	57,317	7
Securities (at fair value)				**10,719**	14,994	(29)
Earning assets				**76,524**	75,679	1
Deposits				**49,988**	52,091	(4)
Stockholders' equity				**6,133**	5,867	5
Equity to assets ratio				**7.25%**	6.98%	
Common shares outstanding				**607,433,924**	618,131,386	(2)
Full-time equivalent employees				**37,704**	37,804	—
ASSET QUALITY						
Net charge-offs to average loans (annualized)	**.44%**	.42%		**.44%**	.45%	
Allowance for loan losses as a percentage of period-end loans				**1.58**	1.69	
Nonperforming assets to loans and OREO				**.55**	.44	

(a) Excludes nonrecurring items. See further discussion in Note 3 to the Consolidated Financial Statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

(Dollars In Thousands, Except Per Share Amounts)	Three Months Ended June 30 2000	Three Months Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Interest Income				
Loans	**$1,433,996**	$1,205,526	**$2,776,262**	$2,417,829
Securities:				
Taxable	**176,765**	195,875	**379,020**	409,173
Exempt from Federal income taxes	**10,914**	13,465	**22,085**	23,664
Dividends	**13,989**	12,571	**27,452**	23,186
Federal funds sold and security resale agreements	**6,802**	9,903	**13,760**	20,916
Other short-term investments	**4,008**	2,925	**7,914**	5,987
Total interest income	**1,646,474**	1,440,265	**3,226,493**	2,900,755
Interest Expense				
Deposits	**466,241**	393,145	**910,180**	812,168
Federal funds borrowed and security repurchase agreements	**85,727**	79,352	**188,295**	179,046
Borrowed funds	**77,782**	36,957	**121,063**	65,441
Long-term debt and capital securities	**276,069**	181,867	**533,844**	339,021
Total interest expense	**905,819**	691,321	**1,753,382**	1,395,676
Net Interest Income	**740,655**	748,944	**1,473,111**	1,505,079
Provision for Loan Losses	**68,691**	59,542	**135,017**	127,576
Net interest income after provision for loan losses	**671,964**	689,402	**1,338,094**	1,377,503
Noninterest Income				
Item processing revenue	**100,575**	105,089	**194,944**	226,792
Service charges on deposits	**108,073**	104,834	**214,386**	204,697
Mortgage banking revenue	**147,610**	89,181	**258,904**	182,176
Trust and investment management fees	**90,054**	80,683	**173,678**	162,530
Card-related fees	**45,312**	49,259	**88,958**	94,569
Other	**182,704**	114,585	**300,824**	263,758
Total fees and other income	**674,328**	543,631	**1,231,694**	1,134,522
Securities gains (losses)	**(42,780)**	57,224	**(21,247)**	80,912
Total noninterest income	**631,548**	600,855	**1,210,447**	1,215,434
Noninterest Expense				
Salaries, benefits and other personnel	**401,309**	389,585	**808,180**	790,349
Equipment	**57,759**	52,955	**115,441**	105,716
Net occupancy	**51,816**	49,234	**104,484**	103,361
Third-party services	**48,546**	48,551	**93,694**	94,121
Other	**225,640**	216,910	**422,364**	402,890
Total noninterest expense	**785,070**	757,235	**1,544,163**	1,496,437
Income before income tax expense	**518,442**	533,022	**1,004,378**	1,096,500
Income tax expense	**176,055**	178,534	**340,648**	390,993
Net Income	**$ 342,387**	$ 354,488	**$ 663,730**	$ 705,507
Net Income Per Common Share				
Basic	**$.56**	$.56	**$1.09**	$1.11
Diluted	**.56**	.56	**1.09**	1.10
Average Common Shares Outstanding				
Basic	**606,927,559**	623,116,746	**606,346,848**	632,003,530
Diluted	**611,070,243**	633,280,420	**610,882,275**	642,637,332

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(In Thousands)	**June 30 2000**	December 31 1999	June 30 1999
Assets			
Loans:			
Commercial	**$24,935,236**	$23,402,556	$22,153,612
Real estate — commercial	**6,265,055**	6,012,016	6,277,934
Real estate — residential	**9,419,808**	8,777,422	8,388,380
Consumer	**14,146,292**	15,986,133	15,184,825
Credit card	**2,601,931**	2,339,658	2,050,842
Home equity	**4,201,854**	3,686,119	3,261,466
Total loans	**61,570,176**	60,203,904	57,317,059
Allowance for loan losses	**(970,362)**	(970,463)	(970,229)
Net loans	**60,599,814**	59,233,441	56,346,830
Mortgage loans held for sale	**3,198,328**	2,731,166	2,338,641
Securities available for sale, at fair value	**10,719,285**	14,904,343	14,993,616
Federal funds sold and security resale agreements	**493,130**	556,351	864,178
Other short-term investments	**145,623**	231,099	196,974
Cash and demand balances due from banks	**3,262,268**	3,480,756	3,807,336
Properties and equipment	**1,098,053**	1,127,980	1,103,912
Accrued income and other assets	**5,084,132**	4,856,363	4,370,986
Total Assets	**$84,600,633**	$87,121,499	$84,022,473
Liabilities and Stockholders' Equity			
Liabilities:			
Noninterest bearing deposits	**$11,384,267**	$11,182,681	$11,624,345
NOW and money market accounts	**16,291,791**	16,561,494	16,845,872
Savings accounts	**3,230,386**	3,470,700	3,870,281
Time deposits of individuals	**15,583,974**	14,700,944	14,609,034
Other time deposits	**2,874,460**	2,897,166	2,822,235
Deposits in overseas offices	**623,331**	1,253,325	2,319,594
Total deposits	**49,988,209**	50,066,310	52,091,361
Federal funds borrowed and security repurchase agreements	**4,012,113**	5,182,506	6,979,837
Borrowed funds	**6,974,817**	9,772,611	4,495,831
Long-term debt	**15,976,934**	14,858,014	13,137,293
Corporation-obligated mandatorily redeemable capital securities of subsidiary trusts holding solely debentures of the Corporation	**180,000**	180,000	180,000
Accrued expenses and other liabilities	**1,335,080**	1,334,325	1,270,942
Total Liabilities	**78,467,153**	81,393,766	78,155,264
Stockholders' Equity:			
Preferred stock	**29,982**	30,233	30,513
Common stock	**2,429,736**	2,428,234	2,472,526
Capital surplus	**812,671**	782,960	757,326
Retained earnings	**3,119,402**	2,665,674	2,586,540
Accumulated other comprehensive income (loss)	**(258,311)**	(179,368)	20,304
Total Stockholders' Equity	**6,133,480**	5,727,733	5,867,209
Total Liabilities and Stockholders' Equity	**$84,600,633**	$87,121,499	$84,022,473

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)	Six Months Ended June 30 2000	1999
Operating Activities		
Net income	**$ 663,730**	$ 705,507
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	**135,017**	127,576
Depreciation and amortization of properties and equipment	**85,318**	80,904
Amortization of intangibles and servicing rights	**92,758**	84,298
Amortization of premiums/discounts on securities and debt	**(3,848)**	(4,751)
Securities losses (gains)	**21,247**	(80,912)
Other gains and losses, net	**(203,437)**	(117,056)
Originations and purchases of mortgage loans held for sale	**(10,251,630)**	(8,909,996)
Proceeds from sales of mortgage loans held for sale	**9,732,624**	10,171,835
Increase in interest receivable	**(46,401)**	(27,838)
Increase in interest payable	**83,140**	28,390
Net change in other assets/liabilities	**26,864**	(272,792)
Net cash provided by operating activities	**335,382**	1,785,165
Lending and Investing Activities		
Net decrease in federal funds sold, security resale agreements and other short-term investments	**148,697**	119,510
Purchases of available-for-sale securities	**(316,672)**	(2,840,626)
Proceeds from sales of available-for-sale securities	**3,177,869**	1,844,272
Proceeds from maturities and prepayments of available-for-sale securities	**1,193,468**	1,819,409
Net (increase) decrease in loans	**(3,572,469)**	359,592
Proceeds from sales of loans	**2,148,449**	82,962
Net increase in properties and equipment	**(52,462)**	(20,682)
Disposals	**—**	72,408
Net cash provided by lending and investing activities	**2,726,880**	1,436,845
Deposit and Financing Activities		
Net decrease in Federal funds borrowed and security repurchase agreements	**(1,170,393)**	(2,447,472)
Net (decrease) increase in borrowed funds	**(2,797,794)**	2,377,915
Net decrease in noninterest bearing, savings, NOW, money market accounts, and deposits in overseas offices	**(938,425)**	(3,854,940)
Net increase (decrease) in time deposits	**860,324**	(2,300,608)
Repayment of long-term debt and capital securities	**(3,087,475)**	(1,897,547)
Proceeds from issuance of long-term debt, net	**4,205,253**	5,526,688
Dividends paid	**(346,667)**	(334,130)
Issuances of common stock	**41,569**	95,389
Repurchases of common stock	**(47,142)**	(1,363,460)
Net cash used in deposit and financing activities	**(3,280,750)**	(4,198,165)
Net decrease in cash and demand balances due from banks	**(218,488)**	(976,155)
Cash and demand balances due from banks, January 1	**3,480,756**	4,783,491
Cash and demand balances due from banks, June 30	**$ 3,262,268**	$ 3,807,336
Supplemental Disclosures		
Interest paid	**$1,670,242**	$1,367,286
Income taxes paid	**168,964**	158,671

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Dollars in Thousands, Except Per Share Amounts)	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, January 1, 1999	$36,098	$1,305,309	$ 1,968,751	$ 3,430,672	$ 272,078	$ 7,012,908
Comprehensive Income:						
Net income				705,507		705,507
Other comprehensive income, net of tax:						
Change in unrealized gains and losses on securities of $(199,181), net of reclassification adjustment for gains included in net income of $52,593					(251,774)	(251,774)
Total comprehensive income						453,733
Common dividends declared, $.53 per share				(330,536)		(330,536)
Preferred dividends declared				(825)		(825)
Issuance of 4,316,732 common shares under corporate stock and dividend reinvestment plans		8,633	86,756			95,389
Purchase of 39,178,400 common shares		(78,357)	(66,825)	(1,218,278)		(1,363,460)
Conversion of 111,697 shares of preferred stock to 338,334 common shares	(5,585)	677	4,908			—
Stock split		1,236,264	(1,236,264)			—
Balance, June 30, 1999	$30,513	$2,472,526	$ 757,326	$ 2,586,540	$ 20,304	$ 5,867,209
Balance, January 1, 2000	$30,233	$2,428,234	$ 782,960	$ 2,665,674	$(179,368)	$ 5,727,733
Comprehensive Income:						
Net income				663,730		663,730
Other comprehensive income, net of tax:						
Change in unrealized gains and losses on securities of $(92,754), net of reclassification adjustment for losses included in net income of $(13,811)					(78,943)	(78,943)
Total comprehensive income						584,787
Common dividends declared $.285 per share				(173,024)		(173,024)
Preferred dividends declared				(443)		(443)
Issuance of 2,510,377 common shares under corporate stock and dividend reinvestment plans		10,041	31,528			41,569
Purchase of 2,150,000 common shares		(8,600)	(2,007)	(36,535)		(47,142)
Conversion of 5,013 shares of preferred stock to 15,183 common shares	(251)	61	190			—
Balance, June 30, 2000	$29,982	$2,429,736	$ 812,671	$ 3,119,402	$(258,311)	$ 6,133,480

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

National City Corporation (''National City'' or ''the Corporation'') is a financial holding company headquartered in Cleveland, Ohio. National City operates banks and other financial service subsidiaries principally in Ohio, Michigan, Pennsylvania, Indiana, Kentucky and Illinois. Principal activities include commercial and retail banking, consumer finance, asset management, mortgage financing and servicing, and item processing.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. All significant intercompany transactions and balances have been eliminated. Certain prior period amounts have been reclassified to conform with the current period presentation. The accounting and reporting policies of National City conform with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. For the interim periods presented, management believes the unaudited consolidated financial statements reflect all adjustments of a normal recurring nature and disclosures which are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period. These interim financial statements should be read in conjunction with the Corporation's 1999 Annual Report and Form 10-K.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting for Derivative Instruments and Hedging Activities: Statement of Financial Accounting Standards (''SFAS'') No. 133, *Accounting for Derivative Instruments and Hedging Activities,* as amended by SFAS No. 137, *Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133* and SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities,* requires derivative instruments be carried at fair value on the balance sheet. The statement continues to allow the hedging of various risks with derivative instruments and sets forth specific criteria to be used to determine when hedge accounting can be used. The statement provides for changes in fair value or cash flows of both the derivative and the hedged asset or liability to be recognized in earnings in the same period. For derivative instruments not accounted for as hedges, changes in fair value are also required to be recognized in earnings.

The Corporation plans to adopt the provisions of this statement, as amended, for its quarterly and annual reporting beginning January 1, 2001, the statement's effective date. The impact of adopting the provisions of this statement on National City's financial position, results of operations and cash flow subsequent to the effective date is not currently estimable as it will depend on the financial position of the Corporation and the nature and purpose of the derivative instruments in use at that time.

3. NONRECURRING ITEMS

The following table summarizes various income and expense items designated as nonrecurring:

	Three Months Ended June 30		Six Months Ended June 30	
(In Thousands)	**2000**	1999	**2000**	1999
Gain on sale of student loans	**$ 74,216**	$ —	**$ 74,216**	$ —
Loss on sale and impairment of certain securities	**(58,379)**	—	**(58,379)**	—
Gain on sale of Electronic Payment Services, Inc.	**—**	—	**—**	95,734
Gain on sale of Concord EFS, Inc. common stock	**—**	32,053	**—**	32,053
Gain on sale of Stored Value Systems, Inc.	**—**	—	**—**	6,050
Net gain (loss) on sale of National Processing business lines	**—**	6,038	**—**	(58,948)
Facilities charge	**—**	(28,604)	**—**	(28,604)
Executive contract obligations	**—**	(9,162)	**—**	(9,162)
Net pre-tax nonrecurring income	**15,837**	325	**15,837**	37,123
Tax expense	**5,543**	779	**5,543**	34,429
Net after-tax nonrecurring income (loss)	**$ 10,294**	$ (454)	**$ 10,294**	$ 2,694

Included in net income for the second quarter and first six months of 2000 were two nonrecurring items, the combination of which increased pre-tax net income by $15.8 million, or $10.3 million after tax. As part of a balance sheet restructuring initiative intended to improve asset returns and capital position, reduce reliance upon purchased funding and lessen sensitivity to rising interest rates, National City sold $2.0 billion of student loans resulting in a pre-tax gain of $74.2 million, or $48.2 million after tax. The pre-tax gain on sale is included in other income in the Consolidated Statements of Income. The Corporation also recognized pre-tax losses of $58.4 million, or $37.9 million after tax, on the sale and impairment of $3.7 billion of primarily lower yielding, fixed-rate debt securities. The pre-tax losses are included in securities gains (losses) in the Consolidated Statements of Income.

Certain nonrecurring events were included in the Corporation's results for the second quarter and first six months of 1999.

In the first quarter of 1999, National City sold its 20% ownership interest in Electronic Payment Services, Inc. (''EPS''), a provider of transaction processing services, to Concord EFS, Inc. (''Concord'') and recognized a gain of $95.7 million pre tax, or $62.2 million after tax. The pre-tax gain on the sale of EPS is included in other noninterest income. The transaction was effected by exchanging common shares of EPS for shares of unregistered Concord common stock. During the second quarter of 1999, the shares were registered by Concord, and National City sold its holdings in Concord in the open market and recognized a gain of $32.1 million pre tax, or $20.8 million after tax. The pre-tax gain is included in securities gains (losses).

Also in the first quarter of 1999, National City sold its interest in Stored Value Systems, Inc. (''SVS''), a subsidiary that had been involved in the development of smart card technology, for a gain of $6.1 million pre tax, or $4.0 million after tax. The pre-tax gain is included in other noninterest income.

Affecting both the first and second quarter of 1999 were the sales of the freight payables, payables outsourcing, remittance and merchant check services business lines by National Processing, Inc. (''National Processing''), an 88%-owned subsidiary of the Corporation. An impairment loss of $65.0 million pre tax, or $63.1 million after tax was recognized during the first quarter of 1999 when management adopted the plan to dispose of the National Processing business lines. As a result of the final sale of the business lines in the second quarter of 1999, $6.0 million pre tax, or $3.3 million after tax, of the estimated impairment loss was reversed. The pre-tax impact of the National Processing business line disposals is included in other noninterest income.

The second quarter of 1999 also included a charge of $28.6 million pre tax, or $18.6 million after tax, pursuant to a plan to improve the cost efficiency of branch office facilities, which is included in other noninterest expense, and $9.2 million pre tax, or $5.9 million after tax, of personnel expense related to executive contract obligations.

4. LOANS AND ALLOWANCE FOR LOAN LOSSES

The following table presents the activity in the allowance for loan losses:

(In Thousands)	Three Months Ended June 30 2000	Three Months Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Balance at beginning of period	**$970,642**	$970,336	**$970,463**	$970,243
Allowance related to loans acquired (sold)	**(305)**	268	**(305)**	361
Provision	**68,691**	59,542	**135,017**	127,576
Charge-offs:				
Commercial	**25,085**	32,018	**49,226**	45,041
Real estate — commercial	**3,282**	738	**3,537**	2,115
Real estate — residential	**2,125**	444	**4,181**	2,146
Consumer	**40,917**	40,019	**86,129**	95,690
Credit card	**26,083**	25,185	**51,993**	52,291
Home equity	**2,036**	2,032	**3,160**	4,041
Total charge-offs	**99,528**	100,436	**198,226**	201,324
Recoveries:				
Commercial	**3,714**	6,937	**9,405**	10,456
Real estate — commercial	**848**	3,343	**2,474**	4,766
Real estate — residential	**153**	805	**258**	948
Consumer	**19,074**	22,910	**37,569**	44,347
Credit card	**6,313**	5,468	**12,207**	10,794
Home equity	**760**	1,056	**1,500**	2,062
Total recoveries	**30,862**	40,519	**63,413**	73,373
Net charge-offs	**68,666**	59,917	**134,813**	127,951
Balance at end of period	**$970,362**	$970,229	**$970,362**	$970,229

The allowance for loan losses is the amount believed adequate to absorb estimated credit losses in the loan portfolio based on management's evaluation of various factors including overall growth in the portfolio, an analysis of individual credits, adverse situations that could affect a borrower's ability to repay (including the timing of future payments), prior and current loss experience, and economic conditions. Loan losses are charged off against the allowance, while recoveries of amounts previously charged off are credited to the allowance. A provision for loan losses is charged to operations based on management's periodic evaluation of the factors previously mentioned as well as other pertinent factors.

The allowance established for certain impaired loans is determined based on the fair value of the investment measured using either the present value of expected future cash flows based on the initial effective interest rate on the loan, the observable market price of the loan or the fair value of the collateral if the loan is collateral-dependent.

The allowance for loan losses consists of an allocated component and an unallocated component. The allocated component of the allowance for loan losses reflects expected losses resulting from the analysis of individual loans, developed through specific credit allocations for individual loans and historical loss experience for each loan category. The specific credit allocations are based on a regular analysis of all loans and commitments over a fixed dollar amount where the internal credit rating is at or below a predetermined classification. The historical loan loss element is determined statistically using a loss migration analysis that examines loss experience and the related internal grading of loans charged off. The loss migration analysis is performed quarterly and loss factors are periodically updated based on actual experience. The allocated component of the allowance for loan losses also includes management's determination of the amounts necessary for concentrations and changes in portfolio mix and volume.

The unallocated portion of the allowance is determined based on management's assessment of general economic conditions as well as specific economic factors in the individual markets in which National City operates. This determination inherently involves a higher degree of uncertainty and considers current risk factors that may not have yet manifested themselves in the Corporation's historical loss factors used to determine the allocated component of the allowance, and it recognizes that knowledge of the portfolio may be incomplete.

Details regarding nonperforming loans are included in the Asset Quality section of Management's Discussion and Analysis. At June 30, 2000, December 31, 1999 and June 30, 1999, impaired loans totaled $59.4 million, $24.9 million and $36.9 million, respectively. The related allowance allocated to these loans was $32.8 million, $10.9 million and $11.8 million, respectively. All impaired loans were included in nonperforming assets and had an associated allowance. The contractual interest due and actual interest recorded on nonperforming loans for the six months ended June 30, 2000, was $16.7 million and $4.0 million, respectively, compared with $14.1 million and $5.6 million, respectively, for the six months ended June 30, 1999.

5. SECURITIES

The table on the following page summarizes the Corporation's portfolio of securities available for sale. Fair value fluctuations occur over the lives of the instruments due to changes in market interest rates.

Gross unrealized gains for the entire portfolio totaled $22.9 million, $109.9 million and $296.6 million at June 30, 2000, December 31, 1999 and June 30, 1999, respectively. Gross unrealized losses at the same period ends totaled $420.3 million, $385.8 million and $265.4 million, respectively.

For the six months ended June 30, 2000 and 1999, gross securities gains of $46.6 million and $90.2 million, and gross securities losses of $67.8 million and $9.3 million were recognized, respectively.

Other securities includes the Corporation's internally-managed equity portfolio of bank and thrift common stock investments, which had an amortized cost and fair value of $745.1 million and $679.2 million, respectively, as of June 30, 2000.

As of June 30, 2000, there were no securities of a single issuer, other than U.S. Treasury securities and other U.S. government agency securities, which exceeded 10% of stockholders' equity.

(In Thousands)	June 30, 2000 Amortized Cost	Fair Value
U.S. Treasury and Federal agency debentures	**$ 975,019**	**$ 935,886**
Mortgage-backed securities	**6,349,368**	**6,072,094**
Asset-backed and corporate debt securities	**1,871,928**	**1,848,943**
States and political subdivisions	**791,531**	**797,793**
Other	**1,128,841**	**1,064,569**
Total securities	**$11,116,687**	**$10,719,285**

(In Thousands)	December 31, 1999 Amortized Cost	Fair Value
U.S. Treasury and Federal agency debentures	$ 1,171,397	$ 1,119,508
Mortgage-backed securities	9,629,200	9,351,797
Asset-backed and corporate debt securities	2,633,335	2,600,128
States and political subdivisions	825,941	828,810
Other	920,376	1,004,100
Total securities	$15,180,249	$14,904,343

(In Thousands)	June 30, 1999 Amortized Cost	Fair Value
U.S. Treasury and Federal agency debentures	$ 1,178,507	$ 1,144,713
Mortgage-backed securities	9,109,144	8,923,184
Asset-backed and corporate debt securities	2,887,087	2,869,398
States and political subdivisions	865,308	883,860
Other	922,333	1,172,461
Total securities	$14,962,379	$14,993,616

6. BORROWED FUNDS

(In Thousands)	**Jun. 30 2000**	Dec. 31 1999	Jun. 30 1999
U.S. Treasury demand notes	**$6,168,376**	$9,228,154	$2,912,006
Commercial paper	**784,675**	313,396	917,987
Other	**21,766**	231,061	665,838
Total borrowed funds	**$6,974,817**	$9,772,611	$4,495,831

U.S. Treasury demand notes represent secured borrowings from the U.S. Treasury. These borrowings are collateralized by qualifying securities and loans. The funds are placed with the banks at the discretion of the U.S. Treasury and may be called at any time.

7. LONG-TERM DEBT

(Dollars in Thousands)	**Jun. 30 2000**	Dec. 31 1999	Jun. 30 1999
9 7/8% subordinated notes due 1999	**$ —**	$ —	$ 64,988
6.50% subordinated notes due 2000	**—**	99,983	99,957
8.50% subordinated notes due 2002	**99,955**	99,943	99,932
6 5/8% subordinated notes due 2004	**249,525**	249,460	249,396
7.75% subordinated notes due 2004	**198,953**	198,825	198,697
8.50% subordinated notes due 2004	**149,548**	149,484	149,421
7.20% subordinated notes due 2005	**249,857**	249,843	249,826
5.75% subordinated notes due 2009	**299,014**	298,956	298,899
6 7/8% subordinated notes due 2019	**698,840**	698,809	698,377
Other	**10,000**	10,000	11,882
Total parent company	**1,955,692**	2,055,303	2,121,375
6.50% subordinated notes due 2003	**199,788**	199,750	199,710
7.25% subordinated notes due 2010	**223,353**	223,271	223,189
6.30% subordinated notes due 2011	**200,000**	200,000	200,000
7.25% subordinated notes due 2011	**197,771**	197,672	197,573
6.25% subordinated notes due 2011	**297,510**	297,394	297,278
Other	**887**	1,142	1,188
Total subsidiary	**1,119,309**	1,119,229	1,118,938
Total long-term debt qualifying for Tier 2 Capital	**3,075,001**	3,174,532	3,240,313
Senior bank notes	**10,140,800**	8,918,601	7,527,279
Federal Home Loan Bank advances	**2,755,771**	2,757,648	2,362,013
Other	**5,362**	7,233	7,688
Total other long-term debt	**12,901,933**	11,683,482	9,896,980
Total long-term debt	**$15,976,934**	$14,858,014	$13,137,293

All of the subordinated notes of the parent and bank subsidiaries pay interest semi-annually and may not be redeemed prior to maturity.

Long-term advances from the Federal Home Loan Bank (FHLB) are at fixed and variable rates and have maturities ranging from 2000 to 2023. The weighted average interest rate of the advances as of June 30, 2000 was 6.46%. Advances from the FHLB are collateralized by qualifying securities and loans.

The senior bank notes are at fixed and variable rates and have maturities ranging from 2000 to 2078. The weighted average interest rate of the notes as of June 30, 2000 was 6.64%.

A credit agreement dated March 14, 1997, with a group of unaffiliated banks, allows the Corporation to borrow up to $350 million until February 1, 2001, with a provision to extend the expiration date under certain circumstances. The Corporation pays an annual facility fee of 10 basis points on the amount of the line. There were no borrowings outstanding under this agreement at June 30, 2000.

8. CORPORATION-OBLIGATED MANDATORILY REDEEMABLE CAPITAL SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY DEBENTURES OF THE CORPORATION

(Dollars in Thousands)	**Jun. 30 2000**	Dec. 31 1999	Jun. 30 1999
8.12% capital securities of First of America Capital Trust I, due January 31, 2027	**$150,000**	$150,000	$150,000
9.85% capital securities of Fort Wayne Capital Trust I, due April 15, 2027	**30,000**	30,000	30,000
Total capital securities	**$180,000**	$180,000	$180,000

The corporation-obligated mandatorily redeemable capital securities (the ''capital securities'') of subsidiary trusts holding solely junior subordinated debt securities of the Corporation (the ''debentures'') were issued by two statutory business trusts, First of America Capital Trust I and Fort Wayne Capital Trust I, of which 100% of the common equity in each of the trusts is owned by the Corporation. The trusts were formed for the purpose of issuing the capital securities and investing the proceeds from the sale of such capital securities in the debentures. The debentures held by each trust are the sole assets of that trust. Distributions on the capital securities issued by each trust are payable semiannually at a rate per annum equal to the interest rate being earned by the trust on the debentures held by that trust and are recorded as interest expense by the Corporation. The capital securities are subject to mandatory redemption, in whole or in part, upon repayment of the debentures. The Corporation has entered into agreements which, taken collectively, fully and unconditionally guarantee the capital securities subject to the terms of each of the guarantees.

The debentures held by First of America Capital Trust I and Fort Wayne Capital Trust I qualify as Tier 1 capital under Federal Reserve Board guidelines and are first redeemable, in whole or in part, by the Corporation on January 31, 2007 and April 15, 2007, respectively.

9. REGULATORY RESTRICTIONS AND CAPITAL RATIOS

The Corporation and its banking subsidiaries are subject to various regulatory capital requirements administrated by the federal banking agencies that involve quantitative measures of assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Failure to meet minimum capital requirements can result in certain mandatory and possible additional discretionary actions by regulators that could have a material effect on the Corporation's financial statements and operations.

Dividends paid by the subsidiary banks to the Parent company are also subject to various legal and regulatory restrictions. At June 30, 2000, bank subsidiaries may pay the Parent company, without prior regulatory approval, $1.8 billion of dividends.

The following table reflects various measures of capital:

(Dollars in Millions)	**Jun. 30 2000 Amount**	**Jun. 30 2000 Ratio**	Dec. 31 1999 Amount	Dec. 31 1999 Ratio	Jun. 30 1999 Amount	Jun. 30 1999 Ratio
Total equity[a]	**$6,133.5**	**7.25%**	$5,727.7	6.57%	$5,867.2	6.98%
Total common equity[a]	**6,103.5**	**7.21**	5,697.5	6.54	5,836.7	6.95
Tangible common equity[b]	**4,841.0**	**5.81**	4,391.1	5.12	4,799.5	5.78
Tier 1 capital[c]	**5,341.3**	**7.24**	4,828.0	6.61	5,037.6	7.14
Total risk-based capital[d]	**8,964.7**	**12.15**	8,190.2	11.22	8,544.2	12.12
Leverage[e]	**5,341.3**	**6.28**	4,828.0	5.72	5,037.6	6.06

[a] Computed in accordance with generally accepted accounting principles, including unrealized fair value adjustment of securities available for sale.
[b] Common stockholders' equity less all intangible assets; computed as a ratio to total assets less all intangible assets.
[c] Stockholders' equity plus qualifying capital securities less certain intangibles and adjusted to exclude the unrealized fair value of securities available for sale; computed as a ratio to risk-adjusted assets, as defined.
[d] Tier 1 capital plus qualifying loan loss allowance and subordinated debt and unrealized holding gains on certain equity securities; computed as a ratio to risk-adjusted assets, as defined.
[e] Tier 1 capital; computed as a ratio to average total assets less certain intangible assets.

National City's Tier 1, total risk-based capital and leverage ratios for the current period are based on preliminary data. Such ratios are above the required minimum levels of 4.00%, 8.00%, and 3.00% respectively.

The capital levels at all of National City's subsidiary banks are maintained at or above the well-capitalized minimums of 6.00%, 10.00% and 5.00% for the Tier 1 capital, total risk-based capital and leverage ratios, respectively.

Intangible asset amounts used in the capital ratio calculations are summarized below:

(In Millions)	**Jun. 30 2000**	Dec. 31 1999	Jun. 30 1999
Goodwill	**$1,175.9**	$1,210.4	$ 962.4
Other intangibles	**86.6**	96.0	74.8
Total intangibles	**$1,262.5**	$1,306.4	$1,037.2

10. STOCKHOLDERS' EQUITY

(Outstanding Shares)	**Jun. 30 2000**	Dec. 31 1999	Jun. 30 1999
Preferred Stock, no par value, authorized 5,000,000 shares	**599,639**	604,652	610,258
Common Stock, $4 par value, authorized 1,400,000,000 shares	**607,433,924**	607,058,364	618,131,386

National City's preferred stock has a stated value of $50 per share. The holders of the preferred shares are entitled to receive cumulative preferred dividends payable quarterly at the annual rate of 6%. The preferred shares may be redeemed by the Corporation at its option at any time, or from time to time, on or after April 1, 2002 at $50 per share, plus accrued and unpaid dividends. Such redemption may be subject to prior approval by the Federal Reserve Bank. Holders of the preferred shares have the right, at any time at their option, to convert each share of preferred stock into 3.0291 shares of National City common stock.

In late 1999, the Corporation's board of directors authorized the purchase of up to 30 million shares of National City common stock subject to an aggregate purchase cost limit of $1.0 billion. The repurchase of common stock may be made, from time to time, on the open market or in privately negotiated transactions. To date, 4.7 million shares have been repurchased, of which 2.1 million were repurchased during the first half of 2000. In conjunction with the foregoing, the Corporation entered into an agreement with a third party that provides the Corporation with an option to purchase up to $300 million of National City common stock through the use of forward transactions. The forward transactions can be settled from time to time, at the Corporation's election, on a physical, net cash or net share basis. In the case of net cash or net share settlement, the amount at which these forward purchases can be settled depends principally upon the future market price of the Corporation's common stock as compared with the forward purchase price per share and the number of shares to be settled. In accordance with this agreement, during the second quarter, the Corporation entered into forward transactions involving 7.6 million shares. The final maturity date of the agreement is April 19, 2002.

11. INCOME TAX EXPENSE

The composition of income tax expense follows:

	Six Months Ended June 30	
(In Thousands)	**2000**	1999
Applicable to income exclusive of securities transactions	**$348,084**	$362,674
Applicable to securities transactions	**(7,436)**	28,319
Total income tax expense	**$340,648**	$390,993

The effective tax rate was 33.9% and 35.7% for the six months ended June 30, 2000 and 1999, respectively. Income taxes for the first six months of 1999 included the effect of the write-off of nondeductible goodwill related to the disposal of certain National Processing business lines. See Note 3.

12. CONTINGENT LIABILITIES

During the fourth quarter of 1999, the Corporation was notified by the Internal Revenue Service (''IRS'') of adjustments relating to its corporate-owned life insurance (''COLI'') programs proposed in the Revenue Agent's Reports for the Corporation's Federal income tax returns for the years 1990 through 1995. These proposed adjustments involve the disallowance of certain deductions, which, with the expected effect on tax returns for years subsequent to 1995, represent an exposure for tax and interest of approximately $200 million. In the first quarter of 2000, the Corporation made payments of taxes and interest attributable to COLI interest deductions for years 1990 through 1995 to avoid the potential assessment by the IRS of any additional above-market rate interest on the contested amount. The payments to the IRS are included on the balance sheet in other assets pending the resolution of this matter. The Corporation will seek refund, either administratively or through litigation, of all amounts paid plus interest. Management does not agree with these proposed adjustments and will vigorously contest this claim. In the event resolution of this matter is unfavorable, it may have a material adverse effect on the Corporation's net income for the period in which such unfavorable resolution occurs.

National City or its subsidiaries are also involved in a number of legal proceedings arising out of their businesses and regularly face various claims, including unasserted claims, which may ultimately result in litigation. Exclusive of the aforementioned claim by the IRS, it is management's opinion that the consolidated financial statements would not be materially affected by the outcome of any present legal proceedings, commitments or asserted claims.

13. NET INCOME PER SHARE

The calculation of net income per common share follows:

(In Thousands, Except Per Share Amounts)	Three Months Ended June 30 **2000**	Three Months Ended June 30 1999	Six Months Ended June 30 **2000**	Six Months Ended June 30 1999
Basic:				
Net income	**$342,387**	$354,488	**$663,730**	$705,507
Less preferred dividends	**450**	410	**900**	825
Net income applicable to common stock	**$341,937**	$354,078	**$662,830**	$704,682
Average common shares outstanding	**606,928**	623,117	**606,347**	632,004
Net income per common share — basic	**$.56**	$.56	**$1.09**	$1.11
Diluted:				
Net income	**$342,387**	$354,488	**$663,730**	$705,507
Average common shares outstanding	**606,928**	623,117	**606,347**	632,004
Stock option adjustment	**2,326**	8,315	**2,716**	8,734
Preferred stock adjustment	**1,816**	1,848	**1,819**	1,899
Average common shares outstanding — diluted	**611,070**	633,280	**610,882**	642,637
Net income per common share — diluted	**$.56**	$.56	**$1.09**	$1.10

14. OFF-BALANCE SHEET FINANCIAL AGREEMENTS

The Corporation uses a variety of off-balance sheet financial instruments such as interest rate swaps, futures, options, forwards, and cap and floor contracts. These financial agreements, frequently called interest rate derivatives, enable the Corporation to manage its exposure to changes in interest rates. As with any financial instrument, derivatives have inherent risks. Market risk includes the risk of gains and losses that result from changes in interest rates. These gains and losses may be offset by other on- or off-balance sheet transactions. Credit risk is the risk that a counterparty to a derivative contract with an unrealized gain fails to perform according to the terms of the agreement. Credit risk can be measured as the cost of acquiring a new derivative agreement with cash flows identical to those of a defaulted agreement in the current interest rate environment. The credit exposure to counterparties is managed by limiting the aggregate amount of net unrealized gains in agreements outstanding, monitoring the size and the maturity structure of the derivatives portfolio, applying uniform credit standards maintained for all activities with credit risk and by collateralizing unrealized gains. The Corporation has established bilateral collateral agreements with its major off-balance sheet counterparties that provide for exchanges of marketable securities to collateralize either party's unrealized gains.

Interest Rate Risk Management: The Corporation uses interest rate derivatives principally to manage exposure to interest rate risk. Receive fixed interest rate swaps are used to convert variable rate loans and securities into fixed rate instruments and to convert fixed rate funding sources into variable rate funding instruments. Pay fixed interest rate swaps and futures contracts are used to convert fixed rate loans and securities into variable rate instruments and to convert variable rate funding sources into fixed rate funding instruments. Interest rate cap and floor contracts are used to help protect the Corporation's interest margin in periods of extremely high or low interest rates. Basis swaps are used to manage the short-term repricing risk of variable rate assets and liabilities.

Mortgage Servicing Risk Management: The carrying value of mortgage servicing assets at June 30, 2000 and December 31, 1999 was $948.7 million and $785.0 million, respectively, and included capitalized net cash outflows of $57.7 million and $9.7 million, respectively, related to off-balance sheet derivative contracts. The Corporation uses off-balance sheet derivative contracts to hedge the market value of its mortgage servicing portfolio. The market value of the mortgage servicing portfolio is adversely affected when mortgage interest rates decline and mortgage loan prepayments increase. To hedge this exposure, the Corporation enters into receive fixed interest rate swaps, purchased interest rate floors and purchased interest rate caps. The Corporation also enters into interest rate swaps where the Corporation receives the periodic total return of principal only mortgage-backed securities and pays a variable rate based on one-month Eurodollar rates.

Summary information regarding derivatives used for interest rate and mortgage servicing risk management at June 30, 2000 and December 31, 1999 follows:

	Interest Rate Risk Management					Mortgage Servicing Risk Management	
	Notional Amount Applicable to Hedged Item						
(In Thousands)	Loans	Securities	Funding	Total Notional	Net Unrealized Gain (Loss)	Notional	Net Unrealized Gain (Loss)
June 30, 2000:							
Interest rate swaps							
Receive fixed swaps	$ 594,313	$ —	$ 5,934,000	$ 6,528,313	$(237,336)	$1,378,000	$ (61,101)
Pay fixed swaps	3,091,891	250,000	1,000,000	4,341,891	112,960	—	—
Basis swaps	2,350,000	—	3,026,000	5,376,000	(14,865)	—	—
Principal only swaps	—	—	—	—	—	400,311	(47,688)
Total interest rate swaps	6,036,204	250,000	9,960,000	16,246,204	(139,241)	1,778,311	(108,789)
Interest rate caps and floors							
Eurodollar caps purchased	3,501	20,000	—	23,501	(28)	—	—
Eurodollar caps sold	340,000	—	—	340,000	1,587	—	—
Eurodollar floors purchased	1,165,000	25,000	—	1,190,000	(3,439)	—	—
Eurodollar floors sold	10,000	—	—	10,000	(210)	—	—
U.S. Treasury caps purchased	—	—	—	—	—	2,690,000	10,412
U.S. Treasury floors purchased	—	—	—	—	—	300,000	177
Total interest rate caps and floors	1,518,501	45,000	—	1,563,501	(2,090)	2,990,000	10,589
Interest rate futures							
Eurodollar futures purchased	467,000	—	—	467,000	121	—	—
Eurodollar futures sold	1,265,000	5,227,000	4,500,000	10,992,000	(10,700)	—	—
Total interest rate futures	1,732,000	5,227,000	4,500,000	11,459,000	(10,579)	—	—
Total interest rate swaps, caps, floors and futures	$9,286,705	$5,522,000	$14,460,000	$29,268,705	$(151,910)	$4,768,311	$ (98,200)

(In Thousands)	Interest Rate Risk Management: Notional Amount Applicable to Hedged Item: Loans	Securities	Funding	Total Notional	Net Unrealized Gain (Loss)	Mortgage Servicing Risk Management: Notional	Net Unrealized Gain (Loss)
December 31, 1999:							
Interest rate swaps							
Receive fixed swaps	$ 961,488	$ —	$ 4,792,000	$ 5,753,488	$(210,781)	$1,808,000	$(102,915)
Pay fixed swaps	2,690,841	156,000	1,000,000	3,846,841	100,366	—	—
Basis swaps	2,000,000	—	4,091,000	6,091,000	(4,676)	—	—
Principal only swaps	—	—	—	—	—	364,792	(60,332)
Total interest rate swaps	5,652,329	156,000	9,883,000	15,691,329	(115,091)	2,172,792	(163,247)
Interest rate caps and floors							
Eurodollar caps purchased	3,605	70,000	1,500,000	1,573,605	(592)	—	—
Eurodollar caps sold	35,000	—	—	35,000	(190)	—	—
Eurodollar floors purchased	665,000	525,000	—	1,190,000	(2,649)	—	—
Eurodollar floors sold	10,000	—	—	10,000	92	—	—
U.S. Treasury caps purchased	—	—	—	—	—	2,690,000	29,334
U.S. Treasury floors purchased	—	—	—	—	—	700,000	143
Total interest rate caps and floors	713,605	595,000	1,500,000	2,808,605	(3,339)	3,390,000	29,477
Interest rate futures							
Eurodollar futures purchased	637,000	—	—	637,000	(203)	—	—
Eurodollar futures sold	808,000	10,613,000	—	11,421,000	1,135	—	—
U.S. Treasury futures sold	—	143,000	—	143,000	—	—	—
Total interest rate futures	1,445,000	10,756,000	—	12,201,000	932	—	—
Total interest rate swaps, caps, floors and futures	$7,810,934	$11,507,000	$11,383,000	$30,700,934	$(117,498)	$5,562,792	$(133,770)

15. LINE OF BUSINESS REPORTING

National City operates six major lines of business: corporate banking, retail sales and distribution, consumer finance, asset management, National City Mortgage and National Processing.

Corporate banking includes lending and related financial services to large- and medium-sized corporations. Retail sales and distribution includes direct lending, deposit gathering and small business services. Consumer finance is comprised of credit card lending, education finance, dealer finance, national home equity lending and nonconforming residential lending. Asset management includes the institutional trust, brokerage and wealth management businesses. National City Mortgage represents conforming mortgage banking activities conducted through the Corporation's wholly-owned subsidiary, National City Mortgage Co. National Processing consists of merchant card processing services and corporate outsourcing services conducted through National Processing, Inc., National City's 88%-owned item processing subsidiary.

The business units are identified by the product or services offered and the channel through which the product or service is delivered. The accounting policies of the individual business units are the same as those of the Corporation. Certain prior period amounts have been reclassified to conform with the current period presentation.

The reported results reflect the underlying economics of the businesses. Expenses for centrally provided services are allocated based upon estimated usage of those services. The business units' assets and liabilities are match-funded and interest rate risk is centrally managed. Transactions between business units are primarily conducted at fair value, resulting in profits that are eliminated for reporting consolidated results of operations.

Parent and other is comprised of several smaller business units, the results of investment/funding activities, intersegment revenue (expense) eliminations and unallocated amounts. Operating results of the business units are discussed in the Line of Business Results section of Management's Discussion and Analysis. Selected financial information by line of business is included in the table on the following page.

(In Thousands)	Corporate Banking	Retail Sales and Distribution	Consumer Finance	Asset Management	National City Mortgage	National Processing	Parent and Other	Consolidated Total
Quarter Ended June 30, 2000								
Net interest income (expense)[a]	$233,115	$371,227	$158,197	$25,009	$11,016	$ 2,228	$ (51,820)	$ 748,972
Provision (benefit) for loan losses	22,382	9,641	37,531	2,317	—	—	(3,180)	68,691
Net interest income (expense) after provision	210,733	361,586	120,666	22,692	11,016	2,228	(48,640)	680,281
Noninterest income (loss)	60,193	135,579	119,457	125,340	111,983	102,794	(23,798)	631,548
Noninterest expense	99,079	281,172	115,057	83,462	86,341	89,044	30,915	785,070
Income (loss) before taxes	171,847	215,993	125,066	64,570	36,658	15,978	(103,353)	526,759
Income tax expense (benefit)[a]	64,855	82,759	48,223	23,943	13,935	6,758	(56,101)	184,372
Net income (loss)	$106,992	$133,234	$ 76,843	$40,627	$22,723	$ 9,220	$ (47,252)	$ 342,387
Intersegment revenue (expense)	$ —	$ 3,109	$ —	$ 6,847	$ 2,675	$ —	$ (12,631)	$ —
Average assets (in millions)	$ 27,699	$ 16,487	$ 18,696	$ 2,425	$ 3,643	$ 375	$ 17,446	$ 86,771
Quarter Ended June 30, 1999								
Net interest income (expense)[a]	$215,531	$374,505	$148,260	$22,750	$14,232	$ 456	$ (17,548)	$ 758,186
Provision (benefit) for loan losses	21,915	6,426	39,080	220	—	—	(8,099)	59,542
Net interest income (expense) after provision	193,616	368,079	109,180	22,530	14,232	456	(9,449)	698,644
Noninterest income	49,419	133,064	24,436	123,786	83,131	127,124	59,895	600,855
Noninterest expense	97,652	285,945	66,454	84,866	60,515	106,121	55,682	757,235
Income (loss) before taxes	145,383	215,198	67,162	61,450	36,848	21,459	(5,236)	542,264
Income tax expense (benefit)[a]	54,154	81,468	25,176	22,431	14,195	6,807	(16,455)	187,776
Net income	$ 91,229	$133,730	$ 41,986	$39,019	$22,653	$ 14,652	$ 11,219	$ 354,488
Intersegment revenue (expense)	$ —	$ 2,190	$ —	$ 9,612	$ 3,018	$ —	$ (14,820)	$ —
Average assets (in millions)	$ 25,993	$ 17,128	$ 15,449	$ 2,318	$ 3,152	$ 369	$ 18,960	$ 83,369
Six Months Ended June 30, 2000								
Net interest income (expense)[a]	$453,079	$739,827	$314,993	$48,913	$19,072	$ 4,086	$ (90,103)	$1,489,867
Provision (benefit) for loan losses	37,796	18,794	82,530	3,207	—	—	(7,310)	135,017
Net interest income (expense) after provision	415,283	721,033	232,463	45,706	19,072	4,086	(82,793)	1,354,850
Noninterest income	114,136	264,614	159,196	246,373	207,536	199,075	19,517	1,210,447
Noninterest expense	202,463	564,618	210,625	171,894	164,980	172,902	56,681	1,544,163
Income (loss) before taxes	326,956	421,029	181,034	120,185	61,628	30,259	(119,957)	1,021,134
Income tax expense (benefit)[a]	123,432	161,410	69,636	44,629	23,456	12,657	(77,816)	357,404
Net income (loss)	$203,524	$259,619	$111,398	$75,556	$38,172	$ 17,602	$ (42,141)	$ 663,730
Intersegment revenue (expense)	$ —	$ 7,431	$ —	$14,389	$ 5,491	$ —	$ (27,311)	$ —
Average assets (in millions)	$ 27,293	$ 16,519	$ 18,536	$ 2,399	$ 3,211	$ 370	$ 18,033	$ 86,361
Six Months Ended June 30, 1999								
Net interest income (expense)[a]	$427,972	$741,536	$295,209	$43,864	$29,775	$ 2,121	$ (17,592)	$1,522,885
Provision (benefit) for loan losses	29,568	18,993	94,218	1,256	—	—	(16,459)	127,576
Net interest income (expense) after provision	398,404	722,543	200,991	42,608	29,775	2,121	(1,133)	1,395,309
Noninterest income	101,675	271,040	45,565	239,013	165,934	178,732	213,475	1,215,434
Noninterest expense	192,646	581,724	132,937	169,058	120,393	219,426	80,253	1,496,437
Income (loss) before taxes	307,433	411,859	113,619	112,563	75,316	(38,573)	132,089	1,114,306
Income tax expense[a]	114,492	155,990	42,755	41,147	28,882	7,649	17,884	408,799
Net income (loss)	$192,941	$255,869	$ 70,864	$71,416	$46,434	(46,222)	114,205	$ 705,507
Intersegment revenue (expense)	$ —	$ 33,911	$ —	$16,488	$ 5,488	$ —	$ (55,887)	$ —
Average assets (in millions)	$ 25,908	$ 17,783	$ 15,187	$ 2,262	$ 3,058	$ 437	$ 19,804	$ 84,439

[a] Includes tax-equivalent adjustment for tax-exempt interest income.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights

Net income for the second quarter and first six months of 2000 was $342.4 million and $663.7 million, respectively, compared to net income of $354.5 million and $705.5 million, respectively, for the same periods in 1999. Net income per diluted share was $.56 for the second quarter of 2000, unchanged from the $.56 earned in the second quarter of 1999. Net income per diluted share for the first six months of 2000 was $1.09 compared to net income per diluted share of $1.10 for the first half of 1999.

Included in second quarter 2000 net income were two nonrecurring items, the combination of which increased income by $15.8 million pre tax and $10.3 million, or $.02 per diluted share, after tax. As part of a balance sheet restructuring initiative intended to improve asset returns and capital position, reduce reliance on purchased funding and lessen sensitivity to rising interest rates, National City sold $2.0 billion of student loans resulting in a gain of $74.2 million pre tax and $48.2 million, or $.08 per diluted share, after tax. The Corporation also recognized losses of $58.4 million pre tax and $37.9 million, or $.06 per share, after tax, on the sale and impairment of $3.7 billion of primarily lower yielding, fixed-rate debt securities. Financial results for 1999 also included several nonrecurring items, which are described in Note 3 to the Consolidated Financial Statements.

Excluding nonrecurring items, net income for the second quarter and first six months of 2000 was $332.1 million, or $.54 per diluted share, and $653.4 million, or $1.07 per diluted share, respectively, compared to net income of $354.9 million, or $.56 per diluted share, and $702.8 million, or $1.09 per diluted share, respectively, for the comparable 1999 periods. On this same basis, returns on average common equity and average assets, were 22.4% and 1.54%, respectively, for the second quarter of 2000 compared to 23.0% and 1.71% for the second quarter of 1999. Year-to-date returns on average common equity and average assets were 22.4% and 1.52%, respectively, in 2000 versus 21.9% and 1.68% in 1999.

Table 1: Net Income by Line of Business

(In Millions)	Three Months Ended June 30 **2000**	Three Months Ended June 30 1999	Six Months Ended June 30 **2000**	Six Months Ended June 30 1999
Corporate banking	**$107.0**	$ 91.2	**$203.5**	$192.9
Retail sales and distribution	**133.2**	133.7	**259.6**	255.9
Consumer finance	**76.8**	42.0	**111.4**	70.9
Asset management	**40.6**	39.0	**75.6**	71.4
National City Mortgage	**22.8**	22.7	**38.2**	46.4
National Processing	**9.2**	14.7	**17.6**	(46.2)
Parent and other	**(47.2)**	11.2	**(42.2)**	114.2
Consolidated total	**$342.4**	$354.5	**$663.7**	$705.5

Most directly affecting the Corporation's financial results in the second quarter of 2000 were the aforementioned balance sheet restructuring initiatives, which led to improvement in net interest income and stabilization of the net interest margin. Second quarter highlights also included solid credit quality and growth in the core business units, with the fee-based businesses performing especially well.

Line of Business Results

National City's operations are managed along six major lines of business: corporate banking, retail sales and distribution, consumer finance, asset management, National City Mortgage and National Processing. Note 15 to the Consolidated Financial Statements provides selected financial information for each business line. Table 1 summarizes net income by line of business.

Corporate Banking net income for the second quarter and first six months of 2000 was $107.0 million and $203.5 million, respectively, up from $91.2 million and $192.9 million for the same periods in 1999. An increase in net interest income and noninterest income offset in part by a higher loan loss provision and an increase in noninterest expense boosted the business unit's results for both periods in 2000. Strong commercial loan and lease growth combined with improved spreads drove the expansion in net interest income and successful syndication efforts benefited noninterest income. Higher net charge-offs led to an increased provision for loan losses, and expenses associated with new or expanded offices in Philadelphia, Detroit and Chicago contributed to the increase in noninterest expense.

Second quarter net income for Retail Sales and Distribution for 2000 was $133.2 million, relatively unchanged from net income of $133.7 million for the same period a year ago. For the six months ended June 30, 2000, net income was $259.6 million, up slightly from net income of $255.9 million in 1999. Compared to the first half of 1999, better results were attained in 2000 primarily due to a decrease in noninterest expense, which more than offset declines in net interest income and noninterest income. Cost efficiencies achieved through branch reconfiguration and functional centralization initiatives reduced noninterest expense. A lower level of both earning assets and core deposits led to the decline in net interest income although the effect was somewhat mitigated by higher deposit spreads in 2000. Noninterest income decreased due to lower deposit service charge revenue and fewer gains from intercompany servicing asset sales, partially offset by a $3.8 million pre-tax gain from the second quarter 2000 sale of certain low-spread adjustable-rate mortgages. These factors similarly contributed to the fluctuations in the year-over-year quarterly comparison although due to an increases in net charge-offs, there was a higher loan loss provision in the 2000 second quarter.

Consumer Finance reported net income of $76.8 million and $111.4 million for the second quarter and first half of 2000, respectively, compared to $42.0 million and $70.9 million for the same periods in 1999. Current year results included a pre-tax gain of $74.2 million, or $48.2 million after tax, from the sale of the student loans in the second quarter. Excluding this nonrecurring gain, net income in 2000 declined from the second quarter and first half of 1999 by $13.4 million and $7.7 million, respectively, due mainly to a $15.0 million write-down of auto lease residual values in 2000 and net overhead attributable to a mortgage lender purchased in the second half of 1999, offset to some extent by an increase in net interest income due to solid loan growth and a lower loan loss provision. In 2000, Consumer Finance began retaining a portion of its nonconforming residential mortgage production to benefit future periods, while foregoing gains on whole-loan sales in the current year.

Net income for Asset Management was $40.6 million and $75.6 million for the second quarter and first six months of 2000, respectively, up from net income of $39.0 million and $71.4 million for the comparable 1999 periods. An increase in assets under administration, the implementation of a standardized fee structure in the latter half of 1999, and loan and deposit growth led to the year-over-year increases in net income.

National City Mortgage’s net income was $22.8 million and $38.2 million for the second quarter and first half of 2000, respectively, compared to $22.7 million and $46.4 million for the same periods in 1999. Despite an increase in servicing revenue and higher origination volume, net income in 2000 was negatively affected by narrower net interest spreads and a higher level of expenses relative to revenues.

National Processing’s net income, after minority interest, for the second quarter and first half of 2000 was $9.2 million and $17.6 million, respectively, versus net income of $14.7 million for the prior year second quarter and a net loss of $46.2 million for the first half of 1999. Results for 1999 included losses associated with the divestiture of certain business lines and the impact of their operations until sold. Excluding the effects of the divested business lines, results for 2000 improved over 1999 due to strong growth in the merchant card services business line.

The parent and other category included in 2000 the nonrecurring loss on the sale and impairment of certain debt securities and in 1999 the nonrecurring items other than the amounts related to the sales of the National Processing business lines. These items are discussed in further detail in Note 3 to the Consolidated Financial Statements. Excluding the nonrecurring items, the parent and other category incurred net losses of $9.2 million and $4.2 million for the second quarter and first six months of 2000, respectively, compared to net income of $14.9 million and $51.7 million for the same periods in 1999 due largely to the effect of rising interest rates on investment and funding activities.

Net Interest Income

Tax-equivalent net interest income for the second quarter and first six months of 2000 was $749.0 million and $1,489.9 million, respectively, down from $758.2 million and $1,522.9 million for the comparable 1999 periods. On a year-to-date basis, the net interest margin declined in 2000 to 3.79% from 4.03% last year. Higher-cost funding in a rising rate environment combined with the Corporation’s liability sensitivity and increasing competition in the loan markets acted to narrow net interest income and margin in the first half of 2000. In addition, interest expense incurred as a result of funding share repurchase activity had the effect of reducing the 2000 year-to-date margin by approximately 19 basis points compared to 10 basis points in 1999.

During the second quarter of 2000, the Corporation took steps toward improving the net interest margin, which increased to 3.80% in the second quarter from 3.79% in the first quarter of this year. These steps included the sales of the student loans and fixed-rate debt securities and the sale of $1.0 billion of low-spread adjustable rate mortgage loans. A higher level of core deposits in the second quarter compared to the first quarter also benefited the second quarter net interest margin (Table 3).

Average earning assets (Table 2) for the second quarter of 2000 were $79.0 billion, up from $78.4 billion last quarter and $75.2 billion for the second quarter of last year due to solid loan growth offset partially by the asset sales. Excluding the impact of the aforementioned loan sales, average loans grew $2.0 billion to $63.0 billion over the first quarter of 2000 and represented an annualized growth rate of over 13%. Strong growth in commercial loans and leases drove the second quarter increase, while solid growth in the residential real estate, home equity, credit card and consumer loan portfolios also contributed to the overall increase. Average mortgage loans held for sale increased to $2.8 billion in the second quarter of 2000 from $2.1 billion last quarter due to a 41% linked-quarter increase in origination volume. Average securities in the second quarter declined $1.5 billion to $13.1 billion from $14.6 billion in the first quarter of this year due to the sale of $2.6 billion of lower-yielding fixed-rate debt securities.

Average interest-bearing liabilities in the 2000 second quarter were $68.7 billion, relatively comparable to $68.2 billion last quarter. Interest bearing core deposits increased to $35.2 billion in the second quarter of 2000 from $34.9 billion in the first quarter (Table 3).

Compared to the second quarter of last year, average interest bearing liabilities increased $4.0 billion with a shift in mix to higher cost purchased funding. Competition from nontraditional financial service providers and changing customer preferences have made it more difficult to grow core deposits. As a result, the Corporation has increased its reliance upon purchased funding to fund loan growth and share repurchases (Table 4).

Management is responsible for monitoring and limiting the Corporation's exposure to interest rate risk within established guidelines while maximizing net interest income and the net present value of the Corporation's future cash flows. As part of carrying out these responsibilities, management continually takes into consideration many factors, primarily expected future interest rate movements, variability and timing of balance sheet cash flows, mortgage prepayments, and potential changes in core deposits.

Interest rate risk is monitored principally through the use of two complementary measures: earnings simulation modeling and net present value estimation. While each of these interest rate risk measurements has limitations, take together they represent a reasonably comprehensive view of the magnitude of interest rate risk in the Corporation, the distribution of risk along the yield curve, the level of risk through time, and the amount of expo-

Table 2: Average Earning Assets

(In Millions)	Three Months Ended Jun. 30 2000	Mar. 31 2000	Jun. 30 1999
Loans	**$65,385**	$63,144	$59,601
Securities (at cost)	**13,064**	14,600	14,638
Other	**578**	635	999
Total earning assets	**$79,027**	$78,379	$75,238

Table 3: Average Sources of Funding

(In Millions)	Three Months Ended Jun. 30 2000	Mar. 31 2000	Jun. 30 1999
Noninterest bearing deposits	**$10,934**	$10,716	$11,542
Interest bearing core deposits	**35,183**	34,875	35,802
Total core deposits	**46,117**	45,591	47,344
Purchased deposits	**5,743**	6,225	5,199
Short-term borrowings	**11,109**	10,849	10,354
Long-term debt and capital securities	**16,636**	16,259	13,305
Total funding	**$79,605**	$78,924	$76,202

Table 4: Percentage Composition of Average Funding Sources

(In Millions)	Three Months Ended Jun. 30 2000	Mar. 31 2000	Jun. 30 1999
Core deposits	**57.9%**	57.8%	62.1%
Purchased deposits	**7.2**	7.9	6.8
Short-term borrowings	**14.0**	13.7	13.6
Long-term debt and capital securities	**20.9**	20.6	17.5
Total	**100.0%**	100.0%	100.0%

sure to changes in certain interest rate relationships.

At June 30, 2000, the earnings simulation model projects net income would increase by approximately 1.0% of stable-rate net income if rates fell gradually by two percentage points over the next year. It projects a decrease of approximately 1.4% if rates rise gradually by two percentage points. The projected decrease is within the Corporation's guideline of minus 5.0%.

At June 30, 2000, the net present value model indicates a 150 basis point immediate decrease in rates would not affect the net present value of the balance sheet. Net present value was projected to decrease by 3.8% if rates immediately increased by 150 basis points. Policy limits restrict the amount of the estimated decline in net present value to minus 10%.

Noninterest Income

Certain events designated as nonrecurring affected reported noninterest income in 2000 and 1999 and are described in detail in Note 3 to the Consolidated Financial Statements. Excluding these nonrecurring items, fees and other income (Table 5) for the second quarter of 2000 increased to $600.1 million from $537.6 million in the second quarter of 1999. On this same basis, fees and other income for the first half of 2000 reached $1,157.5 million, up from $1.091.7 million last year. Affecting the year-over-year comparisons of fee income were the 1999 divestitures of certain business lines at National Processing, Inc., the Corporation's 88%-owned item processing subsidiary, which prior to disposal in 1999 contributed $17.6 million and $56.7 million to fee income in the second quarter and first half, respectively. Excluding the effects of these business lines from the 1999 periods, fees and other income for the second quarter and first half of 2000 grew 15% and 12%, respectively, over the comparable 1999 periods due primarily to growth in mortgage banking revenue, item processing revenue, deposit and other bank service fees, and trust and investment management fees. These same revenue sources also drove the 8% growth in fees and other income from the first quarter to the second quarter of 2000.

Table 5: Noninterest Income

	Three Months Ended			Six Months Ended	
(In Thousands)	**Jun. 30 2000**	Mar. 31 2000	Jun. 30 1999	**Jun. 30 2000**	Jun. 30 1999
Item processing revenue	**$100,575**	$ 94,369	$105,089	**$ 194,944**	$ 226,792
Service charges on deposits	**108,073**	106,313	104,834	**214,386**	204,697
Mortgage banking revenue	**147,610**	111,294	89,181	**258,904**	182,176
Trust and investment management fees	**90,054**	83,624	80,683	**173,678**	162,530
Card-related fees	**45,312**	43,646	49,259	**88,958**	94,569
Brokerage revenue	**24,587**	27,011	29,042	**51,598**	53,486
Service fees — other	**30,918**	24,337	21,397	**55,255**	46,352
Other	**52,983**	66,772	58,108	**119,755**	121,084
Total fees and other income	**600,112**	557,366	537,593	**1,157,478**	1,091,686
Securities gains	**15,599**	21,533	25,171	**37,132**	48,859
Total noninterest income before nonrecurring items	**615,711**	578,899	562,764	**1,194,610**	1,140,545
Nonrecurring income, net	**15,837**	—	38,091	**15,837**	74,889
Total noninterest income	**$631,548**	$578,899	$600,855	**$1,210,447**	$1,215,434

Item processing revenue benefited over the past year from increased credit and debit card volume and an expanded merchant base.

Service charges on deposits and other service fees improved over the prior year and quarter due primarily to higher income from syndicated lending activity and an increase in customer debit card usage.

Year-over-year trust and investment management fees increased due to an increase in assets under administration and the implementation of a standardized fee structure in the latter half of 1999, while linked-quarter revenue increased primarily as a result of seasonal tax preparation fees.

Mortgage banking revenue was favorably impacted in the 2000 second quarter by a 41% increase in origination volume over the first quarter, a $13.5 million gain from the sale of mortgage servicing rights on loans having an aggregate unpaid principal balance of $1.0 billion, and a $10.6 million gain from the sale of $1.0 billion of certain low-spread adjustable-rate mortgage loans. These factors, along with the purchase acquisitions in the second half of 1999, also contributed to the year-over-year growth in mortgage banking revenue.

Card-related fee income is down from the prior-year periods due to reduced servicing income from credit card securitizations that have been unwinding since late 1998.

In the second quarter of 2000, pre-tax securities gains, primarily from equity securities and excluding nonrecurring items, totaled $15.6 million, or $.02 per share after tax, down from $25.2 million, or $.03 per share after tax, in the second quarter of last year. On this same basis, for the first six months of 2000, pre-tax securities gains totaled $37.1 million, or $.04 per share after tax, down from $48.9 million, or $.05 per share after tax, for the same period in 1999.

Noninterest Expense

Noninterest expense (Table 6) was $785.1 million in the second quarter of 2000, compared to $759.1 million in the first quarter and $757.2 million in the 1999 second quarter. Noninterest expense for the first half of 2000 was $1,544.2 million compared to $1,496.4 million for the first half of 1999. Noninterest expense for the second quarter and first half of 1999 included $37.8 million in nonrecurring pre-tax charges pursuant to a plan to improve the cost-efficiency of branch office facilities, along with certain unrelated executive contract obligations. On a linked-quarter basis, higher expenses reflected volume-driven expenses related primarily to activities at National City Mortgage and National Processing, a $15.0 million write-down of auto lease residual values and other miscellaneous accrual adjustments, offset to some extent by a decline in benefits and other personnel expenses principally due to a reduction in payroll taxes. Compared to the prior-year periods, noninterest expense, excluding the 1999 nonrecurring items, was up in 2000 due to higher technology and marketing spending, fee-based business volume increases, expenses and intangibles amortization from 1999 purchase acquisitions, and the aforementioned residual value write-down. These increases were partially offset by lower expenses from the second quarter 1999 disposition of the National Processing

Table 6: Noninterest Expense

	Three Months Ended			Six Months Ended	
(In Thousands)	**Jun. 30 2000**	Mar. 31 2000	Jun. 30 1999	**Jun. 30 2000**	Jun. 30 1999
Salaries	**$341,735**	$335,037	$307,127	**$ 676,772**	$ 625,888
Benefits and other personnel	**59,574**	71,834	73,296	**131,408**	155,299
Equipment	**57,759**	57,682	52,955	**115,441**	105,716
Net occupancy	**51,816**	52,668	49,234	**104,484**	103,361
Third-party services	**48,546**	45,148	48,551	**93,694**	94,121
Card processing fees	**40,493**	38,198	38,024	**78,691**	71,619
Postage and supplies	**31,701**	30,611	29,912	**62,312**	64,954
Amortization of intangibles	**21,975**	22,100	17,448	**44,075**	35,046
Telephone	**18,371**	20,276	19,634	**38,647**	38,590
Marketing and public relations	**23,377**	22,712	14,809	**46,089**	25,582
State and local taxes	**8,122**	7,708	12,412	**15,830**	25,182
Travel and entertainment	**15,149**	13,639	12,724	**28,788**	24,630
Other	**66,452**	41,480	43,343	**107,932**	88,683
Total noninterest expense before nonrecurring items	**785,070**	759,093	719,469	**1,544,163**	1,458,671
Nonrecurring expense	**—**	—	37,766	**—**	37,766
Total noninterest expense	**$785,070**	$759,093	$757,235	**$1,544,163**	$1,496,437

business lines, decreases in benefits and other personnel expense and reduced state and local tax expense. A decline in expense related to compensation and benefit plans and an increase in costs capitalized in conjunction with internally-developed software projects accounted for the decrease in benefits and other personnel expense, while state and local tax expense decreased due to several refunds in 2000.

National City's staffing level on a full-time equivalent basis was 37,704 at June 30, 2000, essentially unchanged from 37,804 a year ago as personnel additions from second half 1999 purchase acquisitions were more than offset by efficiency-related reductions in retail branch personnel and other support staff.

Operating expenses are often measured by the efficiency ratio, which expresses noninterest expense as a percentage of tax-equivalent net interest income and total fees and other income. Excluding nonrecurring items, the efficiency ratio for the second quarter and first six months of 2000 was 58.2% and 58.3%, respectively, compared to 55.5% and 55.8%, respectively, for the same periods in 1999.

Asset Quality

Credit quality remained sound in the second quarter of 2000. Net charge offs as a percentage of average loans were .44% for the second quarter, unchanged from the first quarter of this year and up only slightly from .42% in the second quarter of 1999. Year-to-date net charge-offs as a percentage of average loans declined in the first half of 2000 to .44% from .45% last year. Table 7 presents net charge-offs as a percentage of average loans by portfolio type. Actual net charge-offs rose slightly in the second quarter of 2000 to $68.7 million from $66.1 million in the first quarter. For the six months ended, net charge-offs totaled $134.8 million in 2000 compared to $128.0 million in the first half of 1999.

The allowance for loan losses was $970.4 million at June 30, 2000, or 1.58% of loans, compared to $970.5 million, or 1.61% of loans, at December 31, 1999 and

$970.2 million, or 1.69% of loans, a year ago.

Nonperforming assets (Table 8) were $339.3 million at June 30, 2000, compared to $289.1 million at December 31, 1999 and $249.5 million a year ago. The increase in nonperforming assets over the past year was primarily due to a weakening of credit quality in the healthcare sector along with the addition of several credits in the retail and manufacturing industries and higher delinquencies in residential real estate. As a percentage of loans and OREO, nonperforming assets were .55% at June 30, 2000, compared to .51% at the end of the first quarter, .48% at the end of 1999, and .44% a year ago.

Table 7: Annualized Net Charge-Offs as a Percentage of Average Loans

	Three Months Ended			Six Months Ended	
	Jun. 30 2000	Mar. 31 2000	Jun. 30 1999	**Jun. 30 2000**	Jun. 30 1999
Commercial	**.35%**	.32%	.45%	**.33%**	.31%
Real estate — commercial	**.16**	(.09)	(.17)	**.04**	(.08)
Real estate — residential	**.08**	.08	(.02)	**.08**	.03
Consumer	**.56**	.67	.45	**.61**	.69
Credit card	**3.16**	3.45	4.05	**3.30**	4.43
Home equity	**.13**	.04	.12	**.09**	.13
Total net charge-offs to average loans	**.44%**	.44%	.42%	**.44%**	.45%

Table 8: Nonperforming Assets

(In Millions)	**Jun. 30 2000**	Mar. 31 2000	Dec. 31 1999	Sep. 30 1999	Jun. 30 1999
Commercial:					
Nonaccrual	**$155.3**	$138.4	$130.2	$106.7	$ 97.1
Restructured	**.2**	.2	.2	.2	.3
Total commercial	**155.5**	138.6	130.4	106.9	97.4
Real estate mortgage:					
Nonaccrual	**158.0**	150.5	137.0	126.9	123.0
Restructured	**.2**	1.7	1.8	2.3	2.4
Total real estate mortgage	**158.2**	152.2	138.8	129.2	125.4
Total nonperforming loans	**313.7**	290.8	269.2	236.1	222.8
Other real estate owned (OREO)	**25.6**	23.3	19.9	23.9	26.7
Nonperforming assets	**$339.3**	$314.1	$289.1	$260.0	$249.5
Loans 90 days past due accruing interest	**$249.4**	$250.0	$230.0	$244.0	$199.6

Capital

The Corporation has consistently maintained regulatory capital ratios at or above the ''well-capitalized'' standards. For further detail on capital ratios, see Note 9 to the Consolidated Financial Statements.

Total stockholders' equity was $6.1 billion at June 30, 2000, up from $5.7 billion at the end of 1999 and $5.9 billion a year ago. Equity growth has been limited over the past year by the repurchase of National City stock and unrealized fair value depreciation in the available-for-sale securities portfolio. Book value per common share at June 30, 2000, December 31, 1999 and June 30, 1999 was $10.05, $9.39 and $9.44, respectively. Book value per common share at June 30, 2000 included unrealized losses on securities available-for-sale of $.43 compared to unrealized losses of $.30 at December 31, 1999 and unrealized gains of $.03 at June 30, 1999.

In late 1999, the Corporation's Board of Directors authorized a share repurchase program for up to 30 million shares, or approximately 5 percent of the Corporation's outstanding common stock, with an aggregate purchase cost limit of $1.0 billion. The repurchase of common stock may be made, from time to time, on the open market or in privately-negotiated transactions. During the first quarter of 2000, the Corporation repurchased 2.1 million shares of National City common stock at a cost of $47.1 million. No shares were repurchased during the second quarter. As of June 30, 2000, 25.3 million shares remained under the 30-million share authorization. In conjunction with this authorization, the Corporation entered into an agreement with a third party that provides the Corporation with an option to purchase up to $300.0 million of National City common stock through the use of forward transactions. The forward transactions can be settled from time to time, at the Corporation's election, on a physical, net cash or net share basis. In the case of net cash or net share settlement, the amount at which these forward purchases can be settled depends principally upon the future market price of the Corporation's common stock as compared with the forward purchase price per share and the number of shares to be settled. During the second quarter, the Corporation entered into forward transactions involving 7.6 million shares. The final maturity date of the agreement is April 19, 2002.

The dividend payout is continually reviewed by management and the Board of Directors. Dividends of $.285 per common share were declared in the second quarter of 2000, reflecting a dividend payout ratio of 50.89%. In the second quarter of 1999, dividends of $.27 per common share were declared and the dividend payout ratio was 48.21%.

Equity to assets was 7.25% at June 30, 2000, compared to 6.57% at December 31, 1999 and 6.98% at June 30, 1999. Average equity to average assets was 6.81% for the first half of 2000 compared to 7.68% for first half of 1999.

The total market capitalization of the Corporation was approximately $10.4 billion at June 30, 2000. National City's common stock is traded on the New York Stock Exchange under the symbol ''NCC.''

Forward-Looking Statements

The discussion regarding the Corporation's interest rate risk position included in the section entitled ''Net Interest Income'' contains certain forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). These forward-looking statements involve significant risks and uncertainties including changes in general economic and financial market conditions and the Corporation's ability to execute its business plans. Although National City believes the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially.

Consolidated Average Balance Sheets

(In Millions)	Three Months Ended June 30 2000	Three Months Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Assets				
Earning Assets:				
Loans:				
Commercial	**$24,379**	$22,228	**$23,937**	$22,190
Real estate — commercial	**6,157**	6,275	**6,088**	6,290
Real estate — residential	**9,721**	8,483	**9,505**	8,712
Consumer	**15,722**	15,130	**15,928**	15,040
Credit card	**2,514**	1,953	**2,425**	1,891
Home equity	**4,044**	3,188	**3,907**	3,172
Total loans	**62,537**	57,257	**61,790**	57,295
Mortgage loans held for sale	**2,848**	2,344	**2,475**	2,650
Securities available for sale, at cost	**13,064**	14,638	**13,833**	14,881
Federal funds sold and security resale agreements	**432**	850	**456**	898
Other short-term investments	**146**	149	**150**	148
Total earning assets	**79,027**	75,238	**78,704**	75,872
Allowance for loan losses	**(995)**	(989)	**(995)**	(987)
Fair value (depreciation) appreciation of securities available for sale	**(430)**	268	**(419)**	322
Cash and demand balances due from banks	**3,116**	3,506	**3,128**	3,785
Properties and equipment	**1,114**	1,158	**1,121**	1,169
Accrued income and other assets	**4,939**	4,188	**4,822**	4,278
Total Assets	**$86,771**	$83,369	**$86,361**	$84,439
Liabilities and Stockholders' Equity				
Liabilities:				
Noninterest bearing deposits	**$10,934**	$11,542	**$10,825**	$11,610
NOW and money market accounts	**16,477**	16,997	**16,460**	16,949
Savings accounts	**3,321**	3,922	**3,367**	3,938
Time deposits of individuals	**15,385**	14,883	**15,202**	15,230
Other time deposits	**2,881**	2,857	**2,853**	3,083
Deposits in overseas offices	**2,862**	2,342	**3,131**	2,684
Total deposits	**51,860**	52,543	**51,838**	53,494
Federal funds borrowed and security repurchase agreements	**6,053**	7,377	**6,889**	8,187
Borrowed funds	**5,056**	2,977	**4,090**	2,908
Long-term debt and capital securities	**16,636**	13,305	**16,448**	12,309
Accrued expenses and other liabilities	**1,190**	951	**1,219**	1,054
Total Liabilities	**80,795**	77,153	**80,484**	77,952
Stockholders' Equity:				
Preferred	**30**	31	**30**	31
Common	**5,946**	6,185	**5,847**	6,456
Total Stockholders' Equity	**5,976**	6,216	**5,877**	6,487
Total Liabilities and Stockholders' Equity	**$86,771**	$83,369	**$86,361**	$84,439

Daily Average Balances/Net Interest Income/Rates

(Dollars in Millions)	Daily Average Balance				
	2000		1999		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Assets					
Earning Assets:					
Loans:					
Commercial	**$24,379**	$23,496	$22,988	$22,066	$22,228
Real estate — commercial	**6,157**	6,020	6,141	6,238	6,275
Real estate — residential[a]	**12,569**	11,392	11,030	10,534	10,827
Consumer	**15,722**	16,130	15,617	15,052	15,130
Credit Card	**2,514**	2,336	2,224	2,088	1,953
Home equity	**4,044**	3,770	3,561	3,336	3,188
Total loans	**65,385**	63,144	61,561	59,314	59,601
Securities:					
Taxable	**12,267**	13,789	14,565	14,000	13,761
Tax-exempt	**797**	811	838	851	877
Total securities	**13,064**	14,600	15,403	14,851	14,638
Short-term investments	**578**	635	798	806	999
Total earning assets/ Total interest income/rates	**79,027**	78,379	77,762	74,971	75,238
Allowance for loan losses	**(995)**	(996)	(985)	(990)	(989)
Fair value (depreciation) appreciation of securities available for sale	**(430)**	(408)	(116)	(8)	268
Cash and demand balances due from banks	**3,116**	3,140	3,376	3,306	3,506
Properties and equipment, accrued income and other assets	**6,053**	5,836	5,563	5,412	5,346
Total assets	**$86,771**	$85,951	$85,600	$82,691	$83,369
Liabilities and Stockholders' Equity					
Interest bearing liabilities:					
NOW and money market accounts	**$16,477**	$16,443	$16,580	$16,742	$16,997
Savings accounts	**3,321**	3,413	3,605	3,795	3,922
Time deposits of individuals	**15,385**	15,019	14,578	14,461	14,883
Other time deposits	**2,881**	2,825	3,141	2,908	2,857
Deposits in overseas offices	**2,862**	3,400	3,105	2,389	2,342
Federal funds borrowed	**2,277**	3,642	3,713	2,889	2,467
Security repurchase agreements	**3,776**	4,081	4,531	4,814	4,910
Borrowed funds	**5,056**	3,126	2,893	2,808	2,977
Long-term debt and capital securities	**16,636**	16,259	15,081	13,532	13,305
Total interest bearing liabilities/ Total interest expense/rates	**68,671**	68,208	67,227	64,338	64,660
Noninterest bearing deposits	**10,934**	10,716	11,278	11,338	11,542
Accrued expenses and other liabilities	**1,190**	1,249	1,105	1,046	951
Total liabilities	**80,795**	80,173	79,610	76,722	77,153
Total stockholders' equity	**5,976**	5,778	5,990	5,969	6,216
Total liabilities and stockholders' equity	**$86,771**	$85,951	$85,600	$82,691	$83,369
Net interest income					
Interest spread					
Contribution of noninterest bearing sources of funds					
Net interest margin					

[a] Includes mortgage loans held for sale.

Quarterly Interest					Average Annualized Rate				
2000		1999			**2000**		1999		
Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	**Second Quarter**	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
$ 533.8	$ 490.1	$ 471.6	$ 434.9	$ 423.4	**8.80%**	8.39%	8.14%	7.82%	7.64%
134.9	130.7	134.4	135.8	133.8	**8.82**	8.73	8.68	8.63	8.55
251.5	220.3	211.3	198.4	202.5	**8.01**	7.74	7.66	7.54	7.48
337.0	342.8	333.5	318.5	317.5	**8.62**	8.55	8.47	8.40	8.42
86.3	77.7	71.7	70.3	65.5	**13.81**	13.38	12.79	13.36	13.45
93.0	83.4	76.4	70.6	66.2	**9.19**	8.85	8.52	8.40	8.32
1,436.5	1,345.0	1,298.9	1,228.5	1,208.9	**8.82**	8.56	8.38	8.23	8.13
191.2	216.0	226.6	217.2	208.4	**6.24**	6.27	6.22	6.20	6.06
16.2	16.6	17.3	17.5	19.3	**8.13**	8.19	8.25	8.24	8.80
207.4	232.6	243.9	234.7	227.7	**6.35**	6.38	6.33	6.32	6.22
10.9	10.9	13.3	11.7	12.9	**7.51**	6.88	6.58	5.83	5.15
$1,654.8	$1,588.5	$1,556.1	$1,474.9	$1,449.5	**8.41%**	8.14%	7.96%	7.83%	7.72%
$ 149.3	$ 140.0	$ 135.2	$ 131.2	$ 126.7	**3.64%**	3.43%	3.24%	3.11%	2.99%
13.7	14.2	15.1	16.0	16.6	**1.66**	1.67	1.67	1.67	1.70
215.1	201.0	190.3	183.5	187.7	**5.62**	5.38	5.18	5.04	5.06
43.9	41.0	43.6	36.7	34.4	**6.13**	5.84	5.51	5.00	4.84
44.3	47.7	41.6	30.1	27.7	**6.22**	5.64	5.32	5.00	4.74
37.1	53.9	51.3	37.5	29.6	**6.56**	5.95	5.46	5.16	4.82
48.6	48.7	49.9	50.3	49.8	**5.18**	4.80	4.38	4.15	4.06
77.8	43.3	41.1	37.7	36.9	**6.19**	5.57	5.64	5.32	4.98
276.0	257.8	231.6	194.2	181.9	**6.67**	6.37	6.09	5.69	5.48
$ 905.8	$ 847.6	$ 799.7	$ 717.2	$ 691.3	**5.30%**	5.00%	4.72%	4.42%	4.29%
$ 749.0	$ 740.9	$ 756.4	$ 757.7	$ 758.2					
					3.11%	3.14%	3.24%	3.41%	3.43%
					.69	.65	.63	.62	.61
					3.80%	3.79%	3.87%	4.03%	4.04%

CORPORATE INVESTOR INFORMATION

Corporate Headquarters

National City Center
1900 East Ninth Street
Cleveland, Ohio 44114-3484
(216) 575-2000
www.national-city.com

Transfer Agent and Registrar

National City Bank
Corporate Trust Operations
Department 5352
P.O. Box 92301
Cleveland, Ohio 44193-0900
1-800-622-6757

Investor Information

Jeffrey C. Douglas
Vice President and Assistant Treasurer
Investor Relations
Department 2101
P.O. Box 5756
Cleveland, Ohio 44101-0756
1-800-622-4204

Common Stock Listing

National City Corporation common stock is traded on the New York Stock Exchange under the symbol **NCC**. The stock is abbreviated in financial publications as **NtlCity**.

National City's item processing subsidiary, National Processing, Inc., is traded on the New York Stock Exchange under the symbol **NAP**. The stock is abbreviated in financial publications as **NtlProc**.

Dividend Reinvestment and Stock Purchase Plan

Common stockholders participating in the Plan receive a three percent discount from market price when they reinvest their National City dividends in additional shares. Participants may also make optional cash purchases of common stock at a three percent discount from market price and pay no brokerage commissions. To obtain our Plan prospectus and authorization card, call 1-800-622-6757.

Debt Ratings

	Moody's Investors Service	Standard & Poor's	Fitch(b)	Thomson BankWatch
National City Corporation				A/B
Commercial paper (short-term debt)	P-1	A-1	F-1+	TBW1
Senior debt	A1	A	AA−	
Subordinated debt	A2	A−	A+	A
Bank Subsidiaries:[a]				
Certificates of deposit	Aa3	A+	AA	
Subordinated bank notes	A1	A	A+	A+

(a) Includes National City Bank, National City Bank of Indiana, National City Bank of Kentucky, National City Bank of Pennsylvania and National City Bank of Michigan/Illinois, except as noted below.

(b) Fitch ratings for certificates of deposit apply only to the banks in Ohio, Kentucky and Indiana. Fitch subordinated bank note ratings apply only to the Ohio banking subsidiary.

SIGNATURE

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.

NATIONAL CITY CORPORATION

Date: August 4, 2000

/s/ ROBERT G. SIEFERS

Robert G. Siefers
Vice Chairman and
Chief Financial Officer
(Duly Authorized Signer and
Principal Financial Officer)

National City Corporation®

National City Center
1900 East Ninth Street
Cleveland, Ohio 44114-3484

Presort Standard
U.S. Postage
PAID
National City
Corporation

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
3.1	Restated Certificate of Incorporation of National City Corporation, as amended (filed as Exhibit 3.1 to National City Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 and incorporated herein by reference).
3.2	Amended and Restated Articles of Incorporation of National City Corporation dated April 13, 1999 (filed as Exhibit 3.2).
3.3	National City Corporation First Restatement of By-laws adopted April 27, 1987 (As Amended through October 24, 1994) (filed as Exhibit 3.2 to Registrant's Form S-4 Registration Statement No. 33-56539 dated November 18, 1994 and incorporated herein by reference).
4.1	The Company agrees to furnish upon request to the Commission a copy of each instrument defining the rights of holders of Senior and Subordinated debt of the Company.
4.2	Credit Agreement dated as of February 2, 1996 by and between National City and the banks named therein (filed as Exhibit 4.2 to Registrant's Form S-4 Registration Statement No. 333-01697 dated March 13, 1996 and incorporated herein by reference).
4.3	Certificate of Stock Designation dated as of February 2, 1998 designating National City Corporation's 6% Cumulative Convertible Preferred Stock, Series 1, without par value, and fixing the powers, preferences, rights, qualifications, limitations and restrictions thereof (filed as Appendix D to Registrant's Form S-4 Registration Statement No. 333-45609 dated February 19, 1998 and incorporated herein by reference) in addition to those set forth in National City Corporation's Restated Certificate of Incorporation, as amended (filed as Exhibit 3.2).
10.1	National City Savings and Investment Plan, As Amended and Restated Effective July 1, 1992 (filed as Exhibit 10.24 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
10.2	The National City Savings and Investment Plan No. 2 As Amended and Restated Effective January 1, 1992 (filed as Exhibit 10.25 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
10.3	National City Corporation's Amended 1984 Stock Option Plan (filed as Exhibit No. 10.2 to National City's Annual Report on Form 10-K for the fiscal year ended December 31, 1987); incorporated herein by reference.
10.4	National City Corporation 1989 Stock Option Plan (filed as Exhibit 10.7 to National City's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, and incorporated herein by reference).
10.5	National City Corporation's 1993 Stock Option Plan (filed as Exhibit 10.5 to Registration Statement No. 33-49823 and incorporated herein by reference).
10.6	National City Corporation 150th Anniversary Stock Option Plan (filed as Exhibit 10.9 to Registrant's Form S-4 Registration Statement No. 33-59487 dated May 19, 1995 and incorporated herein by reference).
10.7	National City Corporation 1997 Stock Option Plan (filed as Exhibit A to National City Corporation's Proxy Statement Form 14A Registration No. 000-07229 dated February 19, 1997 and incorporated herein by reference).
10.8	National City Corporation Plan for Deferred Payment of Directors' Fees, As Amended (filed as Exhibit 10.5 to Registration Statement No. 2-914334 and incorporated herein by reference).

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.9	National City Corporation Supplemental Executive Retirement Plan, As Amended and Restated Effective January 1, 1997 (filed as Exhibit 10.12 to Registrant's Form S-4 Registration Statement No. 333-46571 dated February 19, 1998 and incorporated herein by reference).
10.10	National City Corporation Executive Savings Plan, As Amended and Restated Effective January 1, 1995 (filed as Exhibit 10.9 to National City's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, and incorporated herein by reference).
10.11	National City Corporation Amended and Second Restated 1991 Restricted Stock Plan (filed as Exhibit 10.9 to Registration Statement No. 33-49823 and incorporated herein by reference).
10.12	National City Corporation 1997 Restricted Stock Plan (filed as Exhibit B to National City Corporation's Proxy Statement Form 14A Registration No. 000-07229 dated February 19, 1997 and incorporated herein by reference).
10.13	Form of grant made under National City Corporation 1991 Restricted Stock Plan in connection with National City Corporation Supplemental Executive Retirement Plan As Amended (filed as Exhibit 10.10 to National City's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, and incorporated herein by reference).
10.14	Merchants National Corporation Director's Deferred Compensation Plan, As Amended and Restated August 16, 1983 (filed as Exhibit 10(3) to Merchants National Corporation's Form S-2 Registration Statement dated June 28, 1985, and incorporated herein by reference).
10.15	Merchants National Corporation Supplemental Pension Plan dated November 20, 1984; First Amendment to the Supplemental Pension Plans dated January 21, 1986; Second Amendment to the Supplemental Pension Plans dated July 3, 1989; and Third Amendment to the Supplemental Pension Plans dated November 21, 1990 (filed respectively as Exhibit 10(n) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 21, 1984; as Exhibit 10(q) to the Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1985; as Exhibit 10(49) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1990; and as Exhibit 10(50) to the Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1990; all incorporated herein by reference).
10.16	Merchants National Corporation Employee Benefit Trust Agreement, effective July 1, 1987 (filed as Exhibit 10(27) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference).
10.17	Merchants National Corporation Non-Qualified Stock Option Plan, effective January 20, 1987, and the First Amendment to that Merchants National Non-Qualified Stock Option Plan, effective October 16, 1990 (filed respectively as Exhibit 10(23) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1986, and as Exhibit 10(55) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1990, both of which are incorporated herein by reference).
10.18	Merchants National Corporation 1987 Non-Qualified Stock Option Plan, effective November 17, 1987, and the First Amendment to effective October 16, 1990 (filed respectively as Exhibit 10(30) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1987, and as Exhibit 10(61) to Merchants

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
	National Corporation Annual Report on Form 10-K for the year ended December 31, 1990, both of which are incorporated herein by reference).
10.19	Merchants National Corporation Directors Non-Qualified Stock Option Plan and the First Amendment to Merchants National Corporation Directors Non-qualified Stock Option Plan effective October 16, 1990 (filed respectively as Exhibit 10(44) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1988, and as Exhibit 10(68) to Merchants National Corporation Annual Report on Form 10-K for the year ended December 31, 1990, both of which are incorporated herein by reference).
10.20	Central Indiana Bancorp Option Plan effective March 15, 1991 (filed as Exhibit 10.26 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
10.21	Central Indiana Bancorp 1993 Option Plan effective October 12, 1993 (filed as Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
10.22	Forms of contracts with David A. Daberko, Vincent A. DiGirolamo, William E. MacDonald III, Jon L. Gorney, Robert G. Siefers, Robert J. Ondercik, Jeffrey D. Kelly, David L. Zoeller, Thomas A. Richlovsky, James P. Gulick, Gary A. Glaser, Herbert R. Martens, Jr., Thomas W. Golonski, Stephen A. Stitle, James R. Bell III, Paul G. Clark, A. Joseph Parker, and Frederick W. Schantz (filed as Exhibit 10.29 to Registrant's Form S-4 Registration Statement No. 333-46571 dated February 19, 1998 and incorporated herein by reference).
10.23	Split Dollar Insurance Agreement effective January 1, 1994 between National City Corporation and those individuals listed in Exhibit 10.27 and other key employees filed as exhibit 10.28 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
10.24	Restated First of America Bank Corporation 1987 Stock Option Plan (filed as Exhibit 4.4 to Registrant's Post-Effective Amendment No. 2 (on Form S-8) to Form S-4 Registration Statement No. 333-46571), Amended and Restated First of America Bank Corporation Stock Compensation Plan (filed as Exhibit 4.5 to Registrant's Post-Effective Amendment No. 2 (on Form S-8) to Form S-4 Registration Statement No. 333-46571) and First of America Bank Corporation Directors Stock Compensation Plan (filed as Exhibit 4.6 to Registrant's Post-Effective Amendment No. 2 (on Form S-8 to Form S-4 Registration Statement No. 333-46571) and each herein incorporated by reference.
10.25	Fort Wayne National Corporation 1985 Stock Incentive Plan (filed as Exhibit 4.4 to Registrant's Post-Effective Amendment No. 1 (on Form S-8) to Form S-4 Registration Statement No. 333-45609), Fort Wayne National Corporation 1994 Stock Incentive Plan (filed as Exhibit 4.5 to Registrant's Post-Effective Amendment No. 1 (on Form S-8) to Form S-4 Registration Statement No. 333-45609) and Fort Wayne National Corporation 1994 Nonemployee Director Stock Incentive Plan (filed as Exhibit 4.6 to Registrant's Post-Effective Amendment No. 1 (on Form S-8 to Form S-4 Registration Statement No. 333-45609) and each herein incorporated by reference.
10.26	National City Corporation 1997 Stock Option Plan (filed as Exhibit 4.4 to Registrant's Form S-8 Registration Statement No. 333-58923, dated July 10, 1998, and incorporated herein by reference).

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.27	National City Corporation 1997 Restricted Stock Plan (filed as Exhibit 4.4 to Registrant's Form S-8 Registration Statement No. 333-60411, dated July 31, 1998, and incorporated herein by reference).
10.28	National City Corporation Long-Term Supplemental Incentive Compensation Plan for Executive Officers (filed as Exhibit 10.40 to National City Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and incorporated herein by reference).
10.29	Integra Financial Corporation Employee Stock Option Plan (filed as Exhibit 4.3 to Registrant's Form S-8 Registration Statement No. 333-01697, dated April 30, 1996 and incorporated herein by reference).
10.30	Integra Financial Corporation Management Incentive Plan (filed as Exhibit 4.4 to Registrant's Form S-8 Registration Statement No. 333-01697, dated April 30, 1996 and incorporated herein by reference).
10.31	Integra Financial Corporation Non-Employee Directors Stock Option Plan (filed as Exhibit 4.5 to Registrant's Form S-8 Registration Statement No. 333-01697, dated April 30, 1996 and incorporated herein by reference).
10.32	National City Corporation Amended and Restated Long-Term Incentive Compensation Plan for Senior Officers as Amended and Restated Effective January 1, 2000 (filed as Exhibit A to Proxy Statement Form 14A Registration No. 000-07229 dated March 6, 2000 and incorporated herein by reference).
10.33	National City Corporation Management Incentive Plan for Senior Officers effective January 1, 1999 (filed as Exhibit A to Proxy Statement Form 14A Registration No. 33-71403 dated March 5, 1999 and incorporated herein by reference).
12.1	Computation of Ratio of Earnings to Fixed Charges (filed as Exhibit 12.1).
27.1	Financial Data Schedule (filed as Exhibit 27.1).