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 September 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 September 30, 2000 -- 608,397,735

National City Corporation®

Quarter Ended September 30, 2000

Financial Report and Form 10-Q

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

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FINANCIAL HIGHLIGHTS

	Three Months Ended September 30			Nine Months Ended September 30		
	2000	1999	Percent Change	**2000**	1999	Percent Change
EARNINGS (In Thousands)						
Tax-equivalent net interest income	**$746,020**	$757,753	(2)%	**$2,235,887**	$2,280,638	(2)%
Provision for loan losses	**70,363**	55,476	27	**205,380**	183,052	12
Fees and other income	**590,878**	528,614	12	**1,822,572**	1,663,136	10
Net securities gains	**27,435**	20,353	35	**6,188**	101,265	(94)
Noninterest expense	**785,309**	705,963	11	**2,329,472**	2,202,400	6
Income tax expense and tax-equivalent adjustment	**178,025**	188,819	(6)	**535,429**	597,618	(10)
Net income	**330,636**	356,462	(7)	**994,366**	1,061,969	(6)
PER COMMON SHARE						
Net income:						
Basic	**$.55**	$.58	(5)	**$1.64**	$1.69	(3)
Diluted	**.54**	.57	(5)	**1.63**	1.67	(2)
Dividends paid	**.285**	.27	6	**.855**	.79	8
Book value				**10.58**	9.54	11
Market value (close)				**22.00**	26.69	(18)
Average diluted shares	**613,232,391**	624,581,200	(2)	**611,671,365**	636,413,367	(4)
PERFORMANCE RATIOS						
Return on average common equity	**21.13%**	23.79%		**22.22%**	22.58%	
Return on average assets	**1.56**	1.71		**1.55**	1.69	
Net interest margin	**3.90**	4.03		**3.83**	4.03	
Efficiency ratio	**58.74**	54.88		**57.40**	55.84	
AT PERIOD END ($ in Millions)						
Assets				**$85,046**	$85,058	—
Loans				**63,660**	58,001	10
Securities (at fair value)				**9,656**	15,811	(39)
Deposits				**52,726**	50,395	5
Stockholders' equity				**6,467**	5,914	9
Equity to assets				**7.60%**	6.95%	9
Common shares outstanding				**608,397,735**	616,564,714	(1)
Full-time equivalent employees				**36,766**	37,267	(1)
ASSET QUALITY						
Net charge-offs to average loans (annualized)	**.45%**	.38%		**.44%**	.43%	
Allowance for loan losses as a percentage of period-end loans				**1.49**	1.67	
Nonperforming assets to period-end loans and OREO				**.57**	.45	

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

(Dollars In Thousands, Except Per Share Amounts)	Three Months Ended September 30 2000	Three Months Ended September 30 1999	Nine Months Ended September 30 2000	Nine Months Ended September 30 1999
Interest Income				
Loans	**$1,479,328**	$1,224,469	**$4,255,590**	$3,642,298
Securities:				
Taxable	**140,303**	204,563	**519,323**	613,736
Exempt from Federal income taxes	**10,750**	11,245	**32,835**	34,909
Dividends	**14,054**	12,612	**41,506**	35,798
Federal funds sold and security resale agreements	**3,058**	8,656	**16,818**	29,572
Other short-term investments	**4,464**	3,189	**12,378**	9,176
Total interest income	**1,651,957**	1,464,734	**4,878,450**	4,365,489
Interest Expense				
Deposits	**500,477**	397,516	**1,410,657**	1,209,684
Federal funds borrowed and security repurchase agreements	**103,895**	87,901	**292,190**	266,947
Borrowed funds	**28,609**	37,632	**149,672**	103,073
Long-term debt and capital securities	**281,443**	194,206	**815,287**	533,227
Total interest expense	**914,424**	717,255	**2,667,806**	2,112,931
Net Interest Income	**737,533**	747,479	**2,210,644**	2,252,558
Provision for Loan Losses	**70,363**	55,476	**205,380**	183,052
Net interest income after provision for loan losses	**667,170**	692,003	**2,005,264**	2,069,506
Noninterest Income				
Item processing revenue	**104,916**	91,519	**299,860**	318,311
Deposit service charges	**115,392**	107,430	**329,778**	312,127
Mortgage banking revenue	**110,454**	81,105	**369,358**	263,281
Trust and investment management fees	**79,805**	81,097	**253,483**	243,627
Card-related fees	**48,283**	48,383	**137,241**	142,952
Other	**132,028**	119,080	**432,852**	382,838
Total fees and other income	**590,878**	528,614	**1,822,572**	1,663,136
Net securities gains	**27,435**	20,353	**6,188**	101,265
Total noninterest income	**618,313**	548,967	**1,828,760**	1,764,401
Noninterest Expense				
Salaries, benefits and other personnel	**405,984**	367,638	**1,214,164**	1,157,987
Equipment	**56,038**	47,590	**171,479**	153,306
Net occupancy	**52,730**	48,944	**157,214**	152,305
Third-party services	**51,201**	49,304	**144,895**	143,425
Other	**219,356**	192,487	**641,720**	595,377
Total noninterest expense	**785,309**	705,963	**2,329,472**	2,202,400
Income before income tax expense	**500,174**	535,007	**1,504,552**	1,631,507
Income tax expense	**169,538**	178,545	**510,186**	569,538
Net Income	**$ 330,636**	$ 356,462	**$ 994,366**	$1,061,969
Net Income Per Common Share				
Basic	**$.55**	$.58	**$1.64**	$1.69
Diluted	**.54**	.57	**1.63**	1.67
Average Common Shares Outstanding				
Basic	**608,276,536**	616,883,898	**606,994,772**	626,908,263
Diluted	**613,232,391**	624,581,200	**611,671,365**	636,413,367

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(In Thousands)	**September 30 2000**	December 31 1999	September 30 1999
Assets			
Loans:			
Commercial	**$25,873,664**	$23,402,556	$22,426,781
Real estate – commercial	**6,372,924**	6,012,016	6,207,547
Real estate – residential	**12,303,054**	10,396,422	9,844,507
Consumer	**12,317,934**	14,367,133	13,864,440
Credit card	**2,260,766**	2,339,658	2,199,984
Home equity	**4,531,993**	3,686,119	3,457,622
Total loans	**63,660,335**	60,203,904	58,000,881
Allowance for loan losses	**(945,492)**	(970,463)	(970,736)
Net loans	**62,714,843**	59,233,441	57,030,145
Mortgage loans held for sale	**2,945,975**	2,731,166	2,439,039
Securities available for sale, at fair value	**9,655,612**	14,904,343	15,811,453
Federal funds sold and security resale agreements	**111,222**	556,351	727,822
Other short-term investments	**173,483**	231,099	122,272
Cash and demand balances due from banks	**3,230,100**	3,480,756	3,346,593
Properties and equipment	**1,090,185**	1,127,980	1,105,220
Accrued income and other assets	**5,124,455**	4,856,363	4,475,009
Total Assets	**$85,045,875**	$87,121,499	$85,057,553
Liabilities and Stockholders' Equity			
Liabilities:			
Noninterest bearing deposits	**$10,646,830**	$11,182,681	$10,909,167
NOW and money market accounts	**16,496,536**	16,561,494	16,677,065
Savings accounts	**3,036,999**	3,470,700	3,700,585
Time deposits of individuals	**15,763,352**	14,700,944	14,472,674
Other time deposits	**2,780,526**	2,897,166	3,016,770
Deposits in overseas offices	**4,001,338**	1,253,325	1,619,190
Total deposits	**52,725,581**	50,066,310	50,395,451
Federal funds borrowed and security repurchase agreements	**6,097,889**	5,182,506	6,625,101
Borrowed funds	**2,283,295**	9,772,611	5,707,438
Long-term debt	**15,455,589**	14,858,014	14,625,031
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	**1,836,114**	1,334,325	1,610,230
Total Liabilities	**78,578,468**	81,393,766	79,143,251
Stockholders' Equity:			
Preferred stock	**29,982**	30,233	30,474
Common stock	**2,433,591**	2,428,234	2,466,259
Capital surplus	**828,220**	782,960	776,587
Retained earnings	**3,272,496**	2,665,674	2,703,102
Accumulated other comprehensive loss	**(96,882)**	(179,368)	(62,120)
Total Stockholders' Equity	**6,467,407**	5,727,733	5,914,302
Total Liabilities and Stockholders' Equity	**$85,045,875**	$87,121,499	$85,057,553

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)	Nine Months Ended September 30 2000	1999
Operating Activities		
Net income	$ 994,366	$ 1,061,969
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	205,380	183,052
Depreciation and amortization of properties and equipment	126,987	117,594
Amortization of intangibles and servicing rights	147,154	129,515
Amortization of premiums/discounts on securities and debt	(5,720)	(7,978)
Net securities gains	(6,188)	(101,265)
Other gains and losses, net	(254,204)	(192,604)
Originations and purchases of mortgage loans held for sale	(16,018,999)	(12,772,328)
Proceeds from sales of mortgage loans held for sale	15,694,532	14,184,989
Increase in accrued interest receivable	(136,605)	(54,903)
Increase in accrued interest payable	207,054	76,774
Net change in other assets/liabilities	423,761	221,363
Net cash provided by operating activities	1,377,518	2,846,178
Lending and Investing Activities		
Net decrease in federal funds sold, security resale agreements and other short-term investments	502,745	305,392
Purchases of available-for-sale securities	(1,141,917)	(4,666,392)
Proceeds from sales of available-for-sale securities	4,757,016	2,126,364
Proceeds from maturities and prepayments of available-for-sale securities	1,754,785	2,477,023
Net increase in loans	(6,362,367)	(869,995)
Proceeds from sales of loans	2,180,361	687,783
Proceeds from credit card loans securitized	600,000	—
Net increase in properties and equipment	(89,633)	(53,682)
Acquisitions/disposals	—	(192,297)
Net cash provided by (used in) lending and investing activities	2,200,990	(185,804)
Deposit and Financing Activities		
Net increase (decrease) in Federal funds borrowed and security repurchase agreements	915,383	(2,802,208)
Net (decrease) increase in borrowed funds	(7,489,316)	3,267,935
Net increase (decrease) in noninterest bearing, savings, NOW, money market accounts, and deposits in overseas offices	1,713,503	(5,609,025)
Net increase (decrease) in time deposits	945,768	(2,242,433)
Repayment of long-term debt and capital securities	(5,425,666)	(1,901,950)
Proceeds from issuance of long-term debt, net	6,021,542	7,020,068
Dividends paid	(520,286)	(501,519)
Issuances of common stock	62,187	120,114
Repurchases of common stock	(52,279)	(1,448,254)
Net cash used in deposit and financing activities	(3,829,164)	(4,097,272)
Net decrease in cash and demand balances due from banks	(250,656)	(1,436,898)
Cash and demand balances due from banks, January 1	3,480,756	4,783,491
Cash and demand balances due from banks, September 30	$ 3,230,100	$ 3,346,593
Supplemental Disclosures		
Interest paid	$ 2,460,752	$ 2,033,839
Income taxes paid	269,229	254,978

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 (Loss)	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				1,061,969		1,061,969
Other comprehensive income, net of tax:						
Change in unrealized gains and losses on securities of $(268,376), net of reclassification adjustment for net gains included in net income of $65,822					(334,198)	(334,198)
Total comprehensive income						727,771
Common dividends declared, $.80 per share				(496,955)		(496,955)
Preferred dividends declared				(1,282)		(1,282)
Issuance of 5,493,602 common shares under corporate stock and dividend reinvestment plans		12,863	107,251			120,114
Purchase of 41,924,300 common shares		(86,121)	(70,831)	(1,291,302)		(1,448,254)
Conversion of 112,475 shares of preferred stock to 340,692 common shares	(5,624)	686	4,938			—
Stock split		1,233,522	(1,233,522)			—
Balance, September 30, 1999	$30,474	$2,466,259	$ 776,587	$ 2,703,102	$ (62,120)	$ 5,914,302
Balance, January 1, 2000	$30,233	$2,428,234	$ 782,960	$ 2,665,674	$(179,368)	$ 5,727,733
Comprehensive Income:						
Net income				994,366		994,366
Other comprehensive income, net of tax:						
Change in unrealized gains and losses on securities of $86,508, net of reclassification adjustment for net gains included in net income of $4,022					82,486	82,486
Total comprehensive income						1,076,852
Common dividends declared, $.57 per share				(346,194)		(346,194)
Preferred dividends declared				(892)		(892)
Issuance of 3,723,588 common shares under corporate stock and dividend reinvestment plans		14,894	47,293			62,187
Purchase of 2,399,400 common shares		(9,598)	(2,223)	(40,458)		(52,279)
Conversion of 5,013 shares of preferred stock to 15,183 common shares	(251)	61	190			—
Balance, September 30, 2000	$29,982	$2,433,591	$ 828,220	$ 3,272,496	$ (96,882)	$ 6,467,407

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 services 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. Management believes the unaudited consolidated financial statements reflect all adjustments of a normal recurring nature 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, requires derivative instruments to be carried at fair value on the balance sheet. This requirement is in contrast to current accounting guidance, which does not require unrealized gains and losses on derivative instruments used for hedging purposes to be recorded in the financial statements. SFAS No. 133 does allow hedge accounting treatment for derivatives used to hedge various risks and sets forth specific criteria to be used to determine when hedge accounting can be applied. Hedge accounting treatment provides for changes in fair value or cash flows of both the derivative and the hedged item to be recognized in earnings in the same period. Derivative instruments not designated in a hedge accounting relationship are considered trading instruments and are required to be carried at fair value, consistent with current guidance.

Derivative instruments used to hedge the exposure to changes in the fair value of an asset or liability attributable to a particular risk, such as interest rate risk, are considered fair value hedges under SFAS No. 133, while derivative instruments used to hedge the exposure to variability in expected future cash flows are considered cash flow hedges. Fair value hedges are accounted for by recording the fair value related to the risk being hedged of both the derivative instrument and the hedged asset or liability on the balance sheet with a corresponding offset recorded in the income statement. Cash flow hedges are accounted for by recording only the value of the derivative instrument on the balance sheet as either an asset or liability with a corresponding offset recorded in other comprehensive income within stockholders' equity. Amounts are then reclassified from other comprehensive income to the income statement in the same period as the hedged cash flow is recognized. Under both scenarios, derivative gains and losses not considered effective in hedging the change in fair value or expected cash flows of the hedged item are recognized immediately in the income statement.

As discussed in Note 15 to the consolidated financial statements, the Corporation uses derivative instruments to protect against the risk of adverse price or interest rate movements on certain assets, including mortgage servicing assets, liabilities or anticipated transactions. The fair value of these derivative instruments is currently not recorded on the balance sheet. Based on implementation progress to date, management expects to apply hedge accounting treatment to derivatives used for interest rate risk management purposes. Hedging strategies where derivatives are used to convert fixed rate assets and liabilities to variable rate instruments will be accounted for as fair value hedges, while hedging strategies where derivatives are used to convert the cash flows related to variable rate assets and liabilities to fixed rate instruments will be accounted for as cash flow hedges.

Because interpretive guidance on applying SFAS No. 133 continues to be developed, management is still evaluating whether hedge accounting treatment will be able to be applied to the derivative instruments used to hedge the value of mortgage servicing assets. If hedge accounting treatment is not applied to all or a portion of the servicing assets portfolio, management would consider the use of alternative hedging strategies including carrying the derivative instruments in the trading portfolio and/or using on-balance sheet investment securities. Either strategy could result in greater income statement volatility than if hedge accounting treatment was applied due to disparity in the accounting treatment afforded servicing assets, trading instruments and investment securities.

If the Corporation had applied the accounting prescribed in SFAS No. 133 to the risk management strategies in place during 1999, a year in which rising interest rates led to a decline in the value of the derivative instruments and an increase in the value of the mortgage servicing assets, to hedge the fair value change in mortgage servicing assets, and if the Corporation had met the requirements for hedge accounting treatment, the estimated financial statement effect would have been to increase net income by $5 million for the full year. For each of the quarters in 1999, the effect would have been to (reduce) increase net income by ($4) million, $11 million, $8 million and ($10) million, respectively. If the requirements for hedge accounting treatment had not been met, the estimated effect would have been to reduce net income by $156 million for the full year, with quarterly reductions to net income of $46 million, $61 million, $18 million and $31 million, respectively. In the latter case, no counterbalancing effect would have been recorded to give consideration to the increase in fair value of the mortgage servicing asset. If the Corporation is not able to meet the criterion for hedge accounting in managing the risk associated with mortgage servicing, increased reported income volatility could result. Such volatility would not necessarily be a reflection of the Corporation's risk management strategies, but rather would reflect the disparity in accounting treatment among the various elements of each risk management strategy.

During the fourth quarter of 2000, management will conclude its assessment of how each risk management strategy will be accounted for under SFAS No. 133. The standard will be adopted on January 1, 2001, at which time the Corporation will designate and document all hedging relationships in accordance with the new standard and recognize transition adjustments associated with establishing the fair values of the derivative instruments and hedged items on the balance sheet. The transition adjustments, recorded in other comprehensive income and the income statement, will be considered cumulative effect adjustments as described in Accounting Principles Board Opinion No. 20, *Accounting Changes*, and will be presented accordingly in the consolidated financial statements. The nature and amount of the transition adjustments and the ongoing impact on the consolidated financial statements will ultimately depend on the effectiveness of the hedging relationships so designated under SFAS No. 133, the nature of derivative instruments in use, and market conditions. SFAS No. 133, as applied to the Corporation's risk management strategies, may increase or decrease reported net income prospectively, depending on future levels of interest rates and other variables affecting market values of derivative instruments, but will have no effect on cash flows or economic risk.

Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities: SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,* was issued in September of 2000 and replaces SFAS

No. 125, which was issued in June 1996. The guidance in SFAS No. 140, while not changing most of the guidance originally issued in SFAS No. 125, revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain additional disclosures related to transferred assets.

Certain provisions of the statement related to the recognition, reclassification and disclosure of collateral, as well as the disclosure of securitization transactions, become effective for the Corporation for 2000 year-end reporting. Other provisions related to the transfer and servicing of financial assets and extinguishments of liabilities are effective for transactions occurring after March 31, 2001. The impact of adopting the new guidance is not expected to have a material impact on National City's results of operations, financial position or liquidity.

3. ASSET DIVESTITURES

In the second and third quarters of 2000, National City divested certain assets as part of a balance sheet restructuring initiative intended to improve asset returns and capital position, reduce reliance on purchased funding and lessen interest rate sensitivity.

Third quarter balance sheet restructuring activity included the sale through securitization of $600 million of credit card loans and the sale of $1.1 billion of fixed-rate debt securities. A pre-tax gain of $27.1 million, or $17.7 million after-tax, was recorded related to the securitization of the credit card receivables. An impairment loss was recorded in the second quarter related to the debt securities sold during the third quarter.

The fixed-rate debt securities were sold, along with $300 million of variable-rate debt securities, to an unconsolidated qualified special purpose entity (''QSPE''). Through a receive fixed/pay variable interest rate swap, the Corporation receives the spread between the yield earned on the debt securities and the commercial paper funding cost. The interest rate swap is accounted for as a trading derivative in the Corporation's consolidated financial statements. The Corporation also provides certain services for which fees are earned. These fees are included in card-related fees in the Corporation's consolidated statements of income. As of September 30, 2000, the QSPE held $1.4 billion of high grade fixed- and variable-rate securities.

Along with the sale of an additional $2.6 billion of debt securities in the second quarter, net losses in 2000 related to debt securities sold as part of the balance sheet restructuring totaled $56.3 million pre tax, or $36.6 million after tax. Second quarter activity also included the sale of $2.0 billion of student loans resulting in a pre-tax gain of $74.2 million, or $48.2 million after tax.

The following summarizes certain asset divestitures included in the Corporation's 1999 results:

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 pre-tax gain of $95.7 million, or $62.2 million after tax. The 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. The shares were subsequently registered by Concord and, in the second quarter of 1999, National City sold its holdings in Concord in the open market and recognized a pre-tax gain of $32.1 million, or $20.8 million after tax. The gain is included in net securities gains.

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 gain is included in other noninterest income.

In the first half of 1999, National Processing, Inc. (''National Processing''), an 87%-owned subsidiary of the Corporation, sold its freight payables, payables outsourcing, remittance and merchant check services business lines. As a result, the Corporation recognized a loss, net of minority interest, of $59.0 million pre tax, or $59.8 million after tax. The larger after-tax loss was the result of nondeductible goodwill. The impact of the National Processing business line divestitures is included in other noninterest income.

4. ASSET SECURITIZATIONS

Asset securitization involves the sale, generally to a trust, of a pool of loan receivables. The Corporation continues to own the accounts, which generate the loan receivables. In addition, the Corporation also sells the rights to new loan receivables, including most fees generated by and payments received from the accounts. The trust sells undivided interests in the trust to investors, while the Corporation retains the remaining undivided interest. The senior classes of the asset-backed securities receive an AAA or A credit rating at the time of issuance. These ratings are generally achieved through the creation and sale of lower-rated subordinated classes of asset-backed securities. The Corporation continues to service the accounts and receives a servicing fee.

During the revolving period, which generally approximates 48 months, the trust is not required to make principal payments to the investors. Instead, the trust uses principal payments received on the accounts to purchase new loan receivables. Therefore, the principal dollar amount of the investor's undivided interest remains unchanged. Once the revolving period ends, the trust distributes principal payments to the investors according to the terms of the transaction.

Distribution of principal to the investors may begin earlier if the average annualized yield on the receivables securitized (generally including interest income, interchange and other fees) for three consecutive months drops below a minimum yield (generally equal to the sum of the coupon rate payable to investors, contractual servicing fees, and principal credit losses during the period) or certain other events occur.

In accordance with SFAS No. 125, gains are recognized in income at the time of initial sale and each subsequent sale of loan receivables in an asset securitization. In the third quarter of 2000, the Corporation recognized a $27.1 million gain from the securitization of $600 million of credit card loans, which was recorded in other noninterest income in the consolidated statements of income, and consisted of a $25.0 million adjustment to the allowance for loan losses and a $2.1 million gain attributable to the Corporation's retained interest in the trust. The retained interest represents the contractual right to receive interest and other cash flows from the trust and is reported at fair value with unrealized gains and losses, net of tax, included as a component of stockholders' equity. At September 30, 2000, the amount of the retained interest was $2.1 million and was included in other assets. Transaction costs of approximately $3.0 million incurred in 2000 by the Corporation were deferred and will be amortized over the five-year term of the trust as a reduction of card-related fee income. Card-related fee income also includes the other fees received by the Corporation for the servicing of securitized and portfolio loans.

The Corporation uses certain assumptions and estimates in determining the fair value allocated to the retained interest at the time of initial sale and each subsequent sale in accordance with SFAS No. 125. These assumptions and estimates included projections concerning the annual percentage rates charged to customers, charge-off experience, loan repayment rates, the cost of funds, and discount rates commensurate with the risks involved. These assumptions are reviewed periodically by the Corporation. If these assumptions change, the related asset and income would be affected.

At September 30, 2000 and 1999, $747.5 million and $500.0 million, respectively, of securitized credit card receivables were outstanding.

5. LOANS AND ALLOWANCE FOR LOAN LOSSES

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

	Three Months Ended September 30		Nine Months Ended September 30	
(In Thousands)	**2000**	1999	**2000**	1999
Balance at beginning of period	**$970,362**	$970,229	**$970,463**	$970,243
Provision	**70,363**	55,476	**205,380**	183,052
Allowance related to loans acquired (sold or securitized)	**(25,016)**	(16)	**(25,321)**	345
Charge-offs:				
Commercial	**19,577**	16,741	**68,803**	61,782
Real estate — commercial	**1,635**	1,828	**5,172**	3,943
Real estate — residential	**6,169**	3,980	**17,990**	11,136
Consumer	**43,248**	39,855	**121,737**	130,535
Credit card	**27,103**	23,831	**79,096**	76,122
Home equity	**1,644**	1,339	**4,804**	5,380
Total charge-offs	**99,376**	87,574	**297,602**	288,898
Recoveries:				
Commercial	**4,546**	4,834	**13,951**	15,290
Real estate — commercial	**945**	1,401	**3,419**	6,167
Real estate — residential	**172**	277	**810**	1,514
Consumer	**16,949**	19,731	**54,138**	63,789
Credit card	**5,176**	5,299	**17,383**	16,093
Home equity	**1,371**	1,079	**2,871**	3,141
Total recoveries	**29,159**	32,621	**92,572**	105,994
Net charge-offs	**70,217**	54,953	**205,030**	182,904
Balance at end of period	**$945,492**	$970,736	**$945,492**	$970,736

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 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.

In conjunction with the sale through securitization of $600 million of credit card loans in the third quarter of 2000, the allowance for loan losses was adjusted by $25.0 million.

Details regarding nonperforming loans are included in the Asset Quality section of Management's Discussion and Analysis. At September 30, 2000, December 31, 1999 and September 30, 1999, impaired loans totaled $80.2 million, $24.9 million and $40.7 million, respectively. The related allowance allocated to these loans was $47.2 million, $10.9 million and $12.4 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 nine months ended September 30, 2000, was $25.8 million and $7.5 million, respectively, compared with $20.3 million and $7.9 million, respectively, for the nine months ended September 30, 1999.

6. SECURITIES

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

Gross unrealized gains for the entire portfolio totaled $77.8 million, $109.9 million and $189.3 million at September 30, 2000, December 31, 1999 and September 30, 1999, respectively. Gross unrealized losses at the same period ends totaled $226.8 million, $385.8 million and $284.9 million, respectively.

For the nine months ended September 30, 2000 and 1999, gross securities gains of $73.4 million and $111.0 million, and gross securities losses of $67.2 million and $9.7 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 $650.5 million and $692.1 million, respectively, as of September 30, 2000.

As of September 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)	**September 30, 2000** Amortized Cost	Fair Value
U.S. Treasury and Federal agency debentures	**$ 967,083**	**$ 941,526**
Mortgage-backed securities	**5,744,758**	**5,567,986**
Asset-backed and corporate debt securities	**1,272,809**	**1,258,945**
States and political subdivisions	**784,553**	**800,426**
Other	**1,035,444**	**1,086,729**
Total securities	**$9,804,647**	**$9,655,612**

(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)	September 30, 1999 Amortized Cost	Fair Value
U.S. Treasury and Federal agency debentures	$ 1,171,855	$ 1,139,133
Mortgage-backed securities	10,098,896	9,913,963
Asset-backed and corporate debt securities	2,806,575	2,780,436
States and political subdivisions	849,370	862,850
Other	980,338	1,115,071
Total securities	$15,907,034	$15,811,453

7. BORROWED FUNDS

(In Thousands)	**Sept. 30 2000**	Dec. 31 1999	Sept. 30 1999
U.S. Treasury demand notes	**$1,583,199**	$9,228,154	$4,824,216
Commercial paper	**505,213**	313,396	449,985
Other	**194,883**	231,061	433,237
Total borrowed funds	**$2,283,295**	$9,772,611	$5,707,438

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.

8. LONG-TERM DEBT

(Dollars in Thousands)	**Sept. 30 2000**	Dec. 31 1999	Sept. 30 1999
9⅞% subordinated notes due 1999	**$ —**	$ —	$ 65,000
6.50% subordinated notes due 2000	**—**	99,983	99,970
8.50% subordinated notes due 2002	**99,961**	99,943	99,937
6⅝% subordinated notes due 2004	**249,558**	249,460	249,428
7.75% subordinated notes due 2004	**199,018**	198,825	198,761
8.50% subordinated notes due 2004	**149,579**	149,484	149,453
7.20% subordinated notes due 2005	**249,865**	249,843	249,836
5.75% subordinated notes due 2009	**299,043**	298,956	298,928
6⅞% subordinated notes due 2019	**698,855**	698,809	698,794
Other	**10,000**	10,000	10,000
Total parent company	**1,955,879**	2,055,303	2,120,107
6.50% subordinated notes due 2003	**199,806**	199,750	199,731
7.25% subordinated notes due 2010	**223,394**	223,271	223,230
6.30% subordinated notes due 2011	**200,000**	200,000	200,000
7.25% subordinated notes due 2011	**197,820**	197,672	197,623
6.25% subordinated notes due 2011	**297,568**	297,394	297,336
Other	**13**	1,142	1,159
Total subsidiary	**1,118,601**	1,119,229	1,119,079
Total long-term debt qualifying for Tier 2 Capital	**3,074,480**	3,174,532	3,239,186
Senior bank notes	**9,494,978**	8,918,601	8,718,431
Federal Home Loan Bank advances	**2,881,169**	2,757,648	2,660,141
Other	**4,962**	7,233	7,273
Total other long-term debt	**12,381,110**	11,683,482	11,385,845
Total long-term debt	**$15,455,589**	$14,858,014	$14,625,031

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 September 30, 2000 was 6.63%. 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 September 30, 2000 was 6.70%.

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 September 30, 2000.

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

(Dollars in Thousands)	**Sept. 30 2000**	Dec. 31 1999	Sept. 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.

10. 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 September 30, 2000, bank subsidiaries may pay the Parent company, without prior regulatory approval, $1.8 billion of dividends.

The table below reflects various measures of capital:

(Dollars in Millions)	**Sept. 30 2000**		Dec. 31 1999		Sept. 30 1999	
	Amount	**Ratio**	Amount	Ratio	Amount	Ratio
Total equity[a]	**$6,467.4**	**7.60%**	$5,727.7	6.57%	$5,914.3	6.95%
Total common equity[a]	**6,437.4**	**7.57**	5,697.5	6.54	5,883.8	6.95
Tangible common equity[b]	**5,198.5**	**6.20**	4,391.1	5.12	4,629.2	5.52
Tier 1 capital[c]	**5,549.9**	**7.24**	4,828.0	6.61	4,948.6	6.89
Total risk-based capital[d]	**9,251.6**	**12.07**	8,190.2	11.22	8,379.6	11.66
Leverage[e]	**5,549.9**	**6.67**	4,828.0	5.72	4,948.6	6.07

(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)	Sept. 30 2000	Dec. 31 1999	Sept. 30 1999
Goodwill	**$1,157.0**	$1,210.4	$1,174.4
Other intangibles	**81.9**	96.0	80.2
Total intangibles	**$1,238.9**	$1,306.4	$1,254.6

11. STOCKHOLDERS' EQUITY

(Outstanding Shares)	Sept. 30 2000	Dec. 31 1999	Sept. 30 1999
Preferred Stock, no par value, authorized 5,000,000 shares	**599,639**	604,652	609,479
Common Stock, $4 par value, authorized 1,400,000,000 shares	**608,397,735**	607,058,364	616,564,714

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 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, 5.0 million shares have been repurchased, of which 2.4 million were repurchased during the first nine months of 2000. In conjunction with the foregoing authorization, 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 primarily on 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 third quarter of 2000, the Corporation entered into forward transactions involving 1.7 million shares, bringing the total number of shares under open forward contracts to 9.3 million. The final maturity date of the agreement is April 19, 2002.

12. INCOME TAX EXPENSE

The composition of income tax expense follows:

(In Thousands)	Nine Months Ended September 30 2000	1999
Applicable to income exclusive of securities transactions	**$508,020**	$534,095
Applicable to securities transactions	**2,166**	35,443
Total income tax expense	**$510,186**	$569,538

The effective tax rate was 33.9% and 34.9% for the nine months ended September 30, 2000 and 1999, respectively. Income taxes for the first nine 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.

13. 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. Management does not agree with the proposed adjustments, will vigorously contest the IRS claim, and will seek refund, either administratively or through litigation, of all amounts paid plus interest. 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 the consolidated financial statements would not be materially affected by the outcome of any present legal proceedings, commitments or asserted claims.

14. NET INCOME PER SHARE

The calculation of net income per common share follows:

(In Thousands, Except Per Share Amounts)	Three Months Ended September 30 2000	Three Months Ended September 30 1999	Nine Months Ended September 30 2000	Nine Months Ended September 30 1999
Basic:				
Net income	**$330,636**	$356,462	**$994,366**	$1,061,969
Less preferred dividends	**449**	457	**1,349**	1,282
Net income applicable to common stock	**$330,187**	$356,005	**$993,017**	$1,060,687
Average common shares outstanding	**608,277**	616,884	**606,995**	626,908
Net income per common share — basic	**$.55**	$.58	**$1.64**	$1.69
Diluted:				
Net income	**$330,636**	$356,462	**$994,366**	$1,061,969
Average common shares outstanding	**608,277**	616,884	**606,995**	626,908
Stock option adjustment	**3,139**	5,849	**2,858**	7,623
Preferred stock adjustment	**1,816**	1,848	**1,818**	1,882
Average common shares outstanding — diluted	**613,232**	624,581	**611,671**	636,413
Net income per common share — diluted	**$.54**	$.57	**$1.63**	$1.67

15. 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 September 30, 2000 and December 31, 1999 was $976.4 million and $785.0 million, respectively, and included capitalized net cash outflows of $51.4 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 and purchases interest rate caps and floors. 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 September 30, 2000 and December 31, 1999 follows:

(In Thousands)	Interest Rate Risk Management					Mortgage Servicing Risk Management	
	Notional Amount Applicable to Hedged Item			Total Notional	Net Unrealized Gain (Loss)	Notional	Net Unrealized Gain (Loss)
	Loans	Securities	Funding				
September 30, 2000:							
Interest rate swaps							
Receive fixed swaps	$ 60,000	$ —	$ 5,994,250	$ 6,054,250	$(158,029)	$1,478,000	$(37,887)
Pay fixed swaps	3,040,807	—	3,000,000	6,040,807	60,265	—	—
Basis swaps	2,200,000	—	3,051,000	5,251,000	(10,926)	—	—
Principal only swaps	—	—	—	—	—	487,850	(28,697)
Total interest rate swaps	5,300,807	—	12,045,250	17,346,057	(108,690)	1,965,850	(66,584)
Interest rate caps and floors							
Eurodollar caps purchased	3,449	—	—	3,449	(57)	—	—
Eurodollar caps sold	415,000	—	—	415,000	4,250	—	—
Eurodollar floors purchased	1,165,000	25,000	—	1,190,000	(2,184)	—	—
Eurodollar floors sold	10,000	—	—	10,000	(285)	—	—
U.S. Treasury caps purchased	—	—	—	—	—	2,675,000	5,341
U.S. Treasury floors purchased	—	—	—	—	—	270,000	263
Total interest rate caps and floors	1,593,449	25,000	—	1,618,449	1,724	2,945,000	5,604
Interest rate futures							
Eurodollar futures purchased	127,000	—	—	127,000	83	—	—
Eurodollar futures sold	1,649,000	1,094,000	3,770,000	6,513,000	(10,854)	—	—
Total interest rate futures	1,776,000	1,094,000	3,770,000	6,640,000	(10,771)	—	—
Total interest rate swaps, caps, floors and futures	$8,670,256	$1,119,000	$15,815,250	$25,604,506	$(117,737)	$4,910,850	$(60,980)

(In Thousands)	Interest Rate Risk Management					Mortgage Servicing Risk Management	
	Notional Amount Applicable to Hedged Item			Total Notional	Net Unrealized Gain (Loss)	Notional	Net Unrealized Gain (Loss)
	Loans	Securities	Funding				
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)

16. 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. During the third quarter of 2000, National City announced several organizational changes, which, once operationally complete, may result in changes to the presentation of the line of business results.

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 87%-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 September 30, 2000								
Net interest income (expense)[a]	$242,954	$ 373,846	$156,680	$ 25,782	$ 12,843	$ 2,535	$ (68,620)	$ 746,020
Provision (benefit) for loan losses	10,543	14,220	44,985	2,951	—	—	(2,336)	70,363
Net interest income (expense) after provision	232,411	359,626	111,695	22,831	12,843	2,535	(66,284)	675,657
Noninterest income	56,753	142,491	30,124	113,598	99,989	106,599	68,759	618,313
Noninterest expense	104,675	291,458	91,532	83,515	87,318	87,975	38,836	785,309
Income (loss) before taxes	184,489	210,659	50,287	52,914	25,514	21,159	(36,361)	508,661
Income tax expense (benefit)[a]	69,594	80,762	18,955	19,552	9,725	8,174	(28,737)	178,025
Net income (loss)	$114,895	$ 129,897	$ 31,332	$ 33,362	$ 15,789	$ 12,985	$ (7,624)	$ 330,636
Intersegment revenue (expense)	$ —	$ 3,709	$ —	$ 7,356	$ 2,399	$ —	$ (13,464)	$ —
Average assets (in millions)	28,836	15,629	17,946	2,637	3,994	389	14,770	84,201
Quarter Ended September 30, 1999								
Net interest income (expense)[a]	$215,045	$ 373,205	$144,802	$ 22,709	$ 12,883	$ 1,260	$ (12,151)	$ 757,753
Provision (benefit) for loan losses	10,249	9,988	40,040	476	—	—	(5,277)	55,476
Net interest income (expense) after provision	204,796	363,217	104,762	22,233	12,883	1,260	(6,874)	702,277
Noninterest income	50,250	143,033	31,662	116,140	74,302	93,629	39,951	548,967
Noninterest expense	100,784	295,513	80,516	82,623	58,233	82,220	6,074	705,963
Income before taxes	154,262	210,737	55,908	55,750	28,952	12,669	27,003	545,281
Income tax expense (benefit)[a]	57,457	79,744	20,313	20,416	11,179	4,348	(4,638)	188,819
Net income	$ 96,805	$ 130,993	$ 35,595	$ 35,334	$ 17,773	$ 8,321	$ 31,641	$ 356,462
Intersegment revenue (expense)	$ —	$ 2,426	$ —	$ 7,255	$ 2,495	$ —	$ (12,176)	$ —
Average assets (in millions)	25,866	16,768	15,407	2,348	2,885	332	19,085	82,691
Nine Months Ended September 30, 2000								
Net interest income (expense)[a]	$696,033	$1,113,673	$471,673	$ 74,695	$ 31,915	$ 6,621	$(158,723)	$2,235,887
Provision (benefit) for loan losses	48,339	33,014	127,515	6,158	—	—	(9,646)	205,380
Net interest income (expense) after provision	647,694	1,080,659	344,158	68,537	31,915	6,621	(149,077)	2,030,507
Noninterest income	170,889	407,105	189,320	359,971	307,525	305,674	88,276	1,828,760
Noninterest expense	307,138	856,076	302,157	255,409	252,298	258,456	97,938	2,329,472
Income (loss) before taxes	511,445	631,688	231,321	173,099	87,142	53,839	(158,739)	1,529,795
Income tax expense (benefit)[a]	193,026	242,172	87,048	64,181	33,181	20,831	(105,010)	535,429
Net income (loss)	$318,419	$ 389,516	$144,273	$108,918	$ 53,961	$ 33,008	$ (53,729)	$ 994,366
Intersegment revenue (expense)	$ —	$ 11,140	$ —	$ 21,745	$ 7,890	$ —	$ (40,775)	$ —
Average assets (in millions)	27,811	16,220	18,338	2,479	3,474	375	16,940	85,637
Nine Months Ended September 30, 1999								
Net interest income (expense)[a]	$643,017	$1,114,741	$440,011	$ 66,573	$ 42,658	$ 3,381	$ (29,743)	$2,280,638
Provision (benefit) for loan losses	39,817	28,981	134,258	1,732	—	—	(21,736)	183,052
Net interest income (expense) after provision	603,200	1,085,760	305,753	64,841	42,658	3,381	(8,007)	2,097,586
Noninterest income	151,925	414,073	77,227	355,153	240,236	260,230	265,557	1,764,401
Noninterest expense	293,430	877,237	213,453	251,681	178,626	300,494	87,479	2,202,400
Income (loss) before taxes	461,695	622,596	169,527	168,313	104,268	(36,883)	170,071	1,659,587
Income tax expense[a]	171,948	235,734	62,353	61,563	40,061	11,305	14,654	597,618
Net income (loss)	$289,747	$ 386,862	$107,174	$106,750	$ 64,207	$(48,188)	$ 155,417	$1,061,969
Intersegment revenue (expense)	$ —	$ 36,337	$ —	$ 23,743	$ 7,983	$ —	$ (68,063)	$ —
Average assets (in millions)	25,895	17,441	15,261	2,291	3,213	415	19,334	83,850

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

Financial Highlights

Net income for the third quarter and first nine months of 2000 was $330.7 million and $994.4 million, respectively, compared to net income of $356.5 million and $1,062.0 million, respectively, for the same periods in 1999. Net income per diluted share was $.54 in the third quarter of 2000 and $1.63 for the first nine months of 2000, versus net income per diluted share of $.57 and $1.67, respectively, for the comparable 1999 periods. Returns on average common equity and assets were 21.1% and 1.56%, respectively, for the third quarter of 2000 compared to 23.8% and 1.71%, respectively, for the 1999 third quarter. On a year-to-date basis, returns on average common equity and assets were 22.2% and 1.55%, respectively, for 2000 and 22.6% and 1.69%, respectively, for 1999.

Net Interest Income

Tax-equivalent net interest income for the third quarter of 2000 was $746.0 million compared to $749.0 million in the second quarter and $757.7 million in 1999's third quarter. The 2000 third quarter net interest margin of 3.90% was up from 3.80% in the second quarter, but down from 4.03% in the 1999 third quarter. Tax-equivalent net interest income and the net interest margin for the first nine months of 2000 were $2.24 billion and 3.83%, respectively, down from $2.28 billion and 4.03%, respectively, for the same period in 1999.

During the second and third quarters of 2000, the Corporation took steps toward improving the net interest margin and reducing the Corporation's sensitivity to rising interest rates, including the sales of $2.0 billion of thin-spread student loans, $3.7 billion of fixed-rate debt securities, and $1.0 billion of low-spread adjustable-rate mortgage (''ARM'') loans, along with the securitization of $600 million of credit card loans. Despite a decline in average earning assets from the second quarter (Table 1) due to the asset sales, the net interest margin and net interest income for the third quarter of 2000 benefited from a richer earning asset mix, a stable level of core deposits (Table 2) and less pressure from rising interest rates, which allowed certain assets to reprice and catch up with funding rate increases.

On a year-over-year basis, higher-cost funding in a rising rate environment coupled with the Corporation's liability sensitivity and competitive lending markets led to the decline in net interest income and the narrower net interest margin. In addition, interest expense incurred as a result of funding 1999 share repurchase activity had the effect of reducing the 2000 net interest margin.

Average earning assets for the third quarter of 2000 were $76.4 billion, down from $79.0 billion last quarter, but up from $75.0 billion for the third quarter of 1999. Excluding the impact of the aforementioned asset sales, which reduced average earning assets by $5.8 billion in the third quarter of 2000 and $1.0 billion in the second quarter, average assets are up over both prior periods due to strong loan growth. Average loans for the third quarter of 2000 totaled $62.2 billion compared to $62.5 billion in the second quarter of this year and $57.1 billion in the third quarter of 1999. Excluding the impact of second quarter student and ARM loan sales and the third quarter credit card loan securitization, average loans for the third quarter grew

Table 1: Average Earning Assets

	Three Months Ended		
(In Millions)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999
Loans	**$62,248**	$62,537	$57,142
Mortgage loans held for sale	**3,001**	2,848	2,172
Securities (at cost)	**10,786**	13,064	14,851
Other	**343**	578	806
Total earning assets	**$76,378**	$79,027	$74,971

Table 2: Average Sources of Funding

	Three Months Ended		
(In Millions)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999
Noninterest bearing deposits	**$10,837**	$10,934	$11,338
Interest bearing core deposits	**35,264**	35,183	34,998
Total core deposits	**46,101**	46,117	46,336
Purchased deposits	**5,812**	5,743	5,297
Short-term borrowings	**8,667**	11,109	10,511
Long-term debt and capital securities	**16,014**	16,636	13,532
Stockholders' equity	**6,246**	5,976	5,969
Total funding	**$82,840**	$85,581	$81,645
Total interest-bearing liabilities	**$65,757**	$68,671	$64,338

$2.4 billion over the second quarter of 2000 and represented an annualized growth rate of 15%. Strong growth in commercial loans and leases was the main driver of the linked-quarter increase and also contributed significantly to the year-over-year increase. The retention of nonconforming residential real estate loans and solid growth in home equity loans were also primary factors behind the year-over-year increase. Steady origination volume drove the increase in average mortgage loans held for sale to $3.0 billion in the third quarter of 2000 from $2.8 billion last quarter. Average securities in the third quarter were $10.8 billion, down $2.3 billion from $13.1 billion in the second quarter and $4.1 billion from $14.9 billion in the 1999 third quarter due to the sale of $3.7 billion of lower-yielding fixed-rate debt securities in 2000.

Average interest-bearing liabilities (Table 2) in the 2000 third quarter were $65.8 billion, down from $68.7 billion in the second quarter as a portion of the proceeds from asset sales was used to reduce purchased funding, while average core deposits in the third quarter at $46.1 billion held steady relative to the second quarter. Compared to the third quarter of 1999, average interest-bearing liabilities increased $1.4 billion, with a shift in mix from lower-cost noninterest bearing deposits and short-term borrowings to more expensive purchased deposits and long-term debt (Table 3).

Credit card securitization transactions are undertaken primarily to diversify the Corporation's funding sources and for overall balance sheet management. Asset securitization involves the sale of a pool of loan receivables to a trust which sells undivided interests to investors through the public or private issuance of asset-backed securities. As loan receivables are securitized, the Corporation's on-balance sheet funding needs are reduced by the amount of loans securitized.

Table 3: Percentage Composition of Average Funding Sources

	Three Months Ended		
(In Millions)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999
Core deposits	**55.7%**	53.9%	56.7%
Purchased deposits	**7.0**	6.7	6.5
Short-term borrowings	**10.5**	13.0	12.9
Long-term debt and capital securities	**19.3**	19.4	16.6
Stockholders' equity	**7.5**	7.0	7.3
Total	**100.0%**	100.0%	100.0%

During the third quarter of 2000, the Corporation transferred credit card loans to the National City Credit Card Master Trust, which sold $600 million of undivided interests in the trust to investors. No loans were securitized in 1999; however, loan securitizations transacted prior to 1999 began unwinding in late 1998 resulting in $353 million and $270 million of credit card loans coming back onto the Corporation's balance sheet in 2000 and 1999, respectively.

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 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 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, taken 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 exposure to changes in certain interest rate relationships.

Over the course of the previous two quarters, management has taken steps to lessen the Corporation's liability sensitivity. At September 30, 2000, the earnings simulation model projects net income would decrease by approximately .6% of stable-rate net income if rates rise gradually by two percentage points over the next year. It projects an increase of approximately .4% if rates decline gradually by two percentage points over the next year. At June 30, 2000, these measures projected a decrease in net income of 1.4% in a rising rate environment and an increase of 1.0% in a falling rate environment. The calculated exposure at September 30, 2000 is within the Corporation's guideline of minus 4.0%.

At September 30, 2000, the net present value model indicates a 150 basis point immediate increase in rates would result in approximately a 3.5% decline in the net present value of the balance sheet, while a 150 basis point immediate decrease in rates was projected to decrease the net present value of the balance sheet by approximately .6%. At June 30, 2000, the corresponding measurements were a 3.8% decline and no change, respectively. Policy limits restrict the amount of the estimated decline in net present value to minus 7.0%.

Table 4: Noninterest Income

	Three Months Ended			Nine Months Ended	
(In Thousands)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999	**Sept. 30 2000**	Sept. 30 1999
Item processing revenue	**$104,916**	$100,575	$ 91,519	**$ 299,860**	$ 318,311
Deposit service charges	**115,392**	108,073	107,430	**329,778**	312,127
Mortgage banking revenue	**110,454**	147,610	81,105	**369,358**	263,281
Trust and investment management fees	**79,805**	90,054	81,097	**253,483**	243,627
Card-related fees	**48,283**	45,312	48,383	**137,241**	142,952
Other service fees	**24,033**	30,918	22,647	**79,288**	68,999
Brokerage revenue	**23,202**	24,587	24,514	**74,800**	78,000
Other	**84,793**	127,199	71,919	**278,764**	235,839
Total fees and other income	**590,878**	674,328	528,614	**1,822,572**	1,663,136
Net securities gains (losses)	**27,435**	(42,780)	20,353	**6,188**	101,265
Total noninterest income	**$618,313**	$631,548	$548,967	**$1,828,760**	$1,764,401

Noninterest Income

For the third quarter of 2000, fees and other income (Table 4) were $590.9 million compared to $674.3 million for the second quarter and $528.6 million for the third quarter of 1999. Fees and other income for the first nine months of 2000 reached $1.82 billion, up 10% from $1.66 billion for the same period in 1999.

On a linked-quarter comparative basis, third quarter growth in item processing revenue and deposit service charges, along with a $27.1 million gain on a credit card securitization, was more than offset by lower trust and investment management fees and mortgage banking revenue and the second quarter gain of $74.2 million on the sale of student loans. Item processing revenue benefited from an expanded merchant base and an increase in card volume, while the increase in deposit service charges was attributable to higher volume and a reduction in fee waivers. Sequential quarter trust and investment management fees declined principally as a result of seasonal tax preparation and estate settlement fees recognized in the second quarter, and to a lesser extent, a decline in market values of assets under administration. Although assisted by healthy origination volume and higher servicing contributions, mortgage banking revenue declined from the second quarter, a quarter in which a $13.5 million gain from the sale of mortgage servicing rights and a $10.6 million gain on the sale of certain low-spread adjustable-rate mortgage loans were recognized. Mortgage banking revenue was also lowered in the third quarter due to a decline in nonconforming loan sales, as more high-quality nonconforming loan production was retained to benefit future periods, while foregoing gains on whole-loan sales.

On a year-over-year basis, fees and other income increased due to growth in mortgage banking revenue, deposit service charges, trust and investment management fees, other service fees, and item processing revenue, exclusive of revenue related to the 1999 divestitures of certain business lines at National Processing, Inc., the Corporation's 87%-owned item processing subsidiary, as well as the gains recognized in 2000 related to the credit card securitization and sale of student loans of $27.1 million and $74.2 million, respectively, offset partially by $42.8 million in net gains recognized in 1999 related to the disposal of certain equity interests and the National Processing business lines. Strong origination volumes and a growing servicing portfolio, along with purchase acquisitions in the second half of 1999, led to the year-over-year growth in mortgage banking revenue. National City's residential loan servicing portfolio grew to $53.5 billion at September 30, 2000, up 14% from $46.7 billion at year-end 1999 and up 20% from $44.4 billion a year ago. Service charges on deposits and other service fees benefited from a standardized fee structure instituted in 1999, higher cash management and syndicated lending fees, increased customer debit card usage and fewer waived fees. An increase in assets under administration combined with a more uniform fee structure led to the growth in trust and investment management fees. Excluding revenue recognized in the first half of 1999 related to the aforementioned divested business lines, item processing revenue experienced strong growth in both the year-over-year quarter and year-to-date periods due to an expanded merchant base and higher debit and credit card volume. 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 third quarter of 2000, pre-tax securities gains, primarily from equity securities, totaled $27.5 million, or $.03 per share after tax, up from $20.3 million, or $.02 per share after tax, in the third quarter of 1999. For the first nine months of 2000, net pre-tax securities gains totaled $6.2 million, or $.01 per share after tax, down from $101.3 million, or $.10 per share after tax, for the same period last year. Net securities gains for the first nine months of 2000 included pre-tax losses of $56.3 million, or $.06 per share after tax, from the sale of $3.7 billion of primarily lower-yielding, fixed-rate debt securities, whereas for the first nine months of 1999, securities gains included a pre-tax gain of $32.1 million from the sale of the Corporation's holdings in Concord EFS, Inc.

Table 5: Noninterest Expense

	Three Months Ended			Nine Months Ended	
(In Thousands)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999	**Sept. 30 2000**	Sept. 30 1999
Salaries	**$347,248**	$341,735	$306,468	**$1,024,020**	$ 941,518
Benefits and other personnel	**58,736**	59,574	61,170	**190,144**	216,469
Equipment	**56,038**	57,759	47,590	**171,479**	153,306
Net occupancy	**52,730**	51,816	48,944	**157,214**	152,305
Third-party services	**51,201**	48,546	49,304	**144,895**	143,425
Card processing fees	**40,393**	40,493	37,261	**119,084**	108,880
Postage and supplies	**29,692**	31,701	29,504	**92,004**	94,458
Amortization of intangibles	**21,966**	21,975	19,190	**66,041**	54,236
Telephone	**20,538**	18,371	15,124	**59,185**	53,714
Marketing and public relations	**18,827**	23,377	15,656	**64,916**	41,238
State and local taxes	**12,913**	8,122	13,040	**28,743**	38,222
Travel and entertainment	**14,754**	15,149	12,522	**43,542**	37,152
Other	**60,273**	66,452	50,190	**168,205**	167,477
Total noninterest expense	**$785,309**	$785,070	$705,963	**$2,329,472**	$2,202,400

Noninterest Expense

Noninterest expense (Table 5) was $785.3 million in the third quarter of 2000, relatively unchanged from $785.1 million in the second quarter, but up from $705.9 million in the 1999 third quarter. Noninterest expense for the first nine months of 2000 was $2.33 billion, compared to $2.20 billion for the same period in 1999. On a linked-quarter basis, higher third quarter expenses resulting principally from increased personnel costs and state and local taxes were offset by a lower level of marketing spending, a $15.0 million second quarter write-down of residual values on the Corporation's auto lease portfolio, along with other expense adjustments. Compared to the third quarter of 1999, noninterest expense rose due to higher technology and marketing spending to support strategic growth initiatives, fee-based business volume increases, and expenses and intangibles amortization from 1999 purchase acquisitions whose costs were not fully included in the 1999 third quarter base. These same factors also led to the increase in noninterest expense for the first nine months of 2000, compared to the same 1999 period, with the effect partially offset by lower expenses resulting from National Processing's second quarter 1999 business line divestitures, $37.8 million of charges pursuant to a plan to improve the cost-efficiency of branch office facilities, along with certain unrelated executive contract obligations, 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 connection with internally-developed software projects accounted for the decrease in benefits and other personnel expense, while state and local tax expense declined due to several refunds in 2000.

National City's staffing level on a full-time equivalent basis was 36,766 at September 30, 2000, down from 37,267 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. The efficiency ratio for the third quarter and first nine months of 2000 was 58.7% and 57.4%, respectively, compared to 54.9% and 55.8%, respectively, for the same periods in 1999.

Line of Business Results

Following is a discussion of National City's results by line of business. Selected financial information for each business line is presented in Note 16 to the Consolidated Financial Statements and in Table 6.

National City's operations are currently managed under six major lines of business: corporate banking, retail sales and distribution, consumer finance, asset management, National City Mortgage and National Processing. During the third quarter of 2000, National City announced several organizational changes, which, once operationally complete, may result in changes to the presentation of the line of business results.

Corporate Banking net income for the third quarter and first nine months of 2000 was $114.9 million and $318.4 million, respectively, up from $96.8 million and $289.7 million, respectively, 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 resulted in the improved performance in both comparative year-over-year periods. Strong commercial loan and lease growth and increased spreads drove the increase in net interest income, while successful syndication efforts benefited noninterest income. Higher net charge-offs led to an increased provision for loan losses, and expenses associated with new offices and expansion in the Philadelphia, Detroit and Chicago markets contributed to the increase in noninterest expense. Compared to Corporate Banking's net income in the second quarter of 2000 of $107.0 million, third quarter results improved due to continued strong commercial loan and lease growth and lower loan losses.

Table 6: Net Income by Line of Business

	Three Months Ended			Nine Months Ended	
(In Millions)	**Sept. 30 2000**	Jun. 30 2000	Sept. 30 1999	**Sept. 30 2000**	Sept. 30 1999
Corporate banking	**$114.9**	$107.0	$ 96.8	**$318.4**	$ 289.7
Retail sales and distribution	**129.9**	133.2	131.0	**389.5**	386.9
Consumer finance	**31.3**	78.0	35.6	**144.3**	107.2
Asset management	**33.4**	40.6	35.3	**108.9**	106.8
National City Mortgage	**15.8**	22.8	17.8	**54.0**	64.2
National Processing	**13.0**	10.5	8.3	**33.0**	(48.2)
Parent and other	**(7.6)**	(49.7)	31.7	**(53.7)**	155.4
Consolidated total	**$330.7**	$342.4	$356.5	**$994.4**	$1,062.0

Retail Sales and Distribution reported net income of $129.9 million and $389.5 million for the third quarter and year-to-date periods of 2000, respectively, relatively unchanged from net income of $131.0 million and $386.9 million, respectively, for the same periods in 1999. Results for Retail Sales and Distribution in 2000 have been dampened by an increase in the provision for loan losses and lower noninterest income, offset partially by improved spreads and lower noninterest expense. A lower level of earning assets, due in part to the sale in the second quarter of 2000 of $1.0 billion of low-spread adjustable rate mortgages, along with a lower level of core deposits, have hindered net interest income growth. The increased provision for loan losses reflected a higher level of net charge-offs in 2000. Noninterest income decreased due to $6.4 million of branch sale gains recognized in the 1999 third quarter and fewer intercompany servicing asset sale gains, offset partially by the 2000 second quarter gain of $3.8 million from the sale of the mortgage loans. Noninterest expense has benefited over the past year from cost efficiencies achieved through branch reconfiguration and functional centralization initiatives. Third quarter 2000 net income declined slightly from second quarter net income of $133.2 million due primarily to a higher loan loss provision and an increase in net overhead due to a higher level of transaction related losses.

Consumer Finance's third quarter and year-to-date net income totaled $31.3 million and $144.3 million, respectively, versus $35.6 million and $107.2 million, respectively, 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 $2.0 billion of student loans in the second quarter. Excluding this gain, net income for the first nine months of 2000 was $96.1 million. Results in 2000, excluding the student loan sale gain, have been unfavorably impacted by a lower net interest margin, net overhead attributable to the acquisition of First Franklin Financial Companies, Inc. (''First Franklin'') late in the third quarter of 1999 and a $15.0 million write-down of auto lease residual values in the second quarter of 2000, offset to some extent by strong growth in nonconforming residential real estate loans, which has benefited net interest income. Compared to 2000 second quarter net income, excluding the student loan sale gain, third quarter net income was relatively unchanged as the benefit of a lower level of expense was offset by fewer nonconforming mortgage loan sale gains, due to the retention of a larger percentage of First Franklin's production in the third quarter, and an increase in the loan loss provision.

Net income for Asset Management was $33.4 million and $108.9 million for the third quarter and first nine months of 2000, compared to net income of $35.3 million and $106.8 million for the comparable 1999 periods. Asset Management's performance in 2000, relatively flat compared to 1999, has been dampened by lower revenue generated from investment banking and retail brokerage activity and higher loan losses offset for the most part by an increase in net interest income, due to strong loan growth and improved spreads, and an increase in fees relative to noninterest expense related to private investment advisory services. Net income in the third quarter of 2000 was down from $40.6 million in the second quarter of this year primarily due to seasonal tax preparation and estate planning fees recognized in the second quarter.

National City Mortgage reported net income of $15.8 million and $54.0 million for the third quarter and first nine months of 2000, respectively, versus net income of $17.8 million and $64.2 million for the same periods last year. 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. Third quarter net income declined compared to second quarter 2000 net income of $22.8 million primarily due to an after-tax gain of $8.8 million recognized in the second quarter related to the sale of servicing assets.

National Processing's net income for the third quarter and first nine months of 2000 was $13.0 million and $33.0 million, respectively, up from net income of $8.3 million in the 1999 third quarter and a net loss of $48.2 million for the first nine months of 1999. Year-to-date 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, National Processing's results in 2000 improved over 1999, due primarily to strong revenue growth and higher operating margins in the merchant services segment resulting from new customers, volume increases from existing customers, better pricing and volume-driven economies of scale. Compared to net income of $10.5 million in the second quarter of 2000, third quarter net income increased 24% and reflected continued growth in the merchant services segment and a higher revenue contribution from healthcare related processing in the corporate outsourcing segment.

The parent and other category in 2000 included the after-tax net loss of $36.6 million related to the sale of the fixed-rate debt securities and the after-tax gain of $17.7 million from the credit card securitization transaction. In 1999, the parent and other category included net after-tax income of $87.0 million related to several one-time gains from the sale of the Corporation's investments in EPS, Concord and SVS (see Note 3 to the Consolidated Financial Statements), offset by $24.5 million in after-tax charges pursuant to a plan to improve the cost efficiency of branch office facilities, along with certain unrelated executive contract obligations. Excluding these items, the parent and other category incurred net losses of $26.6 million and $34.8 million for the third quarter and first nine months of 2000, respectively, compared to net income of $31.7 million and $92.9 million for the same 1999 periods due largely to the effect of rising interest rates on investment and funding activities.

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

	Three Months Ended			Nine Months Ended	
	Sept. 30 2000	Jun. 30 2000	Sept. 30 1999	**Sept. 30 2000**	Sept. 30 1999
Commercial	**.24%**	.35%	.21%	**.30%**	.28%
Real estate — commercial	**.04**	.16	.03	**.04**	(.05)
Real estate — residential	**.21**	.21	.15	**.20**	.13
Consumer	**.86**	.51	.58	**.67**	.65
Credit card	**3.51**	3.16	3.52	**3.37**	4.10
Home equity	**.03**	.13	.03	**.06**	.09
Total net charge-offs to average loans	**.45%**	.44%	.38%	**.44%**	.43%

Asset Quality

Credit quality remained relatively stable in the third quarter of 2000. Net charge-offs totaled $70.2 million, or .45% of average loans, compared to $68.7 million, or .44% of average loans in the second quarter of 2000, and $55.0 million, or .38% of average loans in the third quarter of 1999. Year-to-date, net charge-offs were $205.0 million, or .44% of average loans, in 2000, compared to net charge-offs of $182.9 million, or .43% of average loans, in 1999. Table 7 presents net charge-offs as a percentage of average loans by portfolio type.

At September 30, 2000, the allowance for loan losses was $945.5 million, or 1.49% of loans, compared to $970.4 million, or 1.58% of loans at the end of the second quarter, and $970.7 million, or 1.67% of loans a year ago. In conjunction with the sale through securitization of $600 million of credit card loans in the third quarter of 2000, the allowance was adjusted by $25.0 million, resulting in a decline in the ratio of allowance for loan losses as a percentage of loans at the end of the third quarter.

Nonperforming assets (Table 8) totaled $365.3 million at September 30, 2000, compared to $339.3 million at June 30, 2000, and $260.0 million at September 30, 1999. Weakness in the healthcare sector along with the addition of several credits in the retail and manufacturing industries and higher delinquencies in residential real estate contributed to the rise in nonperforming assets over the past year. As a percentage of loans and other real estate, nonperforming assets were .57% at September 30, 2000, compared to .55% at the end of the second quarter, and .45% a year ago. Nonconforming residential real estate delinquencies served as the primary contributor to the rise in loans 90 days past due accruing interest in the third quarter of 2000 (Table 8).

Table 8: Nonperforming Assets

(In Millions)	**Sept. 30 2000**	Jun. 30 2000	Mar. 31 2000	Dec. 31 1999	Sept. 30 1999
Commercial:					
Nonaccrual	**$170.6**	$155.3	$138.4	$130.2	$106.7
Restructured	**.2**	.2	.2	.2	.2
Total commercial	**170.8**	155.5	138.6	130.4	106.9
Real estate mortgage:					
Nonaccrual	**166.6**	158.0	150.5	137.0	126.9
Restructured	**.2**	.2	1.7	1.8	2.3
Total real estate mortgage	**166.8**	158.2	152.2	138.8	129.2
Total nonperforming loans	**337.6**	313.7	290.8	269.2	236.1
Other real estate owned (OREO)	**27.7**	25.6	23.3	19.9	23.9
Nonperforming assets	**$365.3**	$339.3	$314.1	$289.1	$260.0
Loans 90 days past due accruing interest	**$310.3**	$249.4	$250.0	$230.0	$244.0

Capital

The Corporation has consistently maintained regulatory capital ratios at or above the ''well-capitalized'' standards. Further detail on capital ratios is presented in Note 10 to the Consolidated Financial Statements.

Total stockholders' equity was $6.5 billion at September 30, 2000. Equity as a percentage of assets increased to 7.60% at the end of the third quarter from 7.25% at the end of the second quarter and 6.95% a year ago. Reduced share buyback activity and appreciation in the fair value of securities available-for-sale have aided the growth in stockholders' equity over the past several quarters. Average equity to average assets was 7.01% for the nine months ended September 30, 2000, compared to 7.53% for the same period in 1999. Book value per common share at September 30, 2000 was $10.58, compared to $10.05 at June 30, 2000 and $9.54 at September 30, 1999. Book value per common share at the end of the 2000 third quarter included unrealized losses on securities available-for-sale of $.16 compared to unrealized losses of $.43 at the end of the second quarter and unrealized losses of $.10 a year ago.

In late 1999, the Corporation's Board of Directors authorized a share repurchase program for up to 30 million shares, or approximately five percent of the Corporation's outstanding common stock, with an aggregate purchase 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 and third quarters of 2000, the Corporation repurchased 2.1 million and .3 million shares of National City common stock, respectively, on the open market, for a total cost of $52.3 million. As of September 30, 2000, 25 million shares remain authorized for repurchase. 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 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 contracts can be settled depends primarily on 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 third quarter of 2000, the Corporation entered into forward transactions involving 1.7 million shares, bringing the total shares under open forward contracts to 9.3 million. 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 third quarter of 2000, reflecting a dividend payout ratio of 52.8%. In the third quarter of 1999, dividends of $.27 were declared with a corresponding dividend payout ratio of 47.4%.

As of September 30, 2000, the Corporation's market capitalization was approximately $13.4 billion. National City's common stock is traded on the New York Stock Exchange under the symbol ''NCC.'' Stock price information for National City's common stock is presented in Table 9.

Table 9: Common Stock Information

	2000			1999	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
High	**$23.13**	$22.75	$23.56	$31.44	$33.38
Low	**17.19**	16.00	17.19	22.13	26.13
Close	**22.00**	17.06	20.63	23.69	26.69

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.

Daily Average Balances / Net Interest Income / Rates

(Dollars in Millions)	Daily Average Balance				
	2000			1999	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Assets					
Earning Assets:					
Loans:					
Commercial	**$25,294**	$24,379	$23,496	$22,988	$22,066
Real estate – commercial	**6,273**	6,157	6,020	6,141	6,238
Real estate – residential[a]	**14,628**	14,318	13,002	12,602	11,922
Consumer	**12,224**	13,973	14,520	14,045	13,664
Credit card	**2,487**	2,514	2,336	2,224	2,088
Home equity	**4,343**	4,044	3,770	3,561	3,336
Total loans	**65,249**	65,385	63,144	61,561	59,314
Securities:					
Taxable	**9,999**	12,267	13,789	14,565	14,000
Tax-exempt	**787**	797	811	838	851
Total securities	**10,786**	13,064	14,600	15,403	14,851
Short-term investments	**343**	578	635	798	806
Total earning assets / Total interest income / rates	**76,378**	79,027	78,379	77,762	74,971
Allowance for loan losses	**(991)**	(995)	(996)	(985)	(990)
Fair value depreciation of securities available for sale	**(304)**	(430)	(408)	(116)	(8)
Cash and demand balances due from banks	**3,091**	3,116	3,140	3,376	3,306
Properties and equipment, accrued income and other assets	**6,027**	6,053	5,836	5,563	5,412
Total assets	**$84,201**	$86,771	$85,951	$85,600	$82,691
Liabilities and Stockholders' Equity					
Interest bearing liabilities:					
NOW and money market accounts	**$16,473**	$16,477	$16,443	$16,580	$16,742
Savings accounts	**3,139**	3,321	3,413	3,605	3,795
Time deposits of individuals	**15,652**	15,385	15,019	14,578	14,461
Other time deposits	**2,838**	2,881	2,825	3,141	2,908
Deposits in overseas offices	**2,974**	2,862	3,400	3,105	2,389
Federal funds borrowed	**3,221**	2,277	3,642	3,713	2,889
Security repurchase agreements	**3,720**	3,776	4,081	4,531	4,814
Borrowed funds	**1,726**	5,056	3,126	2,893	2,808
Long-term debt and capital securities	**16,014**	16,636	16,259	15,081	13,532
Total interest bearing liabilities / Total interest expense / rates	**65,757**	68,671	68,208	67,227	64,338
Noninterest bearing deposits	**10,837**	10,934	10,716	11,278	11,338
Accrued expenses and other liabilities	**1,361**	1,190	1,249	1,105	1,046
Total liabilities	**77,955**	80,795	80,173	79,610	76,722
Total stockholders' equity	**6,246**	5,976	5,778	5,990	5,969
Total liabilities and stockholders' equity	**$84,201**	$86,771	$85,951	$85,600	$82,691
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	
Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	**Third Quarter**	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
$ 573.2	$ 533.8	$ 490.1	$ 471.6	$ 434.9	**9.01%**	8.80%	8.39%	8.14%	7.82%
141.0	134.9	130.7	134.4	135.8	**8.94**	8.82	8.73	8.68	8.63
308.4	296.3	260.2	251.1	232.8	**8.43**	8.28	8.00	7.97	7.81
264.7	292.2	302.9	293.7	284.1	**8.61**	8.42	8.39	8.29	8.25
89.5	86.3	77.7	71.7	70.3	**14.32**	13.81	13.38	12.79	13.36
105.4	93.0	83.4	76.4	70.6	**9.71**	9.19	8.85	8.52	8.40
1,482.2	1,436.5	1,345.0	1,298.9	1,228.5	**9.05**	8.82	8.56	8.38	8.23
154.8	191.2	216.0	226.6	217.2	**6.19**	6.24	6.27	6.22	6.20
15.9	16.2	16.6	17.3	17.5	**8.07**	8.13	8.19	8.25	8.24
170.7	207.4	232.6	243.9	234.7	**6.33**	6.35	6.38	6.33	6.32
7.5	10.9	10.9	13.3	11.7	**8.73**	7.51	6.88	6.58	5.83
$1,660.4	$1,654.8	$1,588.5	$1,556.1	$1,474.9	**8.67%**	8.41%	8.14%	7.96%	7.83%
$ 162.7	$ 149.3	$ 140.0	$ 135.2	$ 131.2	**3.93%**	3.64%	3.43%	3.24%	3.11%
13.1	13.7	14.2	15.1	16.0	**1.67**	1.66	1.67	1.67	1.67
230.1	215.1	201.0	190.3	183.5	**5.85**	5.62	5.38	5.18	5.04
46.1	43.9	41.0	43.6	36.7	**6.46**	6.13	5.84	5.51	5.00
48.5	44.3	47.7	41.6	30.1	**6.48**	6.22	5.64	5.32	5.00
53.2	37.1	53.9	51.3	37.5	**6.57**	6.56	5.95	5.46	5.16
50.7	48.6	48.7	49.9	50.3	**5.42**	5.18	4.80	4.38	4.15
28.6	77.8	43.3	41.1	37.7	**6.60**	6.19	5.57	5.64	5.32
281.4	276.0	257.8	231.6	194.2	**7.00**	6.67	6.37	6.09	5.69
$ 914.4	$ 905.8	$ 847.6	$ 799.7	$ 717.2	**5.53%**	5.30%	5.00%	4.72%	4.42%
$ 746.0	$ 749.0	$ 740.9	$ 756.4	$ 757.7					
. . . .					**3.14%**	3.11%	3.14%	3.24%	3.41%
. . . .					**.76**	.69	.65	.63	.62
. . . .					**3.90%**	3.80%	3.79%	3.87%	4.03%

Consolidated Average Balance Sheets

(In Millions)	Three Months Ended September 30 2000	Three Months Ended September 30 1999	Nine Months Ended September 30 2000	Nine Months Ended September 30 1999
Assets				
Earning Assets:				
Loans:				
Commercial	**$25,294**	$22,066	**$24,393**	$22,147
Real estate – commercial	**6,273**	6,238	**6,150**	6,272
Real estate – residential	**11,627**	9,750	**11,334**	9,879
Consumer	**12,224**	13,664	**13,569**	13,759
Credit card	**2,487**	2,088	**2,446**	1,958
Home equity	**4,343**	3,336	**4,053**	3,228
Total loans	**62,248**	57,142	**61,945**	57,243
Mortgage loans held for sale	**3,001**	2,172	**2,651**	2,489
Securities available for sale, at cost	**10,786**	14,851	**12,810**	14,870
Federal funds sold and security resale agreements	**178**	666	**363**	819
Other short-term investments	**165**	140	**155**	146
Total earning assets	**76,378**	74,971	**77,924**	75,567
Allowance for loan losses	**(991)**	(990)	**(994)**	(988)
Fair value (depreciation) appreciation of securities available for sale	**(304)**	(8)	**(380)**	211
Cash and demand balances due from banks	**3,091**	3,306	**3,115**	3,624
Properties and equipment	**1,099**	1,108	**1,113**	1,149
Accrued income and other assets	**4,928**	4,304	**4,859**	4,287
Total Assets	**$84,201**	$82,691	**$85,637**	$83,850
Liabilities and Stockholders' Equity				
Liabilities:				
Noninterest bearing deposits	**$10,837**	$11,338	**$10,829**	$11,519
NOW and money market accounts	**16,473**	16,742	**16,464**	16,879
Savings accounts	**3,139**	3,795	**3,290**	3,890
Time deposits of individuals	**15,652**	14,461	**15,354**	14,971
Other time deposits	**2,838**	2,908	**2,848**	3,023
Deposits in overseas offices	**2,974**	2,389	**3,078**	2,585
Total deposits	**51,913**	51,633	**51,863**	52,867
Federal funds borrowed and security repurchase agreements	**6,941**	7,703	**6,906**	8,024
Borrowed funds	**1,726**	2,808	**3,297**	2,875
Long-term debt and capital securities	**16,014**	13,532	**16,302**	12,721
Accrued expenses and other liabilities	**1,361**	1,046	**1,268**	1,051
Total Liabilities	**77,955**	76,722	**79,636**	77,538
Stockholders' Equity:				
Preferred	**30**	31	**30**	32
Common	**6,216**	5,938	**5,971**	6,280
Total Stockholders' Equity	**6,246**	5,969	**6,001**	6,312
Total Liabilities and Stockholders' Equity	**$84,201**	$82,691	**$85,637**	$83,850

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

Derek Green
Vice President
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**.

The common stock of National City's 87%-owned 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

National City Corporation offers stockholders a convenient way to increase their investment through the National City Corporation Amended and Restated Dividend Reinvestment and Stock Purchase Plan (the ''Plan''). Under this Plan, investors can elect to acquire shares in the open market by reinvesting dividends and through optional cash payments. National City absorbs fees and brokerage commissions on shares acquired through the Plan. To obtain a Plan prospectus and authorization card, please 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+	TBW-1
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: November 14, 2000

/s/ JEFFREY D. KELLY

Jeffrey D. Kelly
Chief Financial Officer
(Duly Authorized Signer and
Principal Financial Officer)

National City Corporation®

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

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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 Certificate 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 15, 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 and 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 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
10.8	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).
10.9	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).
10.10	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).
10.11	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).
10.12	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).
10.13	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).
10.14	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).
10.15	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).
10.16	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).
10.17	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).
10.18	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).
10.19	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).
10.20	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).
10.21	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).
10.22	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 incorporated herein by reference).
10.23	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 incorporated herein by reference).
10.24	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).

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.25	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).
10.26	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).
10.27	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).
10.28	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).
10.29	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).
10.30	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).
10.31	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).
10.32	National City Corporation Amended and Restated Long-Term Incentive Compensation Plan for Senior Officers as Amended and Restated Effective January 1, 2001 (filed as Exhibit 10.32).
10.33	National City Corporation Management Incentive Plan for Senior Officers as Amended and Restated Effective January 1, 2001 (filed as Exhibit 10.33).
10.34	National City Corporation Supplemental Cash Balance Pension Plan (filed as Exhibit 10.34).
10.35	National City Corporation Executive Savings Plan as Amended and Restated Effective January 1, 2001 (filed as Exhibit 10.35).
10.36	The National City Corporation Deferred Compensation Plan, Effective January 1, 2001 (filed as Exhibit 10.36).
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).