

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **1994-01-10** | Period of Report: **1993-06-30**
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FILER

MICHIGAN NATIONAL CORP

CIK: **65660** | IRS No.: **380111135** | State of Incorp.: **MI** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **000-07186** | Film No.: **94500851**
SIC: **6021** National commercial banks

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C., 20549

FORM 10-Q - A

AMENDMENT TO APPLICATION OR REPORT
FILED PURSUANT TO SECTION 12, 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

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

AMENDMENT NO. 2

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 as set forth in the pages attached hereto:

- o Part I, Item 1. Financial Statements
- o Part I, Item 2. Management's Discussion & Analysis
 - Financial Review
 - Non-Interest Income and Non-Interest Expense
 - Tables 1, 2, 3, 5, 6, 11, 12, 13, 14, 15, 16, 17, & 18
- o Part I, Exhibit 11, Computation of Earnings Per Share

These amended items reflect the postponement, for accounting purposes, of the recognition of a sale of mortgage servicing rights from June of 1993 to November of 1993. As a result, second and third quarter earnings have been restated to reflect the delayed recognition of the gain on sale for accounting purposes. Substantially all of the gain on sale will be recognized in the fourth quarter of 1993.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

MICHIGAN NATIONAL CORPORATION
(Registrant)

January 10, 1994 Eric D. Booth
Executive Vice President
(Chief Financial Officer)

January 10, 1994 Robert V. Panizzi
First Vice President and Controller
(Chief Accounting Officer)

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

This is a revised schedule. Revised per
form 10Q-A dated January 10, 1994

(IN THOUSANDS, EXCEPT PER SHARE)	THREE MONTHS ENDED JUNE 30		INCREASE (DECREASE)
	1993	1992	
<S>	<C>	<C>	<C>
INTEREST INCOME			
Interest-bearing deposits with banks	\$ 1,220	\$ 2,093	\$ (873)
Federal funds sold and resale agreements	2,707	3,806	(1,099)
Money market investments	50	80	(30)
Investment securities	24,081	32,726	(8,645)
Trading securities	1,514	2,175	(661)
Loans and lease financing, including related fees	142,225	144,824	(2,599)
Income from covered assets		3,700	(3,700)
FDIC assistance		991	(991)
TOTAL GUARANTEED YIELD ON COVERED ASSETS		4,691	(4,691)
Note receivable-FDIC	5,794	9,576	(3,782)
TOTAL INTEREST INCOME	177,591	199,971	(22,380)

INTEREST EXPENSE			
Money market accounts	14,806	19,077	(4,271)
Savings deposits	7,517	7,979	(462)
Time deposits < \$100,000	41,131	51,988	(10,857)
Time deposits > \$100,000	8,096	13,696	(5,600)
Short-term borrowings	3,907	8,114	(4,207)
Long-term debt	1,629	1,812	(183)
FDIC assistance	(3,404)	(3,408)	4

TOTAL INTEREST EXPENSE	73,682	99,258	(25,576)
NET INTEREST INCOME	103,909	100,713	3,196
PROVISION FOR POSSIBLE CREDIT LOSSES	12,494	18,418	(5,924)

NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE CREDIT LOSSES	91,415	82,295	9,120

NON-INTEREST INCOME			
Service charges	34,026	32,454	1,572
Trust and investment services income	4,837	4,303	534
Gains (losses) from sale of mortgage servicing rights	53	3,449	(3,396)
Securities gains (losses)	160	(250)	410
Other income	16,598	11,506	5,092

TOTAL NON-INTEREST INCOME	55,674	51,462	4,212

NON-INTEREST EXPENSE			
Salaries and wages	44,586	42,163	2,423
Other employee benefits	13,257	11,466	1,791
Net occupancy expense	7,529	7,542	(13)
Equipment expense	10,600	9,827	773
Outside services	8,052	6,255	1,797
Defaulted loan expense, net	2,819	2,863	(44)
Amortization of purchased mortgage servicing rights (Note B)	21,654	6,877	14,777
Other expenses	29,690	25,298	4,392

TOTAL NON-INTEREST EXPENSE	138,187	112,291	25,896

INCOME (LOSS) BEFORE INCOME TAXES	8,902	21,466	(12,564)
Income tax provision (Note L)		2,247	(2,247)

NET INCOME	\$ 8,902	\$ 19,219	\$ (10,317)

</TABLE>

The Consolidated Statement of Income is continued on the next page.

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED) continued

This is a revised schedule. Revised per
form 10Q-A dated January 10, 1994

(IN THOUSANDS, EXCEPT PER SHARE)	THREE MONTHS ENDED JUNE 30		INCREASE (DECREASE)
	1993	1992	
<S>	<C>	<C>	<C>
PRIMARY AND FULLY DILUTED NET INCOME (LOSS) PER COMMON SHARE	\$0.58	\$1.28	\$(0.70)
AVERAGE COMMON SHARES OUTSTANDING	15,225	15,049	176
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$0.50	\$0.50	

</TABLE>

Certain prior period amounts have been reclassified to conform to current year presentation.

Previously reported amounts for income tax provision and net income for the Three months ended June 30, 1992 have been restated for the effects of a change in accounting principle. Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes.

See notes to consolidated financial statements.

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIESCONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)This is a revised schedule. Revised per
form 10Q-A dated January 10, 1994

(IN THOUSANDS, EXCEPT PER SHARE)	SIX MONTHS ENDED		INCREASE (DECREASE)
	1993	JUNE 30 1992	
<S>	<C>	<C>	<C>
INTEREST INCOME			
Interest-bearing deposits with banks	\$ 2,194	\$ 3,285	\$ (1,091)
Federal funds sold and resale agreements	6,796	7,727	(931)
Money market investments	94	139	(45)
Investment securities	48,603	66,065	(17,462)
Trading securities	3,279	3,746	(467)
Loans and lease financing, including related fees	275,834	288,998	(13,164)
Income from covered assets		8,680	(8,680)
FDIC assistance		2,876	(2,876)
TOTAL GUARANTEED YIELD ON COVERED ASSETS		11,556	(11,556)
Note receivable-FDIC	11,935	19,991	(8,056)
TOTAL INTEREST INCOME	348,735	401,507	(52,772)
INTEREST EXPENSE			
Money market accounts	30,519	38,519	(8,000)
Savings deposits	14,732	16,957	(2,225)
Time deposits < \$100,000	84,948	105,107	(20,159)
Time deposits > \$100,000	17,541	29,660	(12,119)
Short-term borrowings	8,289	16,936	(8,647)
Long-term debt	3,265	3,704	(439)
FDIC assistance	(6,933)	(6,580)	(353)
TOTAL INTEREST EXPENSE	152,361	204,303	(51,942)
NET INTEREST INCOME	196,374	197,204	(830)
PROVISION FOR POSSIBLE CREDIT LOSSES	25,000	36,782	(11,782)
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE CREDIT LOSSES	171,374	160,422	10,952
NON-INTEREST INCOME			
Service charges	63,043	65,132	(2,089)
Trust and investment services income	9,980	9,199	781
Gains (losses) from sale of mortgage servicing rights	53	3,437	(3,384)
Securities gains (losses)	6,128	1,665	4,463
Other income	27,897	25,675	2,222
TOTAL NON-INTEREST INCOME	107,101	105,108	1,993
NON-INTEREST EXPENSE			
Salaries and wages	89,146	81,403	7,743
Other employee benefits	26,247	23,399	2,848
Net occupancy expense	14,866	15,218	(352)
Equipment expense	21,314	18,992	2,322
Outside services	15,787	13,190	2,597
Defaulted loan expense, net	6,300	7,159	(859)
Amortization of purchased mortgage servicing rights (Note B)	80,994	13,500	67,494
Other expenses	59,717	52,054	7,663
TOTAL NON-INTEREST EXPENSE	314,371	224,915	89,456
INCOME (LOSS) BEFORE INCOME TAXES	(35,896)	40,615	(76,511)
Income tax provision (Note L)		4,252	(4,252)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	(35,896)	36,363	(72,259)
Cumulative Effect of a Change in Accounting Principle		6,265	(6,265)
NET INCOME (LOSS)	\$ (35,896)	\$ 42,628	\$ (78,524)

</TABLE>

The Consolidated Statement of Income is continued on the next page.

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(IN THOUSANDS, EXCEPT PER SHARE)	SIX MONTHS ENDED		INCREASE (DECREASE)
	1993	JUNE 30 1992	
<S>	<C>	<C>	<C>
PRIMARY AND FULLY DILUTED NET INCOME (LOSS) PER COMMON SHARE			
Income (Loss) before cumulative effect of accounting change	\$ (2.39)	\$2.42	\$ (4.81)
Cumulative effect of accounting change		\$0.42	\$ (0.42)
Net income (Loss)	\$ (2.39)	\$2.84	\$ (5.23)
AVERAGE COMMON SHARES OUTSTANDING	15,018	15,029	(11)
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$1.00	\$1.00	

</TABLE>
Certain prior period amounts have been reclassified to conform to current year presentation.

Previously reported amounts for income tax provision and net income for the Three months ended June 30, 1992 have been restated for the effects of a change in accounting principle. Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes.

See notes to consolidated financial statements.

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CONDITION
(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	JUNE 30, 1993	DECEMBER 31, 1992
<S>	<C>	<C>
ASSETS		
Cash and due from banks	\$ 513,483	\$ 547,697
Federal funds sold and resale agreements	300,250	466,298
Total Cash and Cash Equivalents	813,733	1,013,995
Interest-bearing deposits with banks	34,045	136,565
Money market investments	8,403	6,469
Trading securities	181,559	79,668
Investments available for sale (Note F)	55,719	189,880
Investment securities, (market value of \$1,462,052 and \$1,348,098 at 06/30/93 and 12/31/92, respectively) (Note F)		
Mortgage-backed securities	1,148,808	1,049,303
Government and other securities	267,556	256,371
Covered assets and FDIC assistance (Note G)		18,524
Residential mortgages held for sale (Note H)	609,094	670,800
Loans and lease financing (Note H)	6,337,225	6,057,593
Total Loans and Lease Financing	6,946,319	6,746,917
Less: Unearned income	(17,450)	(15,869)
Less: Allowance for possible credit losses	(185,399)	(175,471)
Net Loans and Lease Financing	6,743,470	6,555,577
Note receivable-FDIC	462,535	624,828
Premises and equipment, net	205,409	202,056
Due from customers on acceptances	926	183
Accrued income receivable	72,836	69,111
Purchased mortgage servicing rights, net (Note B)	81,968	155,083
Capitalized excess service fees, net (Note B)	13,334	22,277
Property from defaulted loans, net	129,678	151,561
Other assets	297,182	150,397
TOTAL ASSETS	\$10,517,161	\$10,663,324

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CONDITION
(UNAUDITED) continued

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	JUNE 30, 1993	DECEMBER 31, 1992
<S>	<C>	<C>
LIABILITIES		
Non-interest bearing demand deposits	\$ 1,914,325	\$ 1,787,771
Interest-bearing deposits:		
Money market accounts	2,088,843	2,168,453
Savings deposits	1,124,006	1,026,132
Time deposits < \$100,000	2,765,156	2,996,756
Time deposits > \$100,000	720,334	996,181
Total Deposits	8,612,664	8,975,293
Short-term borrowings (Note I)	654,351	528,094
Customer acceptances outstanding	926	183
Accrued liabilities	409,060	271,328
Long-term debt	81,312	82,651
TOTAL LIABILITIES	9,758,313	9,857,549

Contingencies and Commitments (Notes E and J)

SHAREHOLDERS' EQUITY (NOTE K)

Preferred stock, authorized 6,000,000 shares:		
6% cumulative, convertible, \$36 stated value, no shares authorized at June 30, 1993, 166,667 shares authorized at December 31, 1992; Series B junior participating, \$10 par value, authorized 500,000 shares, none outstanding		6,000
Common stock, \$10 par value, authorized 50,000,000 shares	151,197	149,079
Surplus	193,742	185,759
Retained earnings	431,921	482,949
Note receivable-ESOP	(18,012)	(18,012)
TOTAL SHAREHOLDERS' EQUITY	758,848	805,775
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$10,517,161	\$10,663,324
Preferred stock outstanding		166,667
Common stock outstanding	15,119,658	14,907,895

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See notes to consolidated financial statements.
Certain prior period amounts were reclassified in order to
conform to current year presentation.

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MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY
(UNAUDITED)

(IN THOUSANDS)	CONVERTIBLE PREFERRED STOCK	COMMON STOCK	SURPLUS	RETAINED EARNINGS	NOTE RECEIVABLE ESOP	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 1, 1992	\$ 6,000	\$146,372	\$181,527	\$446,811	\$ (20,812)	\$759,898
Net income				42,628 (1)		42,628
Common stock issued, net		1,199	1,542 (1)			2,741
Cash dividends						
Common stock				(14,717)		(14,717)
Convertible preferred stock				(180)		(180)

BALANCE, JUNE 30, 1992	6,000	147,571	183,069	474,542	(20,812)	\$790,370
BALANCE, JANUARY 1, 1993	\$ 6,000	\$149,079	\$185,759	\$482,949	\$ (18,012)	805,775
Net income / (loss)				(35,896)		(35,896)
Unrealized loss on marketable equity securities				12		12
Common stock issued, net		918	3,183			4,101
Conversion of preferred stock	(6,000)	1,200	4,800			
Cash dividends						
Common stock				(15,054)		(15,054)
Convertible preferred stock (Note I)				(90)		(90)
BALANCE, JUNE 30, 1993		151,197	193,742	431,921	(18,012)	\$758,848

</TABLE>

(1) Previously reported amounts for the first six months of 1992 have been restated for the effect of a change in accounting principle. Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes.

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This is a revised schedule. Revised per form 10Q-A dated January 10, 1994

MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

SIX MONTHS ENDED JUNE 30 (IN THOUSANDS)	1993	1992
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	\$ (35,896)	\$ 42,628
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Provision for possible credit losses	25,000	36,782
Depreciation and amortization expense	111,983	32,586
Net amortization (accretion) associated with investment securities	(24)	869
Write-downs of property from defaulted loans	4,403	6,847
Net Deferred Income Taxes	(28,694)	(13,355)
Gain from sale of securities	(6,127)	(1,665)
Gain from sale of mortgage servicing rights	(53)	(3,437)
(Gain) Loss from sale of property from defaulted loans	(1,887)	(1,532)
(Increase) decrease in operating assets:		
Trading account securities	(101,891)	(125,790)
Accrued interest receivable	(3,725)	5,597
Residential mortgages held for sale	61,706	(127,086)
Pending investment and trading securities sales	(57,598)	47,018
Capitalized excess service fees	(3,469)	(5,603)
Other assets	(115,401)	16,832
Increase (decrease) in operating liabilities:		
Accrued interest payable	(2,705)	(891)
Pending investment and trading securities purchases	32,955	(28,196)
Accrued liabilities	161,232	(16,084)
Other, net	1,126	1,517
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 40,935	\$ (132,963)
INVESTING ACTIVITIES		
Payments for:		
Purchase of investment securities	\$ (373,978)	\$ (268,692)
Purchase of premises and equipment	(16,238)	(17,737)
Purchase of mortgage servicing rights	(7,879)	(12,242)
Capital expenditures on property from defaulted loans	(2,251)	(1,335)
Purchase of subsidiary, net of cash and cash equivalents acquired	3,373	(194,079)
Proceeds from:		
Sale of investment securities	202,091	79,212
Principal collection of investment securities	215,967	252,329
Sale of premises and equipment	75	469
Sale of mortgage servicing rights		8
Sales and principal collection of property from defaulted loans	25,357	22,049
Net decrease (increase) in:		
Interest-bearing deposits with banks	102,520	(38,064)
Money market investments	(1,934)	712
Loans and lease financing	(216,618)	79,794
Covered assets and FDIC assistance	18,410	147,372

Note receivable-FDIC 162,293 105,491

NET CASH PROVIDED BY INVESTING ACTIVITIES \$ 111,188 \$ 155,287

The Consolidated Statement of Cash Flows is continued on the next page.

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This is a revised schedule. Revised per form 10Q-A dated January 10, 1994

MICHIGAN NATIONAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

SIX MONTHS ENDED JUNE 30 (IN THOUSANDS)	1993	1992
<S>	<C>	<C>
Financing Activities		
Payments for:		
Long-term debt	\$ (899)	\$ (5,572)
Common stock dividends	(15,054)	(14,717)
Preferred stock dividends	(90)	(180)
Repurchase of common stock	3,183	1,542
Proceeds from issuance of:		
Common stock	918	1,199
Long-term debt		6,443
Net (decrease) increase in:		
Deposits	(466,700)	(16,920)
Short-term borrowings	126,257	19,014
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	\$ (352,385)	\$ (9,191)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (200,262)	\$ 13,133
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,013,995	811,161
CASH AND CASH EQUIVALENTS AT JUNE 30	\$ 813,733	\$ 824,294

Supplemental disclosures of cash flow information:

a.) Cash transactions:		
Interest paid	\$ 155,066	\$ 205,194
Federal income taxes paid (1)	900	1,015
State taxes paid (net of refunds)	368	373
b.) Non-cash transactions in property from defaulted loan accounts:		
Transfer from loans to property from defaulted loans	8,902	32,434
Loans originated to finance sales of property from defaulted loans	4,900	2,355
Transfer from covered assets to assets held for sale		4,581
c.) Non-cash transactions in covered assets:		
Transfer from covered assets to loans and lease financings	114	

</TABLE>

(1) No taxes paid in three months ended 1993 or 1992.

See notes to consolidated financial statements.

Certain prior period amounts have been reclassified in order to conform to current year presentation.

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Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

	1993	1993	1992	1992	1992
TABLE 1 SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING RESULTS (IN THOUSANDS)					
Interest income	\$177,591	\$171,142	\$187,187	\$190,379	\$199,971
Interest expense	73,682	78,678	84,274	89,385	99,258
Net interest income	103,909	92,464	102,913	100,994	100,713
Provision for possible credit losses	12,494	12,506	15,317	18,571	18,418
Non-interest income	55,674	51,427	66,826	52,859	51,462

Non-interest expense	138,187	176,183	141,210	122,651	112,291
Income (loss) before income tax expense	8,902	(44,798)	13,212	12,631	21,466
Income tax provision (benefit) (1)			1,322	1,078	2,247
Net income (loss) (1)	\$ 8,902	\$(44,798)	\$ 11,890	\$ 11,553	\$ 19,219
PER COMMON SHARE					
Net income (loss) - primary and fully diluted (1)	\$ 0.58	\$(3.00)	\$ 0.78	\$ 0.76	\$ 1.28
Cash dividends declared	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Book value end-of-period (1)	\$50.19	\$50.11	\$53.65	\$53.51	\$53.15
Market value end-of-period	\$56.50	\$60.00	\$51.25	\$44.00	\$46.25
Closing market value: high	\$61.63	\$64.25	\$52.25	\$50.38	\$51.00
Closing market value: low	\$52.00	\$50.00	\$44.00	\$43.50	\$44.00
SELECTED PERIOD-END BALANCES (IN MILLIONS)					
Total assets	\$10,517	\$ 10,442	\$ 10,663	\$ 10,705	\$ 10,656
Earning assets	9,388	9,291	9,540	9,507	9,633
Total loans and lease financing, net of unearned income	6,929	6,534	6,731	6,788	6,620
Non-performing assets	293	296	306	316	326
Deposits	8,613	8,582	8,975	8,699	8,639
Long-term debt	81	82	83	83	93
Shareholders' equity (1)	759	757	806	798	790
SELECTED AVERAGE BALANCES (IN MILLIONS)					
Total assets	\$10,372	\$ 10,184	\$ 10,658	\$ 10,471	\$ 10,808
Earning assets	9,255	9,117	9,529	9,405	9,768
Total loans and lease financing, net of unearned income	6,742	6,477	6,737	6,560	6,786
Deposits	8,718	8,550	8,867	8,687	8,852
Long-term debt	82	82	83	88	94
Shareholders' equity (1)	766	810	806	801	784
SELECTED FINANCIAL RATIOS					
Return on average shareholders' equity (1)	4.65%	(22.13)%	5.90%	5.77%	9.80%
Return on average total assets (1)	0.34	(1.76)	0.45	0.44	0.71
Average equity to average total assets (1)	7.38	7.95	7.56	7.65	7.25
Allowance to period-end loans	2.68	2.79	2.61	2.56	2.50
Non-performing assets to total loans (net of unearned income) plus property from defaulted loans	4.15	4.44	4.44	4.54	4.82
Net interest spread	3.95	3.67	3.92	3.87	3.73
Net interest margin	4.74	4.38	4.67	4.62	4.49
Equity to asset ratio (period end) (1)	7.22	7.25	7.56	7.45	7.41
Leverage ratio	6.90	7.13	7.25	7.27	7.02
Tier 1 risk based capital ratio	8.79	9.13	9.70	9.54	9.80
Total risk based capital ratio	10.99	11.36	11.93	11.76	12.08
Dividend payout ratio (1)	86.21	N/M	64.10	65.79	39.06

</TABLE>

(1) Previously reported amounts for the second quarter, 1992 have been restated for the effects of a change in accounting principle.

N/M = Not meaningful

Certain prior period amounts have been reclassified to conform to current period presentation.

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Michigan National Corporation
and Subsidiaries

(This is revised text.
Revised per Form 10-QA
dated January 10, 1994)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Earnings for the second quarter 1993 were \$8.9 million, or \$0.58 per share, compared to \$19.2 million, or \$1.28 per share, in last year's second quarter. For the six months ended June 30, 1993 the Corporation reported a loss of \$35.9 million, or \$2.39 per share. Net income for the same period last year, excluding a \$6.3 million effect of an accounting change, was \$36.4 million, or \$2.42 per share.

Earnings continue to be pressured by unprecedented mortgage refinancing activity and the resulting accelerated prepayments in the Corporation's mortgage servicing portfolio. The Corporation continues to aggressively address the effect of these prepayment trends through accelerated amortization of its PMSR and ESF assets. PMSR amortization in the second quarter 1993 was

\$21.7 million, \$14.8 million greater than last year's second quarter. ESF amortization expense was \$4.3 million, \$2.2 million greater than last year. For the six months end June 30, 1993 PMSR and ESF amortization increased \$67.5 million and \$9.3 million over the same period in 1992.

During the second quarter, the Corporation recognized a \$4.6 million one-time write-down of the assets of its Dallas, Texas software subsidiary, Banca, due to a longer than expected sales cycle for bank software products.

Other than in the mortgage banking business, various performance indicators in the Corporation's core businesses improved over last year's second quarter. The Net Interest Margin improved 25 basis points in the second quarter of 1993 over the same period last year. The provision for possible credit losses decreased due to continued improvements in credit quality. Net charge-offs, Non-performing Assets and Watch Credits decreased from last year's levels. The allowance for possible credit losses as a percentage of Non-performing Loans and the allowance as a percentage of loans increased. The allowance as a percentage of Non-performing Loans of 114% at June 30, 1993, dropped from 122% at March 31, 1993, due to an increase in Non-performing Loans. However, total Non-performing Assets of \$292 million at June 30, 1993, were slightly lower than the March 31, 1993, level of \$296 million.

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Michigan National Corporation
and Subsidiaries

(This is revised text.
Revised per Form 10-QA
dated January 10, 1994)

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 1993, the Corporation executed an agreement to sell approximately \$2.2 billion of mortgage servicing rights for an aggregate sale price of approximately \$29 million. The servicing rights were being sold as part of the Corporation's strategy to reposition its mortgage banking business and reduce the earnings volatility resulting from acquired servicing.

Because the terms of the sale provide the purchaser with protection against certain contingencies through the date of physical delivery of the underlying mortgages, the sale will be recognized for accounting purposes in the fourth quarter of this year. The fourth quarter gain on sale is approximately \$7.8 million. In addition, approximately \$1.5 million of gain associated with the sale will be deferred until certain other contingencies are eliminated on June 30, 1996.

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<TABLE>
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Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per
Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 2 SUMMARY OF CONSOLIDATED NET INTEREST INCOME (FULLY TAXABLE EQUIVALENT)
(UNAUDITED)

THREE MONTHS ENDED	JUNE 30, 1993			MARCH 31, 1993			DECEMBER 31, 1992		
(IN THOUSANDS)	AVERAGE BALANCE	INTEREST	AVERAGE RATE	AVERAGE BALANCE	INTEREST	AVERAGE RATE	AVERAGE BALANCE	INTEREST	AVERAGE RATE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS									
Investment securities-taxable	\$ 1,343,584	\$ 23,373	6.98%	\$ 1,226,335	\$ 22,041	7.29%	\$ 1,528,074	\$ 28,081	7.31%
Investment securities-tax-exempt	40,447	868	8.61%	41,833	919	8.91%	43,286	995	9.14%
Investments available for sale	3,088	92	11.95%	89,703	1,816	8.21%	33,281	690	8.25%
Trading securities	136,627	1,628	4.78%	147,484	1,942	5.34%	123,856	1,571	5.05%
Total securities	1,523,746	25,961	6.83%	1,505,355	26,718	7.20%	1,728,497	31,337	7.21%
Federal funds sold and resale agreements	367,004	2,707	2.96%	541,073	4,089	3.06%	395,632	3,030	3.05%
Interest-bearing deposits with banks	152,005	1,220	3.22%	116,390	974	3.39%	37,275	337	3.60%
Money market funds	7,817	50	2.57%	7,397	44	2.41%	6,093	43	2.81%
Loans and lease financing	6,742,123	142,701	8.49%	6,474,169	134,135	8.40%	6,669,862	143,946	8.59%
Covered assets and FDIC assistance	0	0	0.00%	2,540	0	0.00%	66,823	2,785	16.58%
Note receivable-FDIC	462,535	8,778	7.61%	469,748	9,302	8.03%	624,828	12,703	8.09%
Total interest-earning assets	9,255,230	181,417	7.86%	9,116,672	175,262	7.80%	9,529,010	194,181	8.11%
Allowance for possible credit losses	(184,655)			(179,584)			(179,872)		
Cash and due from banks	543,738			493,074			517,150		
Other assets	758,048			753,535			791,622		

TOTAL ASSETS	\$10,372,361			\$10,183,697			\$10,657,910		
LIABILITIES									
Money market accounts	2,110,664	\$ 14,807	2.81%	2,109,653	\$ 15,713	3.02%	\$ 2,116,024	\$ 16,534	3.11%
Savings deposits	1,099,960	7,517	2.74%	1,024,817	7,215	2.86%	995,921	7,171	2.86%
Time deposits < \$100,000	2,827,961	35,982	5.10%	2,936,855	38,477	5.31%	3,022,163	40,968	5.39%
Time deposits > \$100,000	780,401	8,088	4.16%	903,338	9,438	4.24%	955,474	10,690	4.45%
Total interest-bearing deposits	6,818,986	66,394	3.91%	6,974,663	70,843	4.12%	7,089,582	75,363	4.23%
Federal funds purchased & repurchase agreements	333,313	2,592	3.12%	242,503	1,853	3.10%	331,714	2,597	3.11%
Dollar repurchase agreements	29,117	310	4.27%	128,055	1,451	4.60%	177,084	1,593	3.58%
Other short-term borrowings	116,182	1,006	3.47%	128,623	1,077	3.40%	121,200	1,056	3.47%
Subordinated notes	58,682	1,222	8.35%	59,067	1,228	8.43%	59,228	1,233	8.28%
Long-term debt	18,187	273	6.02%	18,187	270	6.02%	18,187	276	6.04%
Capital lease obligations	4,931	134	10.90%	5,107	138	10.96%	5,322	142	10.61%
Total interest-bearing liabilities	7,379,398	71,931	3.91%	7,556,205	76,860	4.13%	7,802,317	82,260	4.19%
Demand deposits	1,899,393			1,575,036			1,777,449		
Other liabilities	328,004			242,598			272,441		
Total Liabilities	9,606,795			9,373,839			9,852,207		
Shareholders' equity	765,566			809,858			805,703		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$10,372,361			\$10,183,697			\$10,657,910		
Net interest income (fully taxable equivalent basis)		\$109,486			\$ 98,402			\$111,921	
Tax equivalent adjustment		5,578			5,938			9,005	
Net interest income		\$103,908			\$ 92,464			\$102,916	
Net interest rate spread			3.95%			3.67%			3.92%
Net interest margin			4.74%			4.38%			4.67%

</TABLE>
Certain prior period amounts have been reclassified to conform to current period presentation.

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<TABLE>
<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 3 CHANGE IN NET INTEREST INCOME (FULLY TAXABLE EQUIVALENT)

Quarter-to-Date (IN THOUSANDS)	Change in Average Balance 6/30/93 vs 3/31/93	Change in Interest 6/30/93 vs 3/31/93	Change in Average Rate 6/30/93 vs 3/31/93
<S>	<C>	<C>	<C>
ASSETS			
Investment securities-taxable	\$ 117,249	\$ 1,332	-0.31%
Investment securities-tax-exempt	(1,386)	(51)	-0.30%
Investments available for sale	(86,615)	(1,724)	3.74%
Trading securities	(10,857)	(314)	-0.56%
Total securities	\$ 18,391	\$ (757)	-0.37%
Federal funds sold and resale agreements	\$ (174,069)	\$ (1,382)	-0.10%
Interest-bearing deposits with banks	35,615	246	-0.17%
Money market funds	420	6	0.16%
Loans and lease financing	267,954	8,566	0.09%
Covered assets and FDIC assistance	(2,540)	0	0.00%
Note receivable-FDIC	(7,213)	(524)	-0.42%
Total interest-earning assets	\$ 138,558	\$ 6,155	0.06%
Allowance for possible credit losses	\$ (5,071)		
Cash and due from banks	50,664		
Other assets	4,513		

TOTAL ASSETS	\$ 188,664		
LIABILITIES			
Money market accounts	\$ 1,011	\$ (906)	-0.21%
Savings deposits	75,143	302	-0.12%
Time deposits < \$100,000	(108,894)	(2,495)	-0.21%
Time deposits > \$100,000	(122,937)	(1,350)	-0.08%
Total interest-bearing deposits	\$ (155,677)	\$ (4,449)	-0.21%
Federal funds purchased & repurchase agreements	\$ 90,810	\$ 739	0.02%
Dollar repurchase agreements	(98,938)	(1,141)	-0.33%
Other short-term borrowings	(12,441)	(71)	0.07%
Subordinated notes	(385)	(6)	-0.08%
Long-term debt	0	3	0.00%
Capital lease obligations	(176)	(4)	-0.06%
Total interest-bearing liabilities	\$ (176,807)	\$ (4,929)	-0.22%
Demand deposits	\$ 324,357		
Other liabilities	85,406		
Total Liabilities	\$ 232,956		
Shareholders' equity	\$ (44,292)		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$ 188,664		
Net interest income (fully taxable equivalent basis)			
		\$11,084	
Tax equivalent adjustment			
		(360)	
Net interest income			
		\$11,444	
Net interest rate spread			
			0.28%
Net interest margin			
			0.36%

</TABLE>
Certain prior period amounts have been reclassified to conform to current period presentation.

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<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 3 CHANGE IN NET INTEREST INCOME (FULLY TAXABLE EQUIVALENT)

Quarter-to-Date (in thousands)	Change in Average Balance 6/30/93 vs 6/30/92	Change in Interest 6/30/93 vs 6/30/92	Change in Average Rate 6/30/93 vs 6/30/92
<S>	<C>	<C>	<C>
ASSETS			
Investment securities-taxable	\$ (206,708)	\$ (8,645)	-1.33%
Investment securities-tax-exempt	(5,309)	(91)	0.18%
Investments available for sale	3,088	92	11.95%
Trading securities	(34,378)	(747)	-0.81%
Total securities	\$ (243,307)	\$ (9,391)	-1.22%
Federal funds sold and resale agreements	\$ (34,149)	\$ (1,099)	-0.86%
Interest-bearing deposits with banks	(27,977)	(874)	-1.46%
Money market funds	(1,526)	(30)	-0.87%
Loans and lease financing	230,485	(2,698)	-0.49%
Covered assets and FDIC assistance	(274,056)	(5,189)	-7.62%
Note receivable-FDIC	(162,293)	(5,731)	-1.73%
Total interest-earning assets	\$ (512,823)	\$ (25,012)	-0.64%
Allowance for possible credit losses	\$ (18,416)		
Cash and due from banks	77,390		

Other assets	18,347		
TOTAL ASSETS	\$ (435,502)		
LIABILITIES			
Money market accounts	\$ 65,173	\$ (4,269)	-0.94%
Savings deposits	128,532	(464)	-0.56%
Time deposits < \$100,000	(343,262)	(10,880)	-0.84%
Time deposits > \$100,000	(314,092)	(5,603)	-0.87%
Total interest-bearing deposits	\$ (463,649)	\$ (21,216)	-0.93%
Federal funds purchased & repurchase agreements	\$ 54,004	\$ (53)	-0.69%
Dollar repurchase agreements	(413,543)	(3,890)	0.45%
Other short-term borrowings	(3,997)	(263)	-0.78%
Subordinated notes	(1,021)	(19)	-0.01%
Long-term debt	(10,761)	(109)	0.71%
Capital lease obligations	(635)	(17)	-0.01%
Total interest-bearing liabilities	\$ (839,602)	\$ (25,567)	-0.86%
Demand deposits	\$ 330,058		
Other liabilities	92,528		
Total Liabilities	\$ (417,016)		
Shareholders' equity	\$ (18,486)		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$ (435,502)		
Net interest income (fully taxable equivalent basis)		\$ 555	
Tax equivalent adjustment		(2,640)	
Net interest income		\$ 3,195	
Net interest rate spread			0.22%
Net interest margin			0.25%

</TABLE>
Certain prior period amounts have been reclassified to conform to current period presentation.

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<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 5 SUMMARY OF CONSOLIDATED NET INTEREST INCOME (FULLY TAXABLE EQUIVALENT) SIX MONTHS ENDED

	JUNE 30, 1993			JUNE 30, 1992		
(in thousands)	AVERAGE BALANCE	INTEREST	AVERAGE RATE	AVERAGE BALANCE	INTEREST	AVERAGE RATE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Investment securities-taxable	\$ 1,285,284	\$ 45,413	7.13%	\$ 1,537,829	\$ 64,567	8.44%
Investment securities-tax-exempt	41,136	1,787	8.76%	46,976	2,055	8.80%
Investments available for sale	46,156	1,908	8.34%	0	0	0.00%
Trading securities	142,025	3,569	5.07%	152,528	4,012	5.29%
Total securities	\$ 1,514,601	\$ 52,677	7.01%	\$ 1,737,333	\$ 70,634	8.18%
Federal funds sold and resale agreements	\$ 453,558	\$ 6,796	3.02%	\$ 398,847	\$ 7,727	3.90%
Interest-bearing deposits with banks	134,296	2,194	3.29%	137,176	3,285	4.82%
Money market funds	7,608	94	2.49%	7,583	139	3.69%
Loans and lease financing	6,608,038	276,838	8.45%	6,422,095	290,279	9.09%
Covered assets and FDIC assistance	1,262	0	0.00%	328,775	13,037	7.97%
Note receivable-FDIC	466,122	18,081	7.82%	625,408	30,287	9.74%
Total interest-earning assets	\$ 9,185,485	\$356,680	7.83%	\$ 9,657,217	\$415,388	8.65%
Allowance for possible credit losses	\$ (182,135)			\$ (163,768)		
Cash and due from banks	518,546			468,957		
Other assets	756,717			744,840		

TOTAL ASSETS	\$10,278,613			\$10,707,246		
LIABILITIES						
Money market accounts	\$ 2,110,150	\$ 30,519	2.92%	\$ 2,023,683	\$ 38,519	3.83%
Savings deposits	1,062,613	14,732	2.80%	964,020	16,957	3.54%
Time deposits < \$100,000	2,882,090	74,460	5.21%	3,120,426	95,308	6.14%
Time deposits > \$100,000	841,547	17,525	4.20%	1,150,786	29,624	5.18%
Total interest-bearing deposits	\$ 6,896,400	\$137,236	4.01%	\$ 7,258,915	\$180,408	5.00%
Federal funds purchased & repurchase agreements	\$ 288,159	\$ 4,446	3.11%	\$ 286,690	\$ 5,564	3.90%
Dollar repurchase agreements	78,313	1,761	4.53%	403,450	8,323	4.15%
Other short-term borrowings	122,368	2,082	3.43%	139,094	3,049	4.41%
Subordinated notes	58,874	2,451	8.40%	59,697	2,481	8.36%
Long-term debt	18,187	543	6.02%	27,287	780	5.75%
Capital lease obligations	5,018	271	10.89%	5,627	304	10.86%
Total interest-bearing liabilities	\$ 7,467,319	\$148,790	4.02%	\$ 8,180,760	\$200,909	4.94%
Demand deposits	\$ 1,738,167			\$ 1,505,526		
Other liabilities	285,472			242,239		
Total Liabilities	\$ 9,490,958			\$ 9,928,525		
Shareholders' equity	787,655			778,721		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$10,278,613			\$10,707,246		

Net interest income (fully taxable equivalent basis)	\$207,890	\$214,479
Tax equivalent adjustment	11,516	17,275
Net interest income	\$196,374	\$197,204
Net interest rate spread	3.81%	3.71%
Net interest margin	4.56%	4.47%

</TABLE>
Certain prior period amounts have been reclassified to conform to current period presentation.

<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 6 CHANGE IN NET INTEREST INCOME (FULLY TAXABLE EQUIVALENT)

Year-to-Date (IN THOUSANDS)	Change in Average Balance 6/30/93 vs 6/30/92	Change in Interest 6/30/93 vs 6/30/92	Change in Average Rate 6/30/93 vs 6/30/92
<S>	<C>	<C>	<C>
ASSETS			
Investment securities-taxable	\$ (252,545)	\$ (19,154)	-1.32%
Investment securities-tax-exempt	(5,840)	(268)	-0.04%
Investments available for sale	46,156	1,908	8.34%
Trading securities	(10,503)	(443)	-0.22%
Total securities	\$ (222,732)	\$ (17,957)	-1.16%
Federal funds sold and resale agreements	\$ 54,711	(\$931)	-0.87%
Interest-bearing deposits with banks	(2,880)	(1,091)	-1.52%
Money market funds	25	(45)	-1.19%
Loans and lease financing	185,943	(13,441)	-0.64%
Covered assets and FDIC assistance	(327,513)	(13,037)	-7.97%
Note receivable-FDIC	(159,286)	(12,206)	-1.92%
Total interest-earning assets	\$ (471,732)	\$ (58,708)	-0.82%
Allowance for possible credit losses	\$ (18,367)		
Cash and due from banks	49,589		

Other assets	11,877		
TOTAL ASSETS	\$ (428,633)		
LIABILITIES			
Money market accounts	\$ 86,467	\$ (8,000)	-0.91%
Savings deposits	98,593	(2,225)	-0.74%
Time deposits < \$100,000	(238,336)	(20,848)	-0.93%
Time deposits > \$100,000	(309,239)	(12,099)	-0.98%
Total interest-bearing deposits	\$ (362,515)	\$ (43,172)	-0.99%
Federal funds purchased & repurchase agreements	\$ 1,469	\$ (1,118)	-0.79%
Dollar repurchase agreements	(325,137)	(6,562)	0.39%
Other short-term borrowings	(16,726)	(967)	-0.98%
Subordinated notes	(823)	(30)	0.04%
Long-term debt	(9,100)	(237)	0.27%
Capital lease obligations	(609)	(33)	0.03%
Total interest-bearing liabilities	\$ (713,441)	\$ (52,119)	-0.92%
Demand deposits	\$ 232,641		
Other liabilities	43,233		
Total Liabilities	\$ (437,567)		
Shareholders' equity	8,934		
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ (428,633)		
Net interest income (fully taxable equivalent basis)		\$ (6,589)	
Tax equivalent adjustment		(5,759)	
Net interest income		\$ (830)	
Net interest rate spread			0.10%
Net interest margin			0.09%

</TABLE>

Certain prior period amounts have been reclassified to conform to current period presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-INTEREST INCOME AND NON-INTEREST EXPENSES

Non-interest income for the second quarter and first six months of 1993 increased \$4.2 million and \$2.0 million, respectively over the same periods in 1992. Non-interest expenses for the second quarter and first six months of 1993 increased \$25.9 million and \$89.5 million over the same periods in 1992. Activity at the Corporation's mortgage banking subsidiary was a significant contributor to these results. In addition, during the second quarter, the Corporation recognized a \$4.6 million one-time write-down of the assets of the Corporation's Dallas, Texas software subsidiary, Banca, due to a longer than expected sales cycle for bank software products.

Falling interest rates since the beginning of the year have resulted in another mortgage refinancing boom and, therefore, continued increases in prepayment trends in the Corporation's mortgage servicing portfolios. In keeping with its commitment to balance sheet integrity, the Corporation continues to aggressively acknowledge the effect of these trends on the carrying value of its mortgage servicing assets through accelerated amortization of those assets.

The recognition of these increasing prepayment trends resulted in increases in PMSR and ESF amortization expense for the both the second quarter and first six months of 1993.

The extraordinary high volume of refinancing activity at IOMC has also resulted

in increases in a variety of other indirect origination and servicing related administrative expenses.

On June 30, 1993, the Corporation executed an agreement to sell approximately \$2.2 billion of mortgage servicing rights for an aggregate sale price of approximately \$29 million. The servicing rights were being sold as part of the Corporation's strategy to reposition its mortgage banking business and reduce the earnings volatility resulting from acquired servicing.

Because the terms of the sale provide the purchaser with protection against certain contingencies through the date of physical delivery of the underlying mortgages, the sale will be recognized for accounting purposes in the fourth quarter of this year. The fourth quarter gain on sale is approximately \$7.8 million. In addition, approximately \$1.5 million of gain associated with the sale will be deferred until certain other contingencies are eliminated on June 30, 1996.

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Michigan National Corporation
and Subsidiaries

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The June 30, 1993, carrying value of the PMSR assets associated with these servicing rights to be sold was approximately \$19 million, which will continue to be amortized to operating expense until the sale is recognized, for accounting purposes, in the fourth quarter. In addition, the Corporation will continue to accrue normal servicing income on these servicing rights until the sale is recognized, at an estimated monthly rate of \$0.9 million.

The major components of the Corporation's non-interest income and non-interest expense are presented in Table 11 and Table 12, respectively, for the five most recent quarters. The non-interest income and expense components of the new businesses are presented in Tables 11a and 12a. For the comparable six month periods of 1993 and 1992, the Corporation's non-interest income and expense components are presented in Tables 13 and 14, respectively. Similar information for the new businesses is presented in Tables 13a and 14a. Also, refer to Table 15 Business Review for summary financial information regarding the Corporations principal subsidiaries.

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<TABLE>
<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per
Form 10Q-A dated January 10, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 11 NON-INTEREST INCOME (UNAUDITED)

Three Months Ended (in thousands)	6/30/93	3/31/93	12/31/92	9/30/92	6/30/92
<S>	<C>	<C>	<C>	<C>	<C>
Service charges on deposit accounts	\$15,362	\$13,888	\$13,494	\$13,558	\$12,892
Merchant card processing fees	4,319	3,465	4,363	4,147	3,555
Mortgage Servicing Fees	16,656	16,512	17,051	16,653	16,381
Amortization of capitalized excess service fees	(4,266)	(8,200)	(2,378)	(3,964)	(2,112)
Loan service charges	1,955	3,352	2,226	2,618	1,738
Service charges	34,026	29,017	34,756	33,012	32,454
Trust and investment services income	4,837	5,143	4,514	4,164	4,303
Gains (losses) from sale of mortgage servicing rights	53		2,289	73	3,449
Investment securities gains, net			7,754	(170)	(250)
Investments available for sale gains	160	5,968			
Other Income:					
Trading profits	818	950	936	1,486	3,472
Mortgage banking gains (losses)	4,681	998	6,516	4,193	(1,652)
Other	11,099	9,351	10,061	10,101	9,686
Other income	16,598	11,299	17,513	15,780	11,506
Total Non-Interest Income	\$55,674	\$51,427	\$66,826	\$52,859	\$51,462

</TABLE>

Certain prior period amounts were reclassified to conform to current period presentation.

Table 11a. NON-INTEREST INCOME-NEW BUSINESSES (BanCA Corporation, acquired 7/29/92 and Peoples National Bank - Pasadena Peoples Bank - Houston, Community National Bank of Houston, acquired 4/1/93. (UNAUDITED)

<S>	<C> 6/30/93	<C> 3/31/93	<C> 12/31/92	<C> 9/30/92	<C> 6/30/92
Three Months Ended (in thousands)					
Service charges on deposit accounts	\$416				
Merchant card processing fees					
Loan service charges	41				
Service charges	457				
Trust and investment services income					
Gains (losses) from sale of mortgage servicing rights					
Investment securities gains, net					
Investments available for sale gains					
Other Income:					
Trading profits					
Mortgage banking gains (losses)					
Other	416	\$308	\$665	\$74	
Other Income	416	308	665	74	
Total Non-Interest Income	\$873	\$308	\$665	\$74	

</TABLE>

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<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 12 NON-INTEREST EXPENSE (UNAUDITED)

<S>	<C> 6/30/93	<C> 3/31/93	<C> 12/31/92	<C> 9/30/92	<C> 6/30/92
Three Months Ended (in thousands)					
Salaries and wages	\$ 44,586	\$ 44,560	\$ 40,356	\$ 43,788	\$ 42,163
Other employee benefits	13,257	12,990	10,301	11,170	11,466
Net occupancy	7,529	7,337	6,273	7,632	7,542
Equipment	10,600	10,714	10,157	9,147	9,827
Outside services	8,052	7,735	7,819	7,698	6,255
Defaulted loan expense, net	2,819	3,480	10,073	4,997	2,863
Amortization of purchased mortgage servicing rights	21,654	59,340	25,207	14,293	6,877
Other Expenses:					
FDIC Insurance	5,526	5,474	5,003	4,957	4,886
Assets held for sale, net (income)loss	(92)	(129)	6	(387)	(1)
Communications	2,322	2,441	2,389	2,365	2,367
Stationery and supplies	2,382	2,466	2,393	2,201	2,291
Advertising	2,060	1,906	939	850	1,093
Michigan single business tax	2,062	2,209	319	1,820	1,649
Postage	1,589	1,631	1,433	1,378	1,491
Amortization of goodwill	300	223	265	203	200
Uncollected interest on early payoffs of loans serviced	2,827	1,901	3,015	1,439	1,920
Provision for foreclosure costs on loans serviced	837	1,985	4,606	2,192	2,097
Other	9,877	9,920	10,656	6,908	7,305
Other expenses	29,690	30,027	31,024	23,926	25,298
Total non-interest expense	\$138,187	\$176,183	\$141,210	\$122,651	\$112,291
Net overhead ratio (1)	3.57%	5.47%	3.12%	2.97%	2.49%
Efficiency ratio (2)	83.67%	117.59%	79.00%	75.72%	70.01%

</TABLE>

- (1) Non-interest expense less non-interest income divided by average earning assets.
- (2) Non-interest expense divided by the sum of net interest income on a fully taxable basis and non-interest income. Certain prior period amounts were reclassified to conform to current period presentation.

<TABLE>
<CAPTION>

Table 12 a. NON-INTEREST EXPENSE-NEW BUSINESSES (Banca Corporation, acquired 7/29/92 and Peoples National Bank - Pasadena Peoples Bank - Houston, Community National Bank of Houston, acquired 4/1/93. (UNAUDITED)

Three Months Ended (in thousands)	6/30/93	3/31/93	12/31/92	9/30/92	6/30/92
<S>	<C>	<C>	<C>	<C>	<C>
Salaries and wages	\$1,447	\$484	\$376	\$278	
Other employee benefits	195	97	31	38	
Net occupancy	311	26	45	21	
Equipment	94	34	35	20	
Outside services	328	51	141	54	
Defaulted loan expense, net	22				
Amortization of purchased mortgage servicing rights					
Other Expenses:					
FDIC Insurance	52				
Assets held for sale, net (income)loss					
Communications	21	11	8	8	
Stationery and supplies	22	7	7	2	
Advertising	21	30	6	2	
Michigan single business tax					
Postage	21	2		1	
Amortization of goodwill	76				
Uncollected interest on early payoffs of loans serviced					
Provision for foreclosure costs on loans serviced					
Other	3,614	10	(167)	33	
Other expenses	3,827	60	(146)	46	
Total non-interest expense	\$6,224	\$752	\$482	\$457	

</TABLE>

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<TABLE>
<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 13 NON-INTEREST INCOME (UNAUDITED)

SIX MONTHS ENDED (IN THOUSANDS)	6/30/93	6/30/92
<S>	<C>	<C>
Service charges on deposit accounts	\$ 29,250	\$ 25,550
Merchant card processing fees	7,784	6,677
Mortgage servicing fees	33,168	32,632
Amortization of capitalized excess service fees	(12,466)	(3,143)
Loan service charges	5,307	3,416
Service charges	63,043	65,132
Trust and investment services income	9,980	9,199
Gains (losses) from sale of mortgage servicing rights	53	3,437
Investment securities gains, net		1,665
Investments available for sale gains	6,128	
Other income:		
Trading profits	1,768	5,285
Mortgage banking gains (losses)	5,679	767
Other	20,450	19,623
Other income	27,897	25,675
Total non-interest income	\$107,101	\$105,108

</TABLE>

Certain prior year amounts were reclassified to conform to current year presentation.

<TABLE>

<CAPTION>

Table 13a. NON-INTEREST INCOME-NEW BUSINESSES (First Collateral Services, Inc, acquired 4/14/92, results for the period January 1, 1993 to March 31, 1993 only; BancA Corporation, aquired 7/29/92; and Peoples National Bank-Pasadena, Peoples Bank-Houston, Community National Bank of Houston, acquired 4/1/93. (UNAUDITED)

SIX MONTHS ENDED (IN THOUSANDS)	6/30/93
<S>	<C>
Service charges on deposit accounts	\$ 416
Merchant card processing fees	
Mortgage servicing fees	
Loan service charges	404
Service charges	820
Trust and investment services income	
Gains (losses) from sale of mortgage servicing rights	
Investment securities gains, net	
Investments available for sale gains	
Other income:	
Trading profits	
Mortgage banking gains (losses)	
Other	725
Other income	725
Total non-interest income	\$1,545

</TABLE>

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<TABLE>

<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 14 NON-INTEREST EXPENSE (UNAUDITED)

SIX MONTHS ENDED (IN THOUSANDS)	6/30/93	6/30/92
<S>	<C>	<C>
Salaries and wages	\$ 89,146	\$ 81,403
Other employee benefits	26,247	23,399
Net occupancy	14,866	15,218
Equipment	21,314	18,992
Outside services	15,787	13,190
Defaulted loan expense, net	6,300	7,159
Amortization of purchased mortgage servicing rights	80,994	13,500
Other Expenses:		
FDIC Insurance	11,000	9,772
Assets held for sale, net (income) expense	(221)	(1)
Communications	4,763	4,845
Stationery and supplies	4,848	4,496
Advertising	3,966	2,332
Michigan single business tax	4,271	3,156
Postage	3,220	3,087
Amortization of goodwill	523	405
Uncollected interest on early payoffs of loans serviced	4,728	3,090
Provision for foreclosure costs on loans serviced	2,822	5,855
Other	19,797	15,017
Other expenses	59,717	52,054
Total non-interest expense	\$314,371	\$224,915
Net overhead ratio (1)	4.51%	2.48%
Efficiency ratio (2)	99.80%	70.38%

</TABLE>

- (1) Non-interest expense less non-interest income, annualized, divided by average earning assets.
- (2) Non-interest expense divided by the sum of net interest income on a fully taxable basis and non-interest income. Certain prior year amounts were reclassified to conform to current year presentation.

<TABLE>

<CAPTION>

Table 14a. NON-INTEREST EXPENSE-NEW BUSINESSES (First Collateral Services, Inc, acquired 4/14/92, results for the period January 1, 1993 to March 31, 1993 only; Banca Corporation, acquired 7/29/92; and Peoples National Bank-Pasadena, Peoples Bank-Houston, Community National Bank of Houston, acquired 4/1/93. (UNAUDITED)

SIX MONTHS ENDED (IN THOUSANDS)	6/30/93
<S>	<C>
Salaries and wages	\$2,567
Other employee benefits	471
Net occupancy	418
Equipment	202
Outside services	564
Defaulted loan expense, net	22
Amortization of purchased mortgage servicing rights	
Other Expenses:	
FDIC Insurance	52
Assets held for sale, net (income) expense	
Communications	54
Stationery and supplies	58
Advertising	52
Michigan single business tax	
Postage	25
Amortization of goodwill	97
Uncollected interest on early payoffs of loans serviced	
Provision for foreclosure costs on loans serviced	
Other	3,751
Other expenses	4,089
Total non-interest expense	\$8,333

</TABLE>

<TABLE>
<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 15 BUSINESS REVIEW (UNAUDITED)

Three Months Ended June 30 (in thousands)	MNB (excluding IOMC)		IOMC		IOBOC	
	1993	1992	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income after provision for possible credit losses	\$ 73,263	\$ 65,427	\$ 5,886	\$ 7,305	\$ 6,362	\$ 4,956
Non-interest income	32,016	29,931	22,053	15,584	711	323
Gains from sale of mortgage servicing rights			53	3,449		
Amortization of capitalized excess service fees			(4,266)	(2,112)		
Amortization of purchased mortgage servicing rights			(21,654)	(6,877)		
Other non-interest expense	(79,599)	(77,317)	(19,378)	(19,043)	(4,744)	(3,717)
Income before taxes	\$ 25,680	\$ 18,041	\$ (17,306)	\$ (1,694)	\$ 2,329	\$ 1,562
At June 30						
Total assets	\$9,052,354	\$9,160,337	\$1,276,089	\$1,130,156	\$981,129	\$1,103,105
Total Liabilities	\$8,431,762	\$8,525,329	\$1,254,002	\$1,092,116	\$854,705	\$ 985,544
Total Equity	\$ 620,592	\$ 635,008	\$ 22,087	\$ 38,040	\$126,424	\$ 117,561
Mortgage Servicing Portfolio (2):						
Originated Servicing			\$ 3,908	\$ 2,945		
Purchased Servicing			\$ 7,317	\$11,515		
Total			\$11,225	\$14,460		

</TABLE>

- (1) Amounts include intercompany eliminations
(2) A sale of approximately \$2.2 billion of servicing will be recognized, for accounting purposes, in the fourth quarter, 1993. The mortgage servicing portfolio at June 30, 1993, excludes the loans associated with this transaction.

Certain prior period amounts have been reclassified to conform to current period presentation.

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<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries

This is a revised schedule. Revised per Form 10Q-A dated January 10, 1993

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 15 BUSINESS REVIEW (Continued)

Three Months Ended June 30 (in thousands)	Texas Bank Subsidiaries		Holding Company and other operations (1)		Consolidated MNC	
	1993	1992	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income after provision for possible credit losses	\$ 6,064	\$ 4,535	\$ (160)	\$ 72	\$ 91,415	\$ 82,295
Non-interest income	1,560	949	3,547	3,338	59,887	50,125
Gains from sale of mortgage servicing rights					53	3,449
Amortization of capitalized excess service fees					(4,266)	(2,112)
Amortization of purchased mortgage servicing rights					(21,654)	(6,877)
Other non-interest expense	(4,899)	(3,402)	(7,913)	(1,935)	(116,533)	(105,414)
Income before taxes	\$ 2,725	\$ 2,082	\$ (4,526)	\$ 1,475	\$ 8,902	\$ 21,466
At March 31						
Total assets	\$599,423	\$478,752	\$ (1,391,834)	\$ (1,216,123)	\$10,517,161	\$10,656,227
Total Liabilities	\$553,612	\$443,894	\$ (1,335,768)	\$ (1,181,026)	\$ 9,758,313	\$ 9,865,857
Total Equity	\$ 45,811	\$ 34,858	\$ (56,066)	\$ (35,097)	\$ 758,848	\$ 790,370

(1) Amounts include intercompany eliminations

Certain prior period amounts have been reclassified to conform to current period presentation.

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<TABLE>
<CAPTION>
Michigan National Corporation and Subsidiaries

This is a revised Schedule. Revised per Form 10Q-A dated January 10, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 16 BUSINESS REVIEW (UNAUDITED)

Six Months Ended June 30 (in thousands)	MNB (excluding IOMC)		IOMC		IOBOC	
	1993	1992	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income after provision for possible credit losses	\$ 139,535	\$ 130,455	\$ 9,475	\$ 10,583	\$12,148	\$10,544
Non-interest income	68,250	60,863	40,125	34,964	1,268	433
Gains from sale of mortgage servicing rights			53	3,437		
Amortization of capitalized excess service fees			(12,466)	(3,143)		
Amortization of purchased mortgage servicing rights			(80,994)	(13,500)		
Other non-interest expense	(159,257)	(156,186)	(40,769)	(35,722)	(9,238)	(6,867)

Income before taxes	\$ 48,528	\$ 35,132	\$ (84,576)	\$ (3,381)	\$ 4,178	\$ 4,110
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</TABLE>

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<TABLE>
<CAPTION>

Michigan National Corporation and Subsidiaries

This is a revised Schedule. Revised per Form 10Q-A dated January 10, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 16 BUSINESS REVIEW (Continued)

Six Months Ended June 30 (in thousands)	Texas Bank Subsidiaries		Holding Company and other operations (1)		Consolidated MNC	
	1993	1992	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income after provision for possible credit losses	\$10,485	\$8,800	\$ (269)	\$ 40	\$ 171,374	\$160,422
Non-interest income	3,529	1,916	6,342	6,638	119,514	104,814
Gains from sale of mortgage servicing rights					53	3,437
Amortization of capitalized excess service fees					(12,466)	(3,143)
Amortization of purchased mortgage servicing rights					(80,994)	(13,500)
Other non-interest expense	(8,643)	(6,743)	(15,470)	(5,897)	(233,377)	(211,415)
Income before taxes	\$ 5,371	\$3,973	\$ (9,397)	\$ 781	\$ (35,896)	\$ 40,615

</TABLE>

(1) Amounts include intercompany eliminations.

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<TABLE>
<CAPTION>

This is a revised schedule. Revised per form 10Q-A dated January 10, 1994

TABLE 17 CAPITAL RATIOS (UNAUDITED)

Quarter Ended (in thousands)	6/30/93	3/31/93	12/31/92	9/30/92	6/30/92
<S>	<C>	<C>	<C>	<C>	<C>
Tier 1:					
Common shareholders' equity	\$ 733,564	\$ 731,879	\$ 779,819	\$ 771,853	\$ 767,350
Convertible preferred stock	0	6,000	6,000	6,000	6,000
Intangible assets	(14,702)	(10,550)	(10,936)	(11,366)	(11,715)
Total Tier 1 capital	\$ 718,862	\$ 727,329	\$ 774,883	\$ 766,487	\$ 761,635
Tier 2:					
Allowance for possible credit losses (1)	\$ 103,208	\$ 100,584	\$ 100,768	\$ 101,476	\$ 98,578
Equity commitment note	18,012	18,012	18,012	18,012	20,812
Equity contract note	58,184	58,504	58,735	58,722	58,710
Qualified subordinated debt	0	0			100
Total Tier 2 capital	\$ 179,404	\$ 177,100	\$ 177,515	\$ 178,210	\$ 178,200
Total qualifying capital	\$ 898,266	\$ 904,429	\$ 952,398	\$ 944,697	\$ 939,835
Risk-weighted assets	7,540,523	7,320,372	7,380,392	7,427,746	\$7,221,540
Risk-weighted off-balance sheet exposure	730,814	736,930	691,957	690,305	664,706
Less: disallowance for loan loss & intangibles	97,333	92,532	86,057	83,705	79,128
Total risk-weighted assets and off-balance sheet exposure	\$8,174,004	\$7,964,770	\$7,986,292	\$8,034,346	\$7,807,118

Tier 1 capital ratio	8.79%	9.13%	9.70%	9.54%	9.76%
Total capital ratio	10.99%	11.36%	11.93%	11.76%	12.04%
Leverage ratio	6.90%	7.13%	7.25%	7.27%	7.02%

</TABLE>

(1) The allowance for possible credit losses is limited to 1.25% of the total risk-weighted assets and off-balance sheet exposure.

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<TABLE>

<CAPTION>

This is a revised schedule. Revised per form 10Q-A dated January 10, 1994

TABLE 18 LIQUIDITY (UNAUDITED)

Quarter Ended (in thousands)	6/30/93	3/31/93	12/31/92	9/30/92	6/30/92
<S>	<C>	<C>	<C>	<C>	<C>
Parent Company:					
Subsidiaries' retained earnings available for dividends (1)	\$31,426	\$40,817	\$51,315	\$50,096	\$44,906
Subsidiary Companies:					
Core deposits as a percent of total assets	75.78%	73.56%	75.03%	72.95%	72.43%
Short-term borrowings as a percent of total assets	6.28%	5.09%	4.97%	6.65%	8.14%

</TABLE>

(1) Retained earnings available for dividends is calculated based on current year-to-date net income plus two years' prior income less certain adjustments.

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<TABLE>

<CAPTION>

MICHIGAN NATIONAL CORPORATION
AND SUBSIDIARIES

This is a revised schedule. Revised per form 10Q-A dated January 10, 1994

PART 1 EXHIBIT

EXHIBIT (11) COMPUTATION OF EARNINGS PER COMMON SHARE (UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
(in thousands, except per share)				
PRIMARY				
Net Income	\$ 8,902	\$19,219	\$ (35,896)	\$42,628
Average common shares outstanding	15,093	14,697	15,018	14,684
Common stock equivalents	132	352		345
AVERAGE PRIMARY SHARES OUTSTANDING	15,225	15,049	15,018	15,029
PRIMARY EARNINGS PER SHARE	\$ 0.58	\$ 1.28	\$ (2.39)	\$ 2.84

FULLY DILUTED				
Net Income	\$ 8,902	\$19,219	\$(35,896)	\$42,628
Average common shares outstanding	15,093	14,697	15,018	14,684
Common stock equivalents	137	352		352
AVERAGE FULLY DILUTED SHARES OUTSTANDING	15,230	15,049	15,018	15,036
FULLY DILUTED EARNINGS PER SHARE	\$0.58	\$1.28	\$(2.39)	\$2.84

</TABLE>

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Michigan National Corporation
and Subsidiaries

(This is revised text.
Revised per Form 10-QA
dated January 10, 1994)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Earnings for the second quarter 1993 were \$8.9 million, or \$0.58 per share, compared to \$19.2 million, or \$1.28 per share, in last year's second quarter. For the six months ended June 30, 1993 the Corporation reported a loss of \$35.9 million, or \$2.39 per share. Net income for the same period last year, excluding a \$6.3 million effect of an accounting change, was \$36.4 million, or \$2.42 per share.

Earnings continue to be pressured by unprecedented mortgage refinancing activity and the resulting accelerated prepayments in the Corporation's mortgage servicing portfolio. The Corporation continues to aggressively address the effect of these prepayment trends through accelerated amortization of its PMSR and ESF assets. PMSR amortization in the second quarter 1993 was \$21.7 million, \$14.8 million greater than last year's second quarter. ESF amortization expense was \$4.3 million, \$2.2 million greater than last year. For the six months end June 30, 1993 PMSR and ESF amortization increased \$67.5 million and \$9.3 million over the same period in 1992.

During the second quarter, the Corporation recognized a \$4.6 million one-time write-down of the assets of its Dallas, Texas software subsidiary, Banc A, due to a longer than expected sales cycle for bank software products.

Other than in the mortgage banking business, various performance indicators in the Corporation's core businesses improved over last year's second quarter. The Net Interest Margin improved 25 basis points in the second quarter of 1993 over the same period last year. The provision for possible credit losses decreased due to continued improvements in credit quality. Net charge-offs, Non-performing Assets and Watch Credits decreased from last year's levels. The allowance for possible credit losses as a percentage of Non-performing Loans and the allowance as a percentage of loans increased. The allowance as a percentage of Non-performing Loans of 114% at June 30, 1993, dropped from 122% at March 31, 1993, due to an increase in Non-performing Loans. However, total Non-performing Assets of \$292 million at June 30, 1993, were slightly lower than the March 31, 1993, level of \$296 million.

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Michigan National Corporation
and Subsidiaries

(This is revised text.
Revised per Form 10-QA
dated January 10, 1994)

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 1993, the Corporation executed an agreement to sell approximately \$2.2 billion of mortgage servicing rights for an aggregate sale price of approximately \$29 million. The servicing rights were being sold as part of the Corporation's strategy to reposition its mortgage banking business and reduce the earnings volatility resulting from acquired servicing.

Because the terms of the sale provide the purchaser with protection against certain contingencies through the date of physical delivery of the underlying mortgages, the sale will be recognized for accounting purposes in the fourth quarter of this year. The fourth quarter gain on sale is approximately \$7.7 million. In addition, approximately \$1.5 million of gain associated with the sale will be deferred until certain other contingencies are eliminated on June 30, 1996.