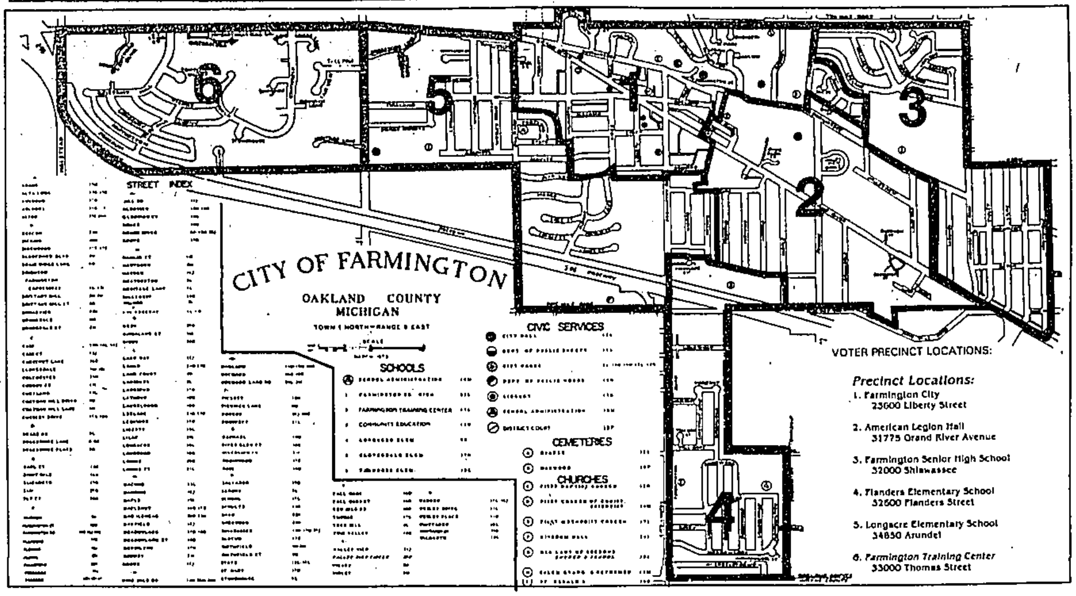

Farmington Observer

(USPS 187-840)

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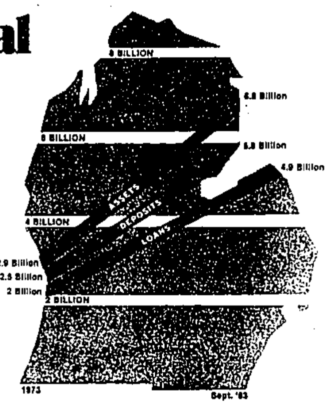
Michigan National Corporation Banks Reach Record Highs



The Michigan National Corporation banks have reached record highs at September 30, 1983 in terms of assets, deposits, and loans. Depositor Protection Accounts for that period also reached $477 million which is 7% of total assets. This is an increase of $9.2 million since year end 1982. Depositor Protection Accounts are made up of the sum of equity, debt capital, and reserves which are all subordinate to depositors' claims. During its 10 year history Michigan National Corporation has grown into one of Michigan's major statewide banking groups with 362 approved banking offices serving 2.6 million customers, and has built one of the USA's largest automated teller machine (ATM) networks with over 800 ATM's statewide.

Michigan National Corporation and Subsidiaries Consolidated Statement of Condition (unaudited)

Assets	Balance at September 30, 1983
Cash and due from banks	$ 443,362,000
Interest-bearing deposits with banks	162,690,000
Federal funds sold and other short-term investments	174,726,000
Taxable investments (primarily U.S. government securities)	325,718,000
Non-taxable investments (primarily state and municipal securities)	371,778,000
Other investments	198,705,000
Loans and Lease Financing	
Commercial, financial and agricultural	2,163,325,000
Real estate — mortgage	1,214,990,000
Real estate — construction	134,180,000
Installment	1,223,092,000
Lease financing	174,047,000
Total Loans and Lease Financing	4,909,629,000
Less: Unearned income	(23,360,000)
Valuation allowance for possible loan losses	(37,945,000)
Net Loans and Lease Financing	4,848,324,000
Premises (net)	96,705,000
Equipment (net)	43,772,000
Accrued income receivable	70,858,000
Other assets	71,305,000
TOTAL ASSETS	$6,827,941,000

Liabilities	Balance at September 30, 1983
Demand deposits	$1,036,478,000
Savings deposits	1,000,878,000
Time deposits	1,617,132,000
Money market certificate deposits	1,173,422,000
Insured money market accounts	978,655,000
Total Deposits	5,806,565,000
Federal funds purchased	27,025,000
Securities sold under agreements to repurchase	239,369,000
Treasury demand notes	83,471,000
Accrued liabilities	198,554,000
Long-term debt	103,311,000
Reserve for possible loan losses of subsidiary banks	53,378,000
Less: Portion included in retained earnings	(9,192,000)
Valuation portion deducted from total loans	(37,945,000)
Deferred income tax portion	6,241,000
Total Liabilities	6,476,536,000
Redeemable Preferred Stock	10,000,000
Common Shareholders' Equity	
Common stock	111,022,000
Surplus	150,773,000
Retained earnings	79,610,000
Total Common Shareholders' Equity	341,405,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$6,827,941,000

Depositor Protection Accounts

Total common shareholders' equity	$341,405,000
Redeemable preferred stock	10,000,000
Long-term debt of parent company invested in capital of the subsidiary banks	70,261,000
Subordinated notes of the subsidiary banks	9,440,000
Deferred tax and valuation portion components of the reserve for possible loan losses	46,186,000
Total Depositor Protection Accounts	$477,292,000

Nine Month Earnings

	September 30 1983	September 30 1982
Total Income	$576,171,000	$630,022,000
Total Expenses	559,068,000	636,196,000
Net Income (Loss)	$ 16,043,000	$ (6,174,000)

The USA's 35th largest bank holding corporation.

NASDAQ Traded Over the Counter: MNCO

Michigan National Corporation Banks

$477,000,000 of Depositor Protection Accounts — Deposits Insured to $100,000 by FDIC