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National City to raise \$7 billion

Private equity firm Corsair Capital will provide the bulk of the added capital; company cuts dividend.

Last Updated: April 21, 2008: 10:06 AM EDT

CLEVELAND (AP) -- National City Corp. announced Monday it has secured \$7 billion of equity capital to save the bank following steep mortgage losses.

The nation's 10th-largest bank said it will get \$985 million from New York-based Corsair Capital LLC, which has experience with troubled financial institutions. The rest will come from other investors, including current institutional shareholders.

National City also said it was cutting its dividend to 1 cent per share from 21 cents per share to help strengthen its capital position.

The regional bank is raising money amid deterioration in the credit and mortgage markets that has plagued banks since the middle of 2007 and cut into capital positions.

The Cleveland-based bank had a loss of \$171 million, or 27 cents per share, in the first quarter. That followed a loss of \$333 million, or 53 cents per share, in the fourth quarter of 2007.

In early trading, National City (NCC, Fortune 500) shares slumped \$1.78, or about 20%, to \$6.55. ■

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Nasdaq	2,401.83	▼ -1.14 / -0.05%
S&P 500	1,384.33	▼ -6.00 / -0.43%
10-year Bond	97 30/32	Yield: 3.75%
U.S. Dollar	1 euro = \$1.589	▲ 0.008

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