PNC FINANCIAL SERVICES GROUP INC
Form S-4
November 10, 2008

Table of Contents

As filed with the Securities and Exchange Commission on November 10, 2008

Registration No. 333-[ ]

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

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE PNC FINANCIAL SERVICES GROUP, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania	**6712**	**25-1435979**
(State or other jurisdiction of incorporation)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
(412) 762-2000
(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices)

Richard J. Johnson
Chief Financial Officer
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
(412) 762-2000
(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

H. Rodgin Cohen, Esq.
Andrew D. Soussloff, Esq.
Donald J. Toumey, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
(212) 558-4000

David L. Zoeller, Esq.
General Counsel &
Secretary
National City Corporation
1900 East Ninth Street
Cleveland, OH 44114
(216) 222-2000

Edward D. Herlihy, Esq.
Lawrence S. Makow, Esq.
Nicholas G. Demmo, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
(212) 403-1000

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ Accelerated filer o Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(4)
Common stock, par value $5.00 per share	106,548,136	N/A	$6,822,342,398.52(2)	$268,118.06
9.875% Fixed-To-Floating Rate Non-Cumulative Preferred Stock, Series L	1,500	N/A	$150,000,000(3)	$5,895
Non-Cumulative Perpetual Preferred Stock, Series M	5,751	N/A	$575,100,000(3)	$22,602

(1) Represents the maximum number of shares of The PNC Financial Services Group, Inc. (a) common stock, (b) 9.875% Fixed-To-Floating Rate Non-Cumulative Preferred Stock, Series L, and (c) Non-Cumulative Perpetual Preferred Stock, Series M estimated to be issuable upon the completion of the PNC/National City merger described herein. The number of shares of common stock is based on the number of shares of National City Corporation common stock outstanding and reserved for issuance under various plans and in connection with various convertible securities as of October 23, 2008, and the exchange of each such share of National City Corporation common stock for 0.0392 of a share of the Registrant s common stock, pursuant to the Agreement and Plan of Merger, dated as of October 24, 2008, by and between the Registrant and National City Corporation.

(2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act, the proposed maximum aggregate offering price of the registrant s common stock was calculated based upon the market value of shares of National City common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (1) $2.51, the average of the high and low prices per shares of National City common stock on November 3, 2008, as quoted on The New York Stock Exchange, multiplied by (2) 2,718,064,701, the number of shares of National City common stock which may be exchanged in the merger.

(3) Based on the book value, computed as of the last practicable date prior to the date of filing the registration statement, per share of preferred stock as of September 30, 2008, pursuant to Rule 457(f)(2) of the Securities Act.

(4) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $39.30 per $1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

PRELIMINARY SUBJECT TO COMPLETION DATED NOVEMBER 10, 2008

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On October 24, 2008, The PNC Financial Services Group, Inc. and National City Corporation announced a strategic business combination in which National City will merge with and into PNC. If the merger is completed, holders of National City common stock will have a right to receive 0.0392 of a share of PNC common stock for each share of National City common stock held immediately prior to the merger.

The number of shares of PNC common stock that National City stockholders will receive in the merger for each share of National City common stock is fixed. The dollar value of the consideration National City stockholders will receive in the merger will change depending on changes in the market price of PNC common stock and will not be known at the time you vote on the merger. The following table shows the closing sale prices of PNC common stock and National City common stock as reported on the New York Stock Exchange on October 23, 2008, the last trading day before public announcement of the merger, and on [ ], 2008, the last practicable trading day before the distribution of this document. This table also shows the implied value of the merger consideration proposed for each share of National City common stock, which we calculated by multiplying the closing price of PNC common stock on those dates by 0.0392, the exchange ratio.

	PNC Common Stock	National City Common Stock	Implied Value of One Share of National City Common Stock
At October 23, 2008	$ 56.88	$ 2.75	$ 2.23
At [ ], 2008	$ [ ]	$ [ ]	$ [ ]

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of National City common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of National City common stock for shares of PNC common stock in the merger, except with respect to any cash received instead of fractional shares of PNC common stock.

The market prices of both PNC common stock and National City common stock will fluctuate before the merger. You should obtain current stock price quotations for PNC common stock and National City common stock before you vote. PNC common stock is quoted on the NYSE under the symbol PNC. National City common stock is quoted on the NYSE under the symbol NCC.

At a special meeting of PNC shareholders, PNC shareholders will be asked to vote on the issuance of PNC common stock in the merger and certain other matters. The stock issuance proposal requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon in favor of such proposal.

At a special meeting of National City stockholders, holders of National City common stock will be asked to vote on the adoption of the merger agreement and certain other matters. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of National City common stock entitled to vote.

Holders of National City preferred stock and holders of depositary shares representing National City preferred stock are not entitled to and are not being requested to vote at the National City special meeting.

The PNC board of directors recommends that PNC shareholders vote FOR the proposal to issue shares of PNC common stock in the merger.

The National City board of directors recommends that National City common stockholders vote FOR adoption of the merger agreement.

This document describes the special meetings, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including Risk Factors beginning on page [ ] for a discussion of the risks relating to the proposed merger and owning PNC common stock after the merger.** You also can obtain information about our companies from documents that each of us has filed with the Securities and Exchange Commission.

JAMES E. ROHR
Chairman and Chief Executive Officer
The PNC Financial Services Group, Inc.

PETER E. RASKIND
Chairman, President and Chief Executive Officer
National City Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the PNC common stock or preferred stock to be issued under this document or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings and deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this document is [ ], 2008, and it is first being mailed or otherwise delivered to PNC shareholders and National City stockholders on or about [ ], 2008.

Table of Contents

[ ], 2008

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

[ ], 2008

The PNC Financial Services Group, Inc., or PNC, will hold a special meeting of shareholders at [ ] at [ ], local time, on [ ], 2008 to consider and vote upon the following matters:

a proposal to approve the issuance of shares of PNC common stock as contemplated by the Agreement and Plan of Merger, dated as of October 24, 2008, by and between The PNC Financial Services Group, Inc. and National City Corporation, as such agreement may be amended from time to time;

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

The PNC board of directors has fixed the close of business on [ ], 2008, as the record date for the special meeting. Only PNC shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. Holders of PNC common stock, $1.80 Cumulative Convertible Preferred Stock, Series A, referred to as Series A Preferred Stock, $1.80 Cumulative Convertible Preferred Stock, Series B, referred to as Series B Preferred Stock, $1.60 Cumulative Convertible Preferred Stock, Series C, referred to as Series C Preferred Stock, and $1.80 Cumulative Convertible Preferred Stock, Series D, referred to as Series D Preferred Stock, vote together without regard to class and will be entitled to vote at the special meeting. In this document, we refer to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock collectively as the Voting Preferred Stock . Approval of the issuance of PNC common stock requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, assuming a quorum.

Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible by accessing the internet site listed on the PNC proxy card, by calling the toll-free number listed on the PNC proxy card, or by submitting your proxy card by mail. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of PNC common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

The PNC board of directors has approved the merger and the merger agreement and recommends that PNC shareholders vote FOR approval of the issuance of common stock in the merger and FOR the adjournment of the PNC special meeting if necessary or appropriate to permit further solicitation of proxies.

BY ORDER OF THE BOARD OF DIRECTORS,

George P. Long, III
Corporate Secretary

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

National City Corporation, or National City, will hold a special meeting of stockholders at [ ] at [ ], local time, on [ ], 2008 to consider and vote upon the following matters:

- a proposal to adopt the Agreement and Plan of Merger, dated as of October 24, 2008, by and between The PNC Financial Services Group, Inc. and National City Corporation, as such agreement may be amended from time to time, pursuant to which National City will merge with and into PNC, with PNC surviving the merger; and

- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the foregoing proposal.

If the merger is completed, holders of National City common stock will receive 0.0392 of a share of PNC common stock for each share of National City common stock held immediately prior to the merger. Upon completion of the merger, each share of National City preferred stock issued and outstanding immediately prior to completion of the merger will be automatically converted into a share of PNC preferred stock having terms substantially identical to the terms of the relevant series of National City preferred stock. A copy of the merger agreement is included as **Appendix A** to the enclosed document and incorporated therein by reference.

The National City board of directors has fixed the close of business on [ ], 2008 as the record date for the special meeting. Only National City common shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. In order for the merger to be approved, the holders of at least a majority of the National City common shares outstanding and entitled to vote thereon must vote in favor of adoption of the merger agreement.

Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible by accessing the internet site listed on the National City proxy card, by calling the toll-free number listed on the National City proxy card or by submitting your proxy card by mail. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instruction form included with these materials and forwarded to you by your bank or broker. This voting instruction form provides instructions on voting by mail, telephone or the internet at www.cesvote.com. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of National City common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

Holders of National City preferred stock and holders of depositary shares representing National City preferred stock are not entitled to and are not being requested to vote at the special meeting.

The National City board of directors, at a meeting duly called, approved the merger and the merger agreement and recommends that National City common shareholders vote FOR adoption of the merger agreement and FOR the adjournment of the National City special meeting if necessary or appropriate to permit further solicitation of proxies.

Please do not send any stock certificates at this time.

BY ORDER OF THE BOARD OF DIRECTORS,

David L. Zoeller
Secretary

[ ], 2008

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates by reference important business and financial information about PNC and National City from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document, other than certain exhibits to those documents, free of charge through the Securities and Exchange Commission website (http://www.sec.gov) or by requesting them in writing or by telephone from the appropriate company at the following addresses:

The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
Attention: Investor Relations
(800) 843-2206
Email: investor.relations@pnc.com

National City Corporation
1900 East Ninth Street, Locator 01-2229
Cleveland, Ohio 44114
Attention: Investor Relations
Telephone: (800) 622-4204

You will not be charged for any of these documents that you request. National City stockholders and PNC shareholders requesting documents should do so by [ ], 2008, in order to receive them before their respective special meetings.

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], 2008, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to National City stockholders or PNC shareholders nor the issuance by PNC of shares of PNC common stock in connection with the merger will create any implication to the contrary.

Information on the websites of PNC or National City, or any subsidiary of PNC or National City, is not part of this document. You should not rely on that information in deciding how to vote.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding National City has been provided by National City and information contained in this document regarding PNC has been provided by PNC.

See Where You Can Find More Information on page [ ].

TABLE OF CONTENTS

Table of Contents

APPENDICES

QUESTIONS AND ANSWERS

The following are answers to certain questions that you may have regarding the special meeting. We urge you to read carefully the remainder of this document because the information in this section may not provide all that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q: What are holders of National City common stock being asked to vote on?

A: Holders of National City common stock are being asked to vote on the adoption of the merger agreement and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of adoption of the merger agreement.

Q: What are holders of PNC common stock being asked to vote on?

A: PNC shareholders are being asked to vote on the issuance of shares of PNC common stock in the merger and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the issuance of shares of PNC common stock in the merger.

Q: What do holders of National City common stock need to do now?

A: After you have carefully read this document and have decided how you wish to vote your shares, please vote your shares promptly. Please vote as soon as possible by accessing the internet site listed on the National City proxy card, by calling the toll-free number listed on the National City proxy card or by mailing your proxy card. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instruction form included with these materials and forwarded to you by your bank or broker. This voting instruction form provides instructions on voting by mail, telephone or the internet at www.cesvote.com. Submitting your proxy by internet, telephone or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the National City special meeting. If you would like to attend the National City special meeting, see *Can I attend the National City special meeting and vote my shares in person?*

Q: What do PNC shareholders need to do now?

A: After you have carefully read this document and have decided how you wish to vote your shares, please vote promptly by accessing the internet site listed on your proxy card, by calling the toll-free number listed on your proxy card or by submitting your proxy card by mail. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy by internet, telephone or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the PNC special meeting; see *Can I attend the PNC special meeting and vote my shares in person?*

Q: Why is my vote as a holder of National City common stock important?

A: If you do not vote by proxy, telephone or internet or vote in person at the National City special meeting, it will be more difficult for National City to obtain the necessary quorum to hold its special meeting. In addition, your failure to vote, by proxy, telephone, internet or in person, will have the same effect as a vote against adoption of the merger agreement. The merger agreement must be adopted by the holders of a majority of the outstanding shares of National City common stock entitled to vote at the special meeting. **The National City board of directors recommends that you vote to adopt the merger agreement.**

Q: Why is my vote as a PNC shareholder important?

A: If you do not vote by proxy, telephone or internet or vote in person at the PNC special meeting, it will be more difficult for PNC to obtain the necessary quorum to hold its special meeting. In addition, the proposal to issue PNC common stock in the merger requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, assuming a quorum. **The PNC board of directors recommends that you vote to approve the issuance of the common stock in the merger.**

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: *No.* Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted, which will have the effect described below.

Q: What if I abstain from voting or fail to instruct my broker?

A: If you are a holder of National City common stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, referred to as a broker non-vote, the abstention or broker non-vote will be counted toward a quorum at the National City special meeting, but it will have the same effect as a vote against adoption of the merger agreement. With respect to the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies, an abstention will have the same effect as a vote against the proposal. If you fail to instruct your broker to vote your shares your broker may vote your shares in its discretion on this proposal.

If you are a PNC shareholder, an abstention or broker non-vote will be counted toward a quorum at the PNC special meeting. Abstentions from voting, as well as broker non-votes, are not treated as votes cast and, therefore, will have no effect on the proposal to approve the issuance of shares of PNC common stock in the merger, assuming a quorum.

Q: Can I attend the National City special meeting and vote my shares in person?

A: *Yes.* All holders of National City common stock, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the National City special meeting. Holders of record of National City common stock as of the record date can vote in person at the National City special meeting. If you are not a stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the National City special meeting. If you plan to attend the National City special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. National City reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification.

Q: Can I attend the PNC special meeting and vote my shares in person?

A: *Yes.* All holders of PNC common stock, $1.80 Cumulative Convertible Preferred Stock, Series A, or Series A Preferred Stock, $1.80 Cumulative Convertible Preferred Stock, Series B, or Series B Preferred Stock, $1.60 Cumulative Convertible Preferred Stock, Series C, or Series C Preferred Stock, and $1.80 Cumulative Convertible Preferred Stock, Series D, or Series D Preferred Stock, the preferred stock known collectively in this document as the Voting Preferred Stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the PNC special meeting. Holders of PNC common stock and Voting Preferred Stock can vote in person at the PNC special meeting. Please detach the attached admission ticket from your proxy card and bring it to the special meeting. The ticket will admit you and one other person. If you hold your PNC shares in an account at a brokerage firm or bank, your name will not appear on our shareholder list. Please bring an account statement or a letter from your broker showing your PNC shareholdings. Please show this documentation at the meeting registration desk to attend the meeting. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting. These rules will be printed on the meeting agenda.

Q: Will National City be required to submit the merger agreement to its stockholders even if the National City board of directors has withdrawn, modified or qualified its recommendation?

A: *Yes.* Unless the merger agreement is terminated before the National City special meeting, National City is required to submit the merger agreement to its stockholders even if the National City board of directors has withdrawn, modified or qualified its recommendation, consistent with the terms of the merger agreement.

Q: Will PNC be required to submit the proposal to issue shares of PNC common stock in the merger to its shareholders even if the PNC board of directors has withdrawn, modified or qualified its recommendation?

A: *Yes*. Unless the merger agreement is terminated before the PNC special meeting, PNC is required to submit the proposal to issue shares of PNC common stock in the merger to its shareholders even if the PNC board of directors has withdrawn, modified or qualified its recommendation, consistent with the terms of the merger agreement.

Q: Is the merger expected to be taxable to National City stockholders?

A: *Generally, no*. The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and holders of National City common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of National City common stock for shares of PNC common stock in the merger, except with respect to cash received instead of fractional shares of PNC common stock. You should read *United States Federal Income Tax Consequences of the Merger* beginning on page [ ] for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

Q: If I am a holder of National City common stock, can I change or revoke my vote?

A: *Yes.* Regardless of the method you used to cast your vote, if you are a holder of record, you may change your vote by signing and returning a new proxy card with a later date, by calling the toll-free number listed on the National City proxy card or by accessing the internet site listed on the National City proxy card by 6:00 a.m. Eastern time on [ ], 2008 or by attending the National City special meeting and voting by ballot at the special meeting.

If you are a National City stockholder of record and wish to revoke rather than change your vote, you must send written, signed revocation to National City s Secretary, which must be received by 6:00 a.m. Eastern time on [ ], 2008. You must include your control number.

If you hold your shares in street name, and wish to change or revoke your vote, please refer to the information on the voting instruction form included with these materials and forwarded to you by your bank, broker or other holder of record to see your voting options.

Any holder of National City common stock entitled to vote in person at the National City special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: If I am a PNC shareholder, can I change my vote?

A: *Yes.* You may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter pursuant to the instructions below, or by attending the PNC special meeting in person, notifying the Corporate Secretary and voting by ballot at the special meeting. PNC shareholders may send their written revocation letter to The PNC Financial Services Group, Inc., Attention:

Corporate Secretary, One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707. If you have voted your shares by telephone or through the internet, you may revoke your prior telephone or internet vote by recording a different vote using telephone or internet voting, or by signing and returning a proxy card dated as of a date that is later than your last telephone or internet vote.

Any shareholder entitled to vote in person at the PNC special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying the Corporate

Table of Contents

Secretary of PNC) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: If I am a holder of National City common stock with shares represented by stock certificates, should I send in my National City stock certificates now?

A: *No.* You should not send in your National City stock certificates at this time. After completion of the merger, PNC will send you instructions for exchanging National City stock certificates for the merger consideration. The shares of PNC stock National City stockholders receive in the merger will be issued in book-entry form. Please do not send in your stock certificates with your proxy card.

Q: What should I do if I hold my shares of National City common stock in book-entry form?

A You are not required to take any specific actions if your shares of National City common stock are held in book-entry form. After the completion of the merger, shares of National City common stock held in book-entry form will automatically be exchanged for shares of PNC common stock in book-entry form and cash to be paid instead of fractional shares of PNC common stock.

Q: When do you expect to complete the merger?

A We currently expect to complete the merger on December 31, 2008. However, we cannot assure you when or if the merger will occur. We must first obtain the approvals of National City stockholders and PNC shareholders at the special meetings and the required regulatory approvals described below in *Regulatory Approvals Required for the Merger.*

Q: Whom should I call with questions?

A: National City stockholders should call National City Investor Relations toll-free at (800) 622-4204 or Georgeson Inc., National City s proxy solicitor, toll-free at (800) 903-4377 (Banks and Brokers call: (212) 440-9800) about the merger and related transactions. PNC shareholders should call D.F. King & Co., PNC s proxy solicitor, toll-free at (888) 628-1041 or collect at (212) 269-5550.

Table of Contents

SUMMARY

This summary highlights material information from this document. It may not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer in order to fully understand the merger and the related transactions. See Where You Can Find More Information on page [ ]. Each item in this summary refers to the page of this document on which that subject is discussed in more detail. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

In the Merger, National City Stockholders Will Have a Right to Receive 0.0392 of a Share of PNC Common Stock per Share of National City Common Stock (page [ ])

We are proposing the merger of National City with PNC. If the merger is completed, National City will merge into PNC, with PNC being the surviving company and National City common stock will no longer be publicly traded. Under the terms of the merger agreement, holders of National City common stock will have a right to receive 0.0392 of a share of PNC common stock for each share of National City common stock held immediately prior to the merger. PNC will not issue any fractional shares of PNC common stock in the merger. Instead, a holder of National City common stock who otherwise would have received a fraction of a share of PNC common stock will receive an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of PNC common stock to which the holder would otherwise be entitled by the average of the closing sale prices of PNC common stock on the New York Stock Exchange, or NYSE, for the five trading days immediately prior to the date on which the merger is completed.

Example: If you hold 1,000 shares of National City common stock, you will have a right to receive 39 shares of PNC common stock and a cash payment instead of the 0.2 shares of PNC common stock that you otherwise would have received.

The merger agreement between PNC and National City governs the merger. The merger agreement is included in this document as **Appendix A**. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this document of the terms and conditions of the merger are qualified by reference to the merger agreement.

What Holders of National City Stock Options, Restricted Shares, Deferred Shares and Other Equity-Based Awards Will Receive (page [ ])

At the effective time of the merger, each option to purchase National City common stock granted by National City that is then outstanding will vest and be converted automatically into an option for shares of PNC common stock, subject to, and in accordance with, the same terms and conditions that applied to the National City option before the effective time of the merger, except that the number of shares of PNC common stock subject to each such converted option will be equal to the product, rounded down to the nearest whole number of shares of PNC common stock, of (x) the number of shares of National City common stock subject to the corresponding National City stock option and (y) the exchange ratio of 0.0392. The exercise price for converted options will equal the applicable per share exercise price for the shares of National City common stock divided by the exchange ratio (rounded up to the nearest cent).

At the time of the merger, other stock-based awards of National City will be converted into a similar award of PNC with respect to PNC common stock generally on the same terms that applied to the National City award except the number of shares of PNC common stock subject to the new PNC award will equal the number of shares of National

City common stock subject to the award multiplied by the exchange ratio, rounded up to the nearest whole share.

At the time of the merger, each outstanding restricted share of National City common stock will vest and become free of restrictions and be converted into the right to receive the merger consideration and each outstanding deferred share of National City common stock will vest and be converted into the right to receive the merger consideration.

Table of Contents

Treatment of National City Preferred Stock and Warrants in the Merger (page [ ])

Upon completion of the merger, each share of National City preferred stock issued and outstanding immediately prior to completion of the merger will be automatically converted into a share of PNC preferred stock having terms substantially identical to the terms of the relevant series of National City preferred stock. We sometimes refer to the new PNC preferred stock to be issued or reserved for in the merger as the New PNC Preferred Stock.

Each outstanding share of National City 9.875% Fixed-To-Floating Rate Non-Cumulative Preferred Stock, Series F, is represented by depositary shares that are listed on the NYSE. Each depositary share represents a 1/4000th interest in a share of National City Series F Preferred Stock. Upon completion of the merger, PNC will assume the obligations of National City under the Deposit Agreement, dated as of January 30, 2008, between National City, Wilmington Trust Company as depositary, National City Bank as transfer agent and register and the holders from time to time of depositary shares. PNC will instruct Wilmington Trust Company as depositary under the deposit agreement referred to as the Series F Deposit Agreement, to treat the shares of New PNC Preferred Stock received by it in exchange for shares of National City Series F Preferred Stock as newly deposited securities under the Series F Deposit Agreement. In accordance with the terms of the Series F Deposit Agreement, the National City depositary shares will thereafter represent shares of PNC Preferred Stock. Such depositary shares will continue to be listed on the NYSE upon completion of the merger under a new name and traded under a new symbol.

Certain investors that acquired shares of National City common stock and warrants to purchase shares of National City common stock in a private placement in April 2008 will receive additional shares of National City common stock and cash payments in connection with the completion of the merger. Assuming the trading price per share of National City common stock on the trading day immediately prior to the completion of the merger is equal to or greater than $2.07, the closing price of National City common stock on October 24, 2008, these investors will be issued an aggregate of approximately 328 million additional shares of National City common stock immediately prior to the completion of the merger under the terms of their investment agreements, and will receive in exchange for their warrants an aggregate cash payment of approximately $384 million, in each case contingent upon the completion of the merger. If the trading price per share of National City common stock on the trading day immediately prior to the completion of the merger is less than $2.07, these investors will receive additional shares of National City common stock under the terms of their investment agreements. Holders of National City warrants, as such, are not entitled to vote on the adoption of the merger agreement or otherwise at the special meeting. These investors will receive 0.0392 of a share of PNC common stock for each share of National City common stock held at the time of completion of the merger.

The Merger Is Intended to Be Tax-Free to National City Stockholders as to the Shares of PNC Common Stock They Receive (page [ ])

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to our respective obligations to complete the merger that each of PNC and National City receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to you for United States federal income tax purposes as to the shares of PNC common stock you receive in the merger, except for any gain or loss that may result from the receipt of cash instead of fractional shares of PNC common stock that you would otherwise be entitled to receive.

The United States federal income tax consequences described above may not apply to all holders of National City common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Comparative Market Prices and Share Information (pages [ ] and [ ])

PNC common stock is quoted on the NYSE under the symbol PNC. National City common stock is quoted on the NYSE under the symbol NCC. The following table shows the closing sale prices of PNC common stock and National City common stock as reported on the NYSE on October 23, 2008, the last trading day before we announced the merger, and on [ ], 2008, the last practicable trading day before the distribution of this document. This table also shows the implied value of the merger consideration proposed for each share of National City common stock, which we calculated by multiplying the closing price of PNC common stock on those dates by the exchange ratio of 0.0392.

	PNC Common Stock	National City Common Stock	Implied Value of One Share of National City Common Stock
At October 23, 2008	$ 56.88	$ 2.75	$ 2.23
At [ ], 2008	$ [ ]	$ [ ]	$ [ ]

The market price of PNC common stock and National City common stock will fluctuate prior to the merger. National City stockholders and PNC shareholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.

Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. Have Each Provided an Opinion to the PNC Board of Directors Regarding the Aggregate Consideration

Citigroup Global Markets Inc. (page [ ])

Citigroup Global Markets rendered an opinion to the PNC board of directors on October 31, 2008 to the effect that, based upon and subject to the considerations and limitations set forth in the opinion, Citigroup Global Markets work described herein and other factors it deemed relevant, the aggregate consideration (consisting of the issuance of shares of PNC common stock at an exchange ratio of 0.0392 shares of PNC common stock for each outstanding share of National City common stock, plus the payment of a cash amount of approximately $384 million to certain National City warrant holders) to be paid by PNC in connection with the merger was fair as of October 24, 2008, from a financial point of view, to PNC. We have attached the full text of Citigroup Global Markets opinion to this document as **Appendix D**, which sets forth the assumptions made, general procedures followed, matters considered and limits on the review undertaken by Citigroup Global Markets in connection with its opinion. We urge you to read the opinion carefully and in its entirety. The opinion of Citigroup Global Markets is addressed to the PNC board of directors and is limited to the fairness as of October 24, 2008, from a financial point of view, to PNC of the aggregate consideration to be paid by PNC in connection with the merger and does not address the underlying business decision of PNC to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for PNC or the effect of any other transaction in which PNC might engage. The opinion of Citigroup Global Markets is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the merger. Pursuant to a letter agreement between PNC and Citigroup Global Markets, PNC has paid $2.5 million in fees to Citigroup Global Markets and has agreed to pay Citigroup Global Markets an additional $7.5 million in fees upon the consummation of the merger.

J.P. Morgan Securities Inc. (page [ ])

J.P. Morgan Securities Inc., referred to as JPMorgan, has provided its written opinion to the PNC board of directors, dated as of October 31, 2008, that, as of October 24, 2008 and based upon and subject to the factors and assumptions set forth in its opinion, the aggregate consideration (consisting of the issuance of shares of PNC common stock at an exchange ratio of 0.0392 shares of PNC common stock for each outstanding share of National City common stock, plus the payment of a cash amount of approximately $384 million in the aggregate to certain National City warrant holders) to be paid by PNC in connection with the merger with National City was fair, from a financial point of view, to PNC. We have attached the full text of JPMorgan s opinion to this document as **Appendix E**, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan in connection with the opinion. We urge you to read the opinion carefully in its entirety. The opinion of JPMorgan is addressed to the PNC board of directors and is directed only to the aggregate

Table of Contents

consideration to be paid in connection with the merger and does not address the underlying decision by PNC to engage in the merger or constitute a recommendation to any stockholder of PNC as to how that stockholder should vote at the PNC special meeting or act on any matter relating to the merger. Pursuant to an engagement letter between PNC and JPMorgan, PNC has agreed to pay JPMorgan a $10 million fee, a substantial portion of which is payable only upon completion of the merger.

Goldman, Sachs & Co. Has Provided an Opinion to the National City Board of Directors Regarding the Exchange Ratio Pursuant to the Merger Agreement (page [ ])

National City s financial advisor, Goldman, Sachs & Co., referred to as Goldman Sachs, rendered an opinion dated October 24, 2008, to the National City board of directors, that, as of such date, and based upon and subject to the factors, limitations and assumptions set forth in its written opinion, as well as the extraordinary circumstances facing National City referred to in such written opinion, the exchange ratio of 0.0392 of a share of PNC common stock to be received in respect of each share of National City common stock pursuant to the merger agreement was fair from a financial point of view to the holders of National City common stock other than PNC and its affiliates.

The full text of the written opinion of Goldman Sachs, which sets forth the factors considered, assumptions made, procedures followed and limitations that apply in connection therewith, is attached to this document as **Appendix C**. The opinion of Goldman Sachs was provided for the information and assistance of the National City board of directors in connection with its consideration of the merger and does not constitute a recommendation as to how any holder of shares of National City common stock should vote or otherwise act with respect to the merger or any other matter.

Pursuant to an engagement letter dated September 30, 2008, Goldman Sachs is entitled to receive a transaction fee of $25 million for its services in connection with the merger, most of which is contingent upon consummation of the merger.

The National City Board of Directors Recommends that Holders of National City Common Stock Vote FOR Adoption of the Merger Agreement (page [ ])

The National City board of directors believes that the merger is in the best interests of National City and its stockholders and has approved the merger and the merger agreement. The National City board of directors recommends that holders of National City common stock vote FOR adoption of the merger agreement. For the factors considered by National City s board in deciding to approve the merger agreement, see The Merger National City s Reasons for the Merger; Recommendation of the National City Board of Directors on page [ ].

The PNC Board of Directors Recommends that PNC Shareholders Vote FOR the Approval of the Issuance of Shares of PNC Common Stock in the Merger (page [ ])

The PNC board of directors believes that the merger is in the best interests of PNC and its shareholders and has approved the merger and the merger agreement. The PNC board of directors recommends that PNC shareholders vote FOR the proposal to issue shares of PNC common stock in the merger. For the factors considered by PNC s board in deciding to approve the merger agreement, see The Merger PNC s Reasons for the Merger; Recommendation of the PNC Board of Directors.

National City s Directors and Executive Officers May Receive Additional Benefits from the Merger (page [ ])

Certain of National City s executive officers and directors have interests in the merger as individuals that are different from, or in addition to, the interests of National City stockholders generally.

National City s stock incentive plans provide for the vesting of outstanding equity-based awards. In addition, certain executives have severance agreements with National City that provide for severance payments in connection with a qualifying termination of employment following a change in control.

National City s executive officers and directors also have rights to indemnification and directors and officers liability insurance that will survive completion of the merger. Please see The Proposed Merger Interests of Certain National City Directors and Executive Officers in the Merger on page [ ] for further information on these interests.

Holders of National City Common Stock and Preferred Stock Do Not Have Appraisal Rights (page [ ])

Appraisal rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the Delaware General Corporation Law (referred to as the DGCL). As a result of one of these exceptions, the holders of National City common stock and preferred stock are not entitled to appraisal rights in the merger.

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page [ ])

Currently, we expect to complete the merger on December 31, 2008. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of each company s shareholders, the receipt of all required regulatory approvals (including approval by the Board of Governors of the Federal Reserve System), and the receipt of legal opinions by each company regarding the United States federal income tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page [ ])

National City and PNC may mutually agree to terminate the merger agreement before completing the merger, even after National City stockholders approval and/or PNC shareholder approval, as long as the termination is approved by each of the National City and PNC boards of directors.

In addition, either National City or PNC may decide to terminate the merger agreement, even after National City stockholder approval and/or PNC shareholder approval,

- if any of the required regulatory approvals are denied or completion of the merger has been prohibited or made illegal by a court or other governmental entity (and the denial or prohibition is final and nonappealable);

- if the merger has not been completed by October 24, 2009, unless the failure to complete the merger by that date is due to the terminating party s failure to abide by the merger agreement;

- if there is a breach by the other party that would cause the failure of conditions to the terminating party s obligation to close described above, unless the breach is capable of being, and is, cured within 60 days of notice of the breach (provided that the terminating party is not then in material breach of the merger agreement); or

- if the other party has failed to obtain the requisite vote of its shareholders required for the consummation of the transactions contemplated by this Agreement at a duly held meeting of its shareholders or at any adjournment or postponement thereof, and the terminating party s board of directors determines in good faith by a majority vote that the other party has substantially engaged in bad faith in breach of its obligation to use its reasonable best efforts to negotiate a restructuring of the merger and to resubmit the transaction to its shareholders for approval.

In addition, PNC may terminate the merger agreement if National City s board of directors (1) submits the merger agreement to its stockholders without a recommendation for approval, or otherwise withdraws or materially and adversely modifies (or discloses its intention to withdraw or materially and adversely modify)

Table of Contents

its recommendation, or (2) recommends to its stockholders certain business combination proposals other than the merger with PNC as contemplated by the merger agreement.

The stock option agreement remains in effect if the merger agreement is terminated. For a description of the stock option agreement, please refer to Stock Option Agreement, beginning on page [ ].

Stock Option Agreement (page [ ])

To induce PNC to enter into the merger agreement, National City granted PNC an option to purchase up to 405,163,602 shares of National City common stock at a price per share of $2.75; however, in no case may PNC acquire more than 19.9% of the outstanding shares of National City common stock under this stock option agreement. PNC cannot exercise the option unless the merger is not completed and specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving National City and a third party. We do not know of any event that has occurred as of the date of this document that would allow PNC to exercise the option. The option will expire upon completion of the merger.

The option could have the effect of discouraging a company from trying to acquire National City prior to completion of the merger or termination of the merger agreement. Upon the occurrence of certain triggering events, National City may be required to repurchase the option and any shares of National City common stock purchased under the option at a predetermined price, or PNC may choose to surrender the option to National City for a cash payment of $168,000,000. In no event will the total profit received by PNC with respect to this option exceed $224,000,000. The Stock Option Agreement is attached to this document as **Appendix B**.

Regulatory Approvals Required for the Merger (page [ ])

National City and PNC have agreed to use their reasonable best efforts to obtain all regulatory approvals, including all antitrust clearances, required to complete the transactions contemplated by the merger agreement. These approvals include approval from or notices to the Board of Governors of the Federal Reserve System, or Federal Reserve, foreign and state securities authorities, various other federal, state and foreign antitrust and regulatory authorities and self-regulatory organizations, the Department of Justice, or DOJ, and the Federal Trade Commission, or FTC. PNC and National City have completed, or will complete promptly following the date of this document, the filing of applications and notifications to obtain the required regulatory approvals.

Although we do not know of any reason why we cannot obtain the remaining regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

PNC Board of Directors following Completion of the Merger (page [ ])

Upon completion of the merger, the PNC board of directors will consist of those directors serving immediately prior to the completion of the merger and one director from among the directors of National City immediately prior to the completion of the merger.

The Rights of National City Stockholders will Change as a Result of the Merger (page [ ])

The rights of National City stockholders are governed by Delaware law, as well as National City s restated certificate of incorporation, as amended, and bylaws. After completion of the merger, the rights of former National City stockholders who receive PNC common stock or preferred stock in the merger will be governed by Pennsylvania law and PNC s amended and restated articles of incorporation and bylaws. This document contains descriptions of the material differences in shareholder rights beginning on page [ ].

PNC will Hold its Special Meeting on [ ], 2008 (page [ ])

The PNC special meeting will be held on [ ], 2008, at [ ], local time, at [ ]. At the special meeting, PNC shareholders will be asked to:

approve the issuance of PNC common stock to the stockholders of National City in the merger; and

approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Record Date. Only holders of record at the close of business on [ ], 2008 will be entitled to vote at the special meeting. Each share of PNC common stock is entitled to one vote. Each share of Voting Preferred Stock is entitled to the number of votes described under the heading The PNC Special Meeting Record Date on page [ ]. Holders of common stock and Voting Preferred Stock vote together without regard to class. As of the record date of [ ], 2008, there were [ ] shares of PNC common stock, [ ] shares of Series A Preferred Stock, [ ] shares of Series B Preferred Stock, [ ] shares of Series C Preferred Stock and [ ] shares of Series D Preferred Stock entitled to vote at the special meeting.

Required Vote. Approval of the issuance of shares of PNC common stock in the merger requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, assuming a quorum. Because the required vote is based on the votes cast on such proposal, your failure to vote, a broker non-vote or an abstention will not be treated as a vote cast and, therefore, will have no effect on the proposal, assuming a quorum.

If there is a quorum, approval of any necessary or appropriate adjournment of the special meeting requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon. In the absence of a quorum, the special meeting may be adjourned by the approval of the majority of the voting power of the outstanding shares present and entitled to vote at the special meeting.

As of the record date, directors and executive officers of PNC and their affiliates had the right to vote approximately [ ] shares of PNC common stock and no shares of Voting Preferred Stock, or approximately 0.[ ]% of the outstanding PNC shares entitled to be voted at the special meeting. We currently expect that each of these individuals will vote their shares of PNC common stock in favor of the proposals to be presented at the special meeting.

National City will Hold its Special Meeting on [ ], 2008 (page [ ])

The National City special meeting will be held on [ ], 2008, at [ ], local time, at [ ]. At the special meeting, National City stockholders will be asked to:

adopt the merger agreement; and

approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Record Date. Only holders of record at the close of business on [ ], 2008 will be entitled to vote at the special meeting. Each share of National City common stock is entitled to one vote. As of the record date, there were [ ] shares of National City common stock entitled to vote at the special meeting.

Required Vote. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of National City common stock entitled to vote. Because approval is based on the affirmative vote of a majority of shares outstanding, a National City stockholder s failure to vote, a broker non-vote or an abstention will have the same effect as a vote against adoption of the merger agreement.

Approval of any necessary adjournment of the special meeting may be obtained by the affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the special meeting. Because approval of such adjournment is based on the affirmative vote of a majority of shares present or represented, abstentions will have the same effect as a vote against this proposal. If you are a registered holder, failure to vote by proxy or in person will have the same effect as a vote against this proposal. If you hold in street name, your broker may vote your shares in its discretion on this proposal.

As of the record date, directors and executive officers of National City had the right to vote [ ] shares of National City common stock, or [ ]% of the outstanding National City common stock entitled to be voted at the special meeting. We currently expect that each of these individuals will vote their shares of National City common stock in favor of the proposals to be presented at the special meeting.

Affiliates of Corsair Capital LLC, or Corsair, entered into a voting agreement with PNC in which Corsair agreed to vote or cause to be voted all shares of National City common stock it or its affiliates own and have the ability to direct the vote in favor of the merger and against any competing acquisition proposal.

Information about the Companies (page [ ])

The PNC Financial Services Group, Inc.

The PNC Financial Services Group, Inc. is a Pennsylvania corporation, a bank holding company and a financial holding company under U.S. federal law. PNC is one of the largest diversified financial services companies in the United States based on assets, with businesses engaged in retail banking, corporate and institutional banking, asset management and global investment servicing. PNC provides many of its products and services nationally and others in PNC s primary geographic markets located in Pennsylvania; New Jersey; Washington, DC; Maryland; Virginia; Ohio; Kentucky; and Delaware. PNC also provides certain investment servicing internationally. PNC stock is listed on the NYSE under the symbol PNC. As of September 30, 2008, PNC had total consolidated assets of approximately $145.6 billion, total consolidated deposits of approximately $85.0 billion and total consolidated shareholders equity of approximately $14.2 billion. The principal executive offices of PNC are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is (412) 762-2000.

Additional information about PNC and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page [ ].

National City Corporation

National City Corporation is a financial holding company headquartered in Cleveland, Ohio. National City operates through an extensive network in Ohio, Florida, Illinois, Indiana, Kentucky, Michigan, Missouri, Pennsylvania and Wisconsin and also conducts selected consumer lending businesses and other financial services on a nationwide basis. National City s primary businesses include commercial and retail banking, mortgage financing and servicing, consumer finance and asset management. Operations are primarily conducted through more than 1,400 branch banking offices located within a nine-state footprint and over 350 retail mortgage offices located throughout the United States. As of September 30, 2008, National City s consolidated total assets were approximately $143.7 billion and its total stockholders equity was approximately $15.8 billion. Based on asset size, National City is one of the largest commercial banking organizations in the United States. The principal executive offices of National City are located at 1900 East Ninth Street, Cleveland, Ohio 44114, and its telephone number is 216-222-2000.

Additional information about National City and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page [ ].

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PNC

Set forth below are highlights from PNC s consolidated financial data as of and for the years ended December 31, 2003 through 2007 and as of and for the nine months ended September 30, 2007 and 2008. The results of operations for the nine months ended September 30, 2007 and 2008 are not necessarily indicative of the results of operations for the full year or any other interim period. PNC management prepared the unaudited information on the same basis as it prepared PNC s audited consolidated financial statements. In the opinion of PNC management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with PNC s consolidated financial statements and related notes included in PNC s Annual Report on Form 10-K for the year ended December 31, 2007 and PNC s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which are incorporated by reference in this document and from which this information is derived. See Where You Can Find More Information on page [ ].

PNC Summary of Consolidated Financial Data

	Nine Months Ended September 30,		Year Ended December 31,				
	2008	2007	2007	2006(a)	2005	2004	2003
Earnings (in millions)							
Net interest income	$ 2,831	$ 2,122	$ 2,915	$ 2,245	$ 2,154	$ 1,969	$ 1,996
Noninterest income	2,683	2,956	3,790	6,327	4,173	3,572	3,263
Total revenue	5,514	5,078	6,705	8,572	6,327	5,541	5,259
Provision for credit losses	527	127	315	124	21	52	177
Noninterest expense	3,299	3,083	4,296	4,443	4,306	3,712	3,467
Income before minority interest and income taxes	1,688	1,868	2,094	4,005	2,000	1,777	1,615
Minority interest in income of BlackRock				47	71	42	47
Income taxes	558	579	627	1,363	604	538	539
Income from continuing operations	1,130	1,289	1,467	2,595	1,325	1,197	1,029
Cumulative effect of accounting change, net of tax							(28)
Net income	$ 1,130	$ 1,289	$ 1,467	$ 2,595	$ 1,325	$ 1,197	$ 1,001
Per common share data							
Basic earnings (loss)							
Continuing operations	$ 3.30	$ 3.92	$ 4.43	$ 8.89	$ 4.63	$ 4.25	$ 3.68
Cumulative effect of accounting change							(0.10)

Net income	$ 3.30	$ 3.92	$ 4.43	$ 8.89	$ 4.63	$ 4.25	$ 3.58
Diluted earnings (loss)							
Continuing operations	$ 3.24	$ 3.85	$ 4.35	$ 8.73	$ 4.55	$ 4.21	$ 3.65
Cumulative effect of accounting change							(0.10)
Net income	$ 3.24	$ 3.85	$ 4.35	$ 8.73	$ 4.55	$ 4.21	$ 3.55
Cash dividends declared	$ 1.95	$ 1.81	$ 2.44	$ 2.15	$ 2.00	$ 2.00	$ 1.94

Table of Contents

	Nine Months Ended September 30,		Year Ended December 31,				
	2008	2007	2007	2006(a)	2005	2004	2003
Period end balances (in millions)							
Total assets	$ 145,610	$ 131,366	$ 138,920	$ 101,820	$ 91,954	$ 79,723	$ 68,168
Total deposits	84,984	78,409	82,696	66,301	60,275	53,269	45,241
Total borrowed funds	32,139	27,453	30,931	15,028	16,897	11,964	11,453
Total shareholders equity	14,218	14,539	14,854	10,788	8,563	7,473	6,645

(a) Noninterest income for 2006 included the pretax impact of the following: gain on BlackRock/Merrill Lynch Investment Managers (MLIM) transaction of $2.1 billion; securities portfolio rebalancing loss of $196 million; and mortgage loan portfolio repositioning loss of $48 million. Noninterest expense for 2006 included the pretax impact of BlackRock/MLIM transaction integration costs of $91 million. An additional $10 million of integration costs, recognized in the fourth quarter of 2006, were included in noninterest income as a negative component of the asset management line. The after-tax impact of these items was as follows: BlackRock/MLIM transaction gain $1.3 billion; securities portfolio rebalancing loss $127 million; mortgage loan portfolio repositioning loss - $31 million; and BlackRock/MLIM transaction integration costs $47 million. Due to significant one-time items for PNC during 2006, the results for that year may not be typical.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF NATIONAL CITY

Set forth below are highlights from National City s consolidated financial data as of and for the years ended December 31, 2003 through 2007 and as of and for the nine months ended September 30, 2007 and 2008. The results of operations for the nine months ended September 30, 2007 and 2008 are not necessarily indicative of the results of operations for the full year or any other interim period. National City management prepared the unaudited information on the same basis as it prepared National City s audited consolidated financial statements. In the opinion of National City management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with National City s consolidated financial statements and related notes included in National City s Annual Report on Form 10-K for the year ended December 31, 2007 and National City s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which are incorporated by reference in this document and from which this information is derived. See Where You Can Find More Information on page [ ].

National City Summary of Consolidated Financial Data

	Nine Months Ended September 30,		Year Ended December 31,				
	2008	**2007**	**2007(a)**	**2006(b)**	**2005**	**2004(c)**	**2003**
Earnings (in millions)							
Net interest income	$ 3,088	$ 3,294	$ 4,396	$ 4,604	$ 4,696	$ 4,433	$ 4,335
Noninterest income	1,955	2,009	2,606	4,019	3,304	4,440	3,593
Total revenue	5,043	5,303	7,002	8,623	8,000	8,873	7,928
Provision for credit losses	4,169	635	1,326	489	300	339	628
Noninterest expense	5,968	3,738	5,305	4,711	4,735	4,456	4,063
Income (loss) before income taxes	(5,094)	930	371	3,423	2,965	4,078	3,237
Income (benefit) taxes	(1,093)	283	57	1,123	980	1,298	1,120
Net (loss) income	$ (4,001)	$ 647	$ 314	$ 2,300	$ 1,985	$ 2,780	$ 2,117
Per common share data							
Basic earnings (loss)							
Net (loss) income	$ (11.32)	$ 1.08	$ 0.51	$ 3.77	$ 3.13	$ 4.37	$ 3.46
Diluted earnings (loss)							
Net (loss) income	$ (11.32)	$ 1.07	$ 0.51	$ 3.72	$ 3.09	$ 4.31	$ 3.43

Cash dividends declared	$ 0.23	$ 1.19	$ 1.60	$ 1.52	$ 1.44	$ 1.34	$ 1.25
Period end balances (in millions)							
Total assets	$ 143,691	$ 154,166	$ 149,852	$ 140,191	$ 142,397	$ 139,414	$ 114,102
Total deposits	95,582	98,249	97,310	87,234	83,986	85,955	63,930
Total borrowed funds	28,774	37,394	35,047	33,289	40,986	36,624	36,976
Total shareholders equity	15,838	13,843	13,408	14,581	12,613	12,804	9,329

(a) Results for 2007 include the acquisitions of Fidelity Bancshares, Inc. and MAF Bancorp, Inc.

(b) Results for 2006 include the acquisitions of Forbes First Financial Corporation and Harbor Florida Bancshares, Inc. and the sale of First Franklin.

(c) Results for 2004 include the acquisitions of Allegiant Bancorp Inc., Provident Financial Group Inc. and Wayne Bancorp, and the sale of National Processing, Inc.

Table of Contents

UNAUDITED SELECTED PRO FORMA COMBINED FINANCIAL INFORMATION

The following table shows unaudited pro forma combined financial information about the financial condition and results of operations, including per share data and financial ratios, after giving effect to the merger. The unaudited pro forma financial information assumes that the merger is accounted for under the purchase method of accounting with PNC treated as the acquirer. Under the purchase method of accounting, the assets and liabilities of National City will be recorded by PNC at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined balance sheet gives effect to the merger as if it had occurred on September 30, 2008. The unaudited pro forma condensed combined income statements for the nine months ended September 30, 2008 and the year ended December 31, 2007, give effect to the merger as if the merger had become effective at January 1, 2007. The unaudited selected pro forma combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and the related notes of both PNC and National City, which are incorporated in this document by reference and more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this document. See Where You Can Find More Information on page [ ] and Unaudited Pro Forma Condensed Combined Financial Information on page [ ].

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined companies had the companies actually been combined at the beginning of each period presented, nor the impact of possible business model changes. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the merger.

	Nine Months Ended September 30, 2008	Twelve Months Ended December 31, 2007
	(In millions)	
Income Statement		
Net interest income	$ 6,238	$ 7,673
Noninterest income	4,609	6,357
Total revenue	10,847	14,030
Provision for credit losses	4,696	1,641
Noninterest expense	9,377	9,776
Income (loss) before income taxes	(3,226)	2,613
Income taxes (benefit)	(476)	733
Net income (loss)	$ (2,750)	$ 1,880
Balance Sheet		

Cash and due from banks	$ 7,301	N/M
Net loans	169,617	N/M
Total assets	279,184	N/M
Total deposits	181,109	N/M
Total borrowed funds	59,716	N/M
Total shareholders equity	19,847	N/M

Table of Contents

COMPARATIVE PER SHARE DATA

The following table sets forth for PNC common stock and National City common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the merger had been effective on the dates presented, in the case of the book value data, and as if the merger had become effective on January 1, 2007, in the case of the net income and dividends declared data. The unaudited pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting and represents a current estimate based on available information of the combined company s results of operations. The pro forma financial adjustments record the assets and liabilities of National City at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. See Unaudited Pro Forma Condensed Combined Financial Information on page [ ]. The information in the following table is based on, and should be read together with, the historical financial information that we have presented in our prior filings with the SEC. See Where You Can Find More Information on page [ ].

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and revenue enhancement opportunities. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible business model changes as a result of current market conditions which may impact revenues, expense efficiencies, asset dispositions, share repurchases and other factors. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods nor is it indicative of the results of operations in future periods or the future financial position of the combined company. The Comparative Per Share Data Table for the nine months ended September 30, 2008 and the year ended December 31, 2007 combines the historical income per share data of PNC and subsidiaries and National City and subsidiaries giving effect to the merger as if the merger had become effective on January 1, 2007, using the purchase method of accounting. The pro forma adjustments are based upon available information and certain assumptions that the PNC management believes are reasonable. Upon completion of the merger, the operating results of National City will be reflected in the consolidated financial statements of PNC on a prospective basis.

	PNC Historical	National City Historical	Pro Forma Combined	Per Equivalent National City Share(1)
Income from continuing operations for the twelve months ended December 31, 2007:				
Basic	$ 4.43	$ 0.51	$ 4.43	$ 0.17
Diluted	4.35	0.51	4.37	0.17
Income (loss) from continuing operations for the nine months ended September 30, 2008:				
Basic	$ 3.30	$ (11.32)	$ (6.31)	$ (0.25)
Diluted	3.24	(11.32)	(6.29)	(0.25)
Dividends Paid:				
For the twelve months ended December 31, 2007	$ 2.44	$ 1.60	$ 2.44	$ 0.10
For the nine months ended September 30, 2008	1.95	0.23	1.95	0.08

Book Value:				
As of December 31, 2007	$ 43.60	$ 21.15	$ 46.92	$ 1.84
As of September 30, 2008	39.44	7.71	43.58	1.71

(1) Reflects National City shares at the exchange ratio of 0.0392.

Table of Contents

RISK FACTORS

In addition to the other information included and incorporated by reference in this document, shareholders should consider the matters described below in determining whether to adopt the merger agreement in the case of National City stockholders, and approve the issuance of PNC common stock in the merger in the case of PNC shareholders.

Because the market price of PNC common stock will fluctuate, National City stockholders cannot be sure of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of National City common stock will be converted into merger consideration consisting of 0.0392 of a share of PNC common stock. The market value of the merger consideration may vary from the closing price of PNC common stock on the date we announced the merger, on the date that this document was mailed to National City stockholders, on the date of the special meeting of the National City stockholders and on the date we complete the merger and thereafter. Any change in the market price of PNC common stock prior to completion of the merger will affect the market value of the merger consideration that National City stockholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, National City stockholders will not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of National City stockholders solely because of changes in the market prices of either company s stock. There will be no adjustment to the merger consideration for changes in the market price of either shares of PNC common stock or shares of National City common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of PNC common stock and for shares of National City common stock before you vote.

We may fail to realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of PNC and National City. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of PNC and National City. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected.

PNC and National City have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of National City and PNC during the pre-merger transition period and for an undetermined period after consummation of the merger.

The market price of PNC common stock after the merger may be affected by factors different from those affecting the shares of National City or PNC currently.

The businesses of PNC and National City differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of PNC and National City. For a discussion of the businesses of PNC and National City and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under Where You Can Find More Information beginning on page [ ].

National City stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

National City s stockholders currently have the right to vote in the election of the National City board of directors and on other matters affecting National City. When the merger occurs, each National City stockholder that receives shares of PNC common stock will become a shareholder of PNC with a percentage ownership of the combined organization that is much smaller than the stockholder s percentage ownership of National City. Because of this, National City s stockholders will have less influence on the management and policies of PNC than they now have on the management and policies of National City.

Termination of the merger agreement could negatively impact National City.

If the merger agreement is terminated, there may be various consequences including:

National City s businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger; and

the market price of National City common stock might decline to the extent that the current market price reflects a market assumption that the merger will be completed.

If the merger agreement is terminated and National City s board of directors seeks another merger or business combination, National City stockholders cannot be certain that National City will be able to find a party willing to pay an equivalent or more attractive price than the price PNC has agreed to pay in the merger.

The opinion of National City s financial advisor will not reflect changes in circumstances between signing the merger agreement and the merger.

National City s financial advisor, Goldman Sachs, rendered an opinion dated October 24, 2008, to the National City board of directors, that, as of such date, and based upon and subject to the factors, limitations and assumptions set forth in its written opinion, as well as the extraordinary circumstances facing National City referred to in such written opinion, the exchange ratio of 0.0392 of a share of PNC common stock to be received in respect of each share of National City common stock pursuant to the merger agreement was fair from a financial point of view to the holders of National City common stock other than PNC and its affiliates. The opinion of Goldman Sachs was based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date thereof, including the ongoing crisis in the capital markets, the condition of the mortgage market and the extraordinary financial and economic environment at the time and the related uncertainty regarding the extent and duration of those conditions. Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date thereof.

Changes in the operations and prospects of PNC or National City, general market and economic conditions and other factors on which National City s financial advisor s opinion was based, may significantly alter the value of PNC or National City or the prices of shares of PNC common stock or National City common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. The National City board of directors recommendation that holders of National City common stock vote FOR adoption of the merger agreement, however, is as of the date of this document. For a description of the opinion that National City received from its financial advisor, please refer to The Merger Opinion of National City s Financial Advisor . For a description of the other factors considered by National City s board of directors in determining to approve the merger, please refer to The Merger National City s Reasons for the Merger;

Recommendation of the National City Board of Directors .

The merger agreement limits National City s ability to pursue alternatives to the merger.

The merger agreement contains no shop provisions that, subject to limited exceptions, limit National City s ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of National City. In addition, National City has granted to PNC an option to acquire up to 405,163,602 shares of National City common stock, or an equivalent number of shares of the stock of any company that acquires National City, under the circumstances and for the payments described in the option agreement. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of National City from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror s proposing to pay a lower per share price to acquire National City than it might otherwise have proposed to pay. National City can consider and participate in discussions and negotiations with respect to an alternative proposal so long as the National City board of directors determines in good faith (after consultation with legal counsel) that failure to do so would be reasonably likely to result in a violation of its fiduciary duties to National City stockholders under applicable law.

The merger is subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, various approvals or consents must be obtained from the Federal Reserve Board and various domestic and foreign bank regulatory, securities, antitrust, insurance and other authorities. These government entities, including the Federal Reserve Board, may impose conditions on the completion of the merger or require changes to the terms of the merger. Although PNC and National City do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of PNC following the merger, any of which might have a material adverse effect on PNC following the merger.

The merger is subject to closing conditions, including shareholder approval, that, if not satisfied or waived, will result in the merger not being completed, which may result in material adverse consequences to National City s business and operations.

The merger is subject to closing conditions, including the approval of National City stockholders and PNC shareholders that, if not satisfied, will prevent the merger from being completed. The closing condition that National City stockholders adopt the merger agreement, and the closing condition that PNC shareholders approve the issuance of PNC common stock in the merger, may not be waived under applicable law and must be satisfied for the merger to be completed. National City currently expects that all directors and executive officers of National City will vote their shares of National City common stock in favor of the proposals presented at the special meeting. PNC currently expects that all directors and officers of PNC will vote their shares of PNC common stock in favor of the proposals presented at the special meeting. If National City s stockholders do not adopt the merger agreement or if PNC s shareholders do not approve the issuance of PNC common stock in the merger and the merger is not completed, the resulting failure of the merger could have a material adverse impact on National City s business and operations. In addition to the required approvals and consents from governmental entities and the approval of National City stockholders and PNC shareholders, the merger is subject to other conditions beyond PNC s and National City s control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. See The Merger Agreement Conditions to the Merger beginning on page [ ].

The shares of PNC common stock to be received by National City stockholders as a result of the merger will have different rights from the shares of National City common stock.

Upon completion of the merger, National City stockholders will become PNC shareholders and their rights as shareholders will be governed by the amended and restated articles of incorporation and bylaws of PNC. The rights associated with National City common stock are different from the rights associated with

PNC common stock. Please see Comparison of Shareholders Rights beginning on page [ ] for a discussion of the different rights associated with PNC common stock.

Current disruption and volatility in global financial markets might continue and governments may take measures to intervene.

Over the last year global financial markets have experienced extraordinary disruption and volatility following adverse changes in the global credit markets. Governments have taken highly significant measures in response to such events, including enactment of the Emergency Economic Stabilization Act of 2008 in the United States. Such dislocation and instability, and potential government responses thereto, may continue before and after completion of the merger and could negatively impact the operations of National City and PNC and the value of the PNC common stock National City stockholders receive in the merger.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of PNC, National City and the potential combined company and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as plan, believe, expect, intend, anticipate, estima project, potential, possible or other similar expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either PNC or National City to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page [ ] under Risk Factors, as well as, among others, the following:

those discussed and identified in public filings with the SEC made by PNC or National City;

completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all. The impact of the completion of the transaction on PNC s financial statements will be affected by the timing of the transaction, including in particular the ability to complete the acquisition in the fourth quarter of 2008;

the extent and duration of continued economic and market disruptions and governmental regulatory proposals to address these disruptions;

the incurrence of more credit losses from National City s loan portfolio than expected and deposit attrition may be greater than expected;

the merger may be more expensive to complete (including the integration of National City s businesses) and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events;

the integration of National City s business and operations with those of PNC, which will include conversion of National City s different systems and procedures, may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to National City s or PNC s existing businesses. PNC s ability to integrate National City successfully may be adversely affected by the fact that this transaction will result in PNC entering several markets where PNC does not currently have any meaningful presence;

the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected;

decisions to restructure, divest or eliminate business units or otherwise change the business mix of either company;

the risk of new and changing regulation and/or regulatory actions in the U.S. and internationally; and the exposure to government investigations and litigation currently pending against National City, as well as others that may be filed or commenced as a result of the merger or otherwise, which could delay or impede the completion of the merger or impact the timing or realization of anticipated benefits to PNC or otherwise adversely impact PNC s results.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to PNC or National City or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, PNC and National City undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

THE PNC SPECIAL MEETING

This section contains information about the special meeting of PNC shareholders that has been called to consider and approve the issuance of shares of PNC common stock in the merger.

Together with this document, PNC is also sending you a notice of the special meeting and a form of proxy that is solicited by the PNC board of directors. The special meeting will be held on [ ], 2008, at [ ], local time, at [ ].

Matters to Be Considered

The purpose of the special meeting is to vote on:

a proposal for approval of the issuance of shares of PNC common stock to the stockholders of National City in the merger; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Proxies

Each copy of this document mailed to holders of PNC common stock and Voting Preferred Stock is accompanied by a form of proxy with instructions for voting by mail, by telephone or through the internet. If you hold stock in your name as a shareholder of record and are voting by mail, you should complete and return the proxy card accompanying this document to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting. You may also vote your shares by telephone or through the internet. Information and applicable deadlines for voting by telephone or through the internet are set forth in the enclosed proxy card instructions.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter to PNC s Corporate Secretary, or by attending the special meeting in person, notifying the Corporate Secretary, and voting by ballot at the special meeting. If you have voted your shares by telephone or through the internet, you may revoke your prior telephone or internet vote by recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last telephone or internet vote.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying the Corporate Secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

The PNC Financial Services Group, Inc.
One PNC Plaza

249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
Attention: George P. Long, III
Corporate Secretary

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via internet or telephone.

If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR approval of the issuance of shares of PNC common stock in the merger and FOR approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. According to the PNC amended and restated bylaws, business to be conducted at a special meeting of shareholders may only be brought before the meeting by means of PNC s notice of the meeting or otherwise properly brought before the meeting by the presiding officer or by or at the direction of a majority of the PNC board of directors. No matters other than the matters described in this document are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

Solicitation of Proxies

PNC will bear the entire cost of soliciting proxies from its shareholders. In addition to solicitation of proxies by mail, PNC will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of PNC common stock and Voting Preferred Stock and secure their voting instructions. PNC will reimburse the record holders for their reasonable expenses in taking those actions. PNC has also made arrangements with D.F. King & Co. to assist it in soliciting proxies and has agreed to pay them $[ ], plus reasonable expenses for these services. If necessary, PNC may use several of its regular employees, who will not be specially compensated, to solicit proxies from PNC shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Record Date

The close of business on [ ], 2008 has been fixed as the record date for determining the PNC shareholders entitled to receive notice of and to vote at the special meeting. This table shows the number of issued and outstanding shares of our common and preferred stock on the record date. The table also shows the number of votes for each share. (The number of votes shown for each share of Voting Preferred Stock equals the number of full shares of PNC common stock that can be acquired upon the conversion of a share of preferred stock.)

Class	Shares Issued and Outstanding	Votes per Share
Common	[ ]	1
Series A Preferred	[ ]	8
Series B Preferred	[ ]	8
Series C Preferred	[ ]	4 for each 2.4 shares
Series D Preferred	[ ]	4 for each 2.4 shares

Quorum

In order to conduct voting at the special meeting, there must be a quorum. A quorum is the number of shares that must be present at the meeting either in person or by proxy. To have a quorum at the special meeting requires the presence of shareholders or their proxies who are entitled to cast at least a majority of the votes that all shareholders are entitled to cast. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present. At the meeting, holders of PNC common stock and Voting Preferred Stock will vote together as a single class.

Vote Required

Approval of the issuance of shares of PNC common stock in the merger requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, assuming a quorum. Because the required vote is based on the votes cast, your failure to vote, a broker non-vote or an abstention will not be treated as a vote cast and, therefore, will have no effect on these proposals, assuming a quorum.

If there is a quorum, approval of any necessary or appropriate adjournment of the special meeting requires the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon. In the absence of a quorum, the special meeting may be adjourned by the approval of the majority of the voting power of the outstanding shares present and entitled to vote at the special meeting.

The PNC board of directors urges PNC shareholders to promptly vote by: accessing the internet site listed in the proxy card instructions if voting through the internet; calling the toll-free number listed in the proxy card instructions if voting by telephone; or completing, dating, and signing the accompanying proxy card and to return it promptly in the enclosed postage-paid envelope. If you hold your stock in street name through a bank or broker, please vote by following the voting instructions of your bank or broker.

Shareholders will vote at the meeting by ballot. Votes cast at the meeting, in person or by proxy, will be tallied by PNC s Inspector of Election.

As of the record date, directors and executive officers of PNC had the right to vote approximately [ ] shares of PNC common stock and no shares of Voting Preferred Stock, or approximately 0.[ ]% of the outstanding PNC shares entitled to vote at the special meeting. We currently expect that each of these individuals will vote their shares of PNC common stock in favor of the proposals to be presented at the special meeting.

Recommendation of the PNC Board of Directors

The PNC board of directors has approved and adopted the merger agreement and the transactions it contemplates, including the merger. The PNC board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of PNC and its shareholders and recommends that you vote FOR approval of the issuance of shares of PNC common stock in the merger. See The Merger PNC s Reasons for the Merger; Recommendation of the PNC Board of Directors on page [ ] for a more detailed discussion of the PNC board of directors recommendation.

Attending the Meeting

All holders of PNC common stock and Voting Preferred Stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Please detach the attached admission ticket from the proxy card and bring it to the special meeting. The ticket will admit you and one other person. If you hold your PNC shares in an account at a brokerage firm or bank, your name will not appear on our shareholder list. Please bring an account statement or a letter from your broker showing your PNC shareholdings. Please show this documentation at the meeting registration desk to attend the meeting. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting. These rules will be printed on the meeting agenda.

Table of Contents

THE NATIONAL CITY SPECIAL MEETING

This section contains information about the special meeting of National City stockholders that has been called to consider and adopt the merger agreement.

Together with this document, National City is also sending you a notice of the special meeting and a form of proxy that is solicited by the National City board of directors. The special meeting will be held on [ ], 2008, at [ ], local time, at [ ].

Matters to Be Considered

The purpose of the special meeting is to vote on:

- a proposal for adoption of the merger agreement; and
- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Proxies

Each copy of this document mailed to holders of National City common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a stockholder of record, you may complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible, vote by telephone by calling the toll-free number listed on the National City proxy card, vote by accessing the internet site listed on the National City proxy card or vote in person at the National City special meeting. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instruction form included with these materials and forwarded to you by your bank or broker. This voting instruction form provides instructions on voting by mail, telephone or the internet. To vote using the proxy card you must sign, date and return it in the enclosed postage-paid envelope. Instructions on how to vote by telephone or by the internet are included with your proxy card.

If you are a holder of record, to change your vote, you must:

- mail a new signed proxy card with a later date to [ ], which must be received by 6:00 a.m. Eastern time on [ ], 2008;
- Vote by calling the toll-free number listed on the National City proxy card or accessing the internet site listed on the National City proxy card by 6:00 a.m. Eastern time on [ ], 2008; or
- attend the special meeting and vote in person.

If you wish to revoke rather than change your vote, you must send written, signed revocation to [ ] which must be received by 6:00 a.m. Eastern time on [ ], 2008. You must include your control number.

If you hold shares in street name, and wish to change or revoke your vote, please refer to the information on the voting instruction form included with these materials and forwarded to you by your bank, broker or other holder of record to see your voting options.

All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

According to the National City restated bylaws, business to be conducted at a special meeting of stockholders may only be brought before the meeting by means of National City s notice of the meeting or otherwise properly brought before the meeting by the presiding officer or by or at the direction of a majority of the board of directors. No matters other than the matters described in this document are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

National City stockholders with shares represented by stock certificates should not send National City stock certificates with their proxy cards. After the merger is completed, holders of National City common stock certificates will be mailed a transmittal form with instructions on how to exchange their National City stock certificates for the merger consideration. Shares of National City common stock held in book-entry form will automatically be exchanged for the merger consideration.

Solicitation of Proxies

National City will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, National City will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of National City common stock and secure their voting instructions. National City will reimburse the record holders for their reasonable expenses in taking those actions. National City has also made arrangements with Georgeson Inc. to assist it in soliciting proxies and has agreed to pay them approximately $20,000 plus reasonable expenses for these services. If necessary, National City may use several of its regular employees, who will not be specially compensated, to solicit proxies from National City stockholders, either personally or by telephone, facsimile, letter or other electronic means.

Record Date

The close of business on [ ], 2008 has been fixed as the record date for determining the National City stockholders entitled to receive notice of and to vote at the special meeting. At that time, [ ] shares of National City common stock were outstanding, held by approximately [ ] holders of record.

Voting Rights and Vote Required

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of National City common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions will be counted for the purpose of determining whether a quorum is present.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of National City common stock entitled to vote at the special meeting. You are entitled to one vote for each share of National City common stock you held as of the record date. Holders of shares of National City preferred stock and holders of depositary shares representing National City preferred stock are not entitled to vote on the adoption of the merger agreement or otherwise at the special meeting.

Because the affirmative vote of the holders of a majority of the outstanding shares of National City common stock entitled to vote at the special meeting is needed for us to proceed with the merger, the failure to vote by proxy or in person will have the same effect as a vote against the merger. Abstentions also will have the same effect as a vote against the merger. **Accordingly, the National City board of directors urges National City stockholders to promptly vote by completing, dating, and signing the accompanying proxy card and to return it promptly in the enclosed postage-paid envelope, or, if you hold your stock in street name through a bank or broker, by following the voting instructions of your bank or broker.** If you hold stock in your name as a stockholder of record, you may complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible, vote by calling the toll-free number listed on the National City proxy card, vote by accessing the internet site listed on the National City proxy card or vote in person at the National City special meeting. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instruction form included with these materials and forwarded to you by your bank or broker. This voting instruction form provides instructions on voting by mail, telephone or on the internet.

Approval of the proposal to adjourn or postpone the meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the special meeting. Because approval of this proposal requires the affirmative vote of a majority of shares present or represented, abstentions will have the same effect as a vote against this proposal. If you are a registered holder, failure to vote by proxy or in person will have the same effect as a vote against this proposal. If you hold in street name, your broker may vote your shares in its discretion on this proposal.

Holders of National City common stock will vote at the meeting by ballot. Votes cast at the meeting, in person or by proxy, will be tallied by National City s tabulator and certified by its inspector of election.

As of the record date, directors and executive officers of National City had the right to vote [ ] shares of National City common stock, or [ ]% of the outstanding National City common stock at that date. We currently expect that each of these individuals will vote their shares of National City common stock in favor of the proposals to be presented at the special meeting.

Affiliates of Corsair entered into a voting agreement with PNC in which Corsair agreed to vote or cause to be voted all shares of National City common stock it owns and has the ability to direct the vote in favor of the merger and against any competing acquisition proposal.

Participants in the National City Savings and Investment Plan

Shares of National City common stock held in the National City Corporation Stock Fund under the National City Savings and Investment Plan will be voted solely by the named fiduciary and investment manager of the National City Corporation Stock Fund pursuant to the terms of the Savings and Investment Plan and the instructions received by the named fiduciary and investment manager from plan participants. The named fiduciary and investment manager of the National City Corporation Stock Fund will not disclose the confidential voting directions of any individual participant or beneficiary to National City. If a portion of your Savings and Investment Plan account is invested in the National City Corporation Stock Fund, you will be receiving a separate letter from the named fiduciary and investment manager explaining the voting process with respect to your proportionate interest in the National City Corporation Stock Fund and you will be provided with separate voting instructions.

Recommendation of the National City Board of Directors

The National City board of directors has approved the merger agreement and the transactions it contemplates, including the merger. The National City board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of National City and its stockholders and recommends that you vote FOR adoption of the merger agreement. See The Merger National City s Reasons for the Merger; Recommendation of the National City Board of Directors on page [ ] for a more detailed discussion of the National City board of directors recommendation.

Attending the Meeting

All holders of National City common stock, including holders of record and stockholders who hold their stock through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Only stockholders of record on the record date can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. National City reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

24

INFORMATION ABOUT THE COMPANIES

The PNC Financial Services Group, Inc.

The PNC Financial Services Group, Inc. is a Pennsylvania corporation, a bank holding company and a financial holding company under U.S. federal law. PNC is one of the largest diversified financial services companies in the United States based on assets, with businesses engaged in retail banking, corporate and institutional banking, asset management and global investment servicing. PNC provides many of its products and services nationally and others in PNC s primary geographic markets located in Pennsylvania; New Jersey; Washington, DC; Maryland; Virginia; Ohio; Kentucky; and Delaware. PNC also provides certain investment servicing internationally. PNC stock is listed on the NYSE under the symbol PNC. As of September 30, 2008, PNC had total consolidated assets of approximately $145.6 billion, total consolidated deposits of approximately $85.0 billion and total consolidated shareholders equity of approximately $14.2 billion. The principal executive offices of PNC are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is (412) 762-2000.

Additional information about PNC and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page [ ].

National City Corporation

National City is a financial holding company headquartered in Cleveland, Ohio. National City operates through an extensive network in Ohio, Florida, Illinois, Indiana, Kentucky, Michigan, Missouri, Pennsylvania and Wisconsin and also conducts selected consumer lending businesses and other financial services on a nationwide basis. National City s primary businesses include commercial and retail banking, mortgage financing and servicing, consumer finance and asset management. Operations are primarily conducted through more than 1,400 branch banking offices located within a nine-state footprint and over 350 retail mortgage offices located throughout the United States. As of September 30, 2008, National City s consolidated total assets were approximately $143.7 billion and its total stockholders equity was approximately $15.8 billion. Based on asset size, National City is one of the largest commercial banking organizations in the United States. The principal executive offices of National City are located at 1900 East Ninth Street, Cleveland, Ohio 44114, and its telephone number is 216-222-2000.

Additional information about National City and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page [ ].

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information combine the historical consolidated financial position and results of operations of PNC and its subsidiaries and of National City and its subsidiaries, as an acquisition by PNC of National City using the purchase method of accounting and giving effect to the related pro forma adjustments described in the accompanying notes. Under the purchase method of accounting, the assets and liabilities of National City will be recorded by PNC at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined balance sheet gives effect to the merger as if it had occurred on September 30, 2008. The unaudited pro forma condensed combined income statements for the nine months ended September 30, 2008 and the year ended December 31, 2007, give effect to the merger as if the merger had become effective at January 1, 2007.

The merger agreement was announced on October 24, 2008, and provides for each outstanding share of National City common stock other than shares beneficially owned by National City and PNC to be converted into the right to receive 0.0392 of a share of PNC common stock. Shares of National City preferred stock will be converted on a one-for-one basis into PNC preferred stock having the same terms (to the fullest extent possible) as the corresponding National City preferred stock. The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the historical consolidated combined financial statements and the related notes of both PNC and National City, which are incorporated in the document by reference. See Where You Can Find More Information on page [ ].

The unaudited pro forma condensed combined financial statements included herein are presented for informational purposes only and do not necessarily reflect the financial results of the combined companies had the companies actually been combined at the beginning of each period presented. The adjustments included in these unaudited pro forma condensed financial statements are preliminary and may be revised. This information also does not reflect the benefits of the expected cost savings and expense efficiencies, opportunities to earn additional revenue, potential impacts of current market conditions on revenues, or asset dispositions, among other factors, and includes various preliminary estimates and may not necessarily be indicative of the financial position or results of operations that would have occurred if the merger had been consummated on the date or at the beginning of the period indicated or which may be attained in the future. The unaudited pro forma condensed combined financial statements and accompanying notes should be read in conjunction with and are qualified in their entirety by reference to the historical consolidated financial statements and related notes thereto of PNC and its subsidiaries and of National City and its subsidiaries, such information and notes thereto are incorporated by reference herein.

Table of Contents

THE PNC FINANCIAL SERVICES GROUP, INC.

Pro Forma Condensed Combined Balance Sheet
At September 30, 2008

In millions Unaudited	PNC as Reported(a)	NCC as Reported(b)	Pro Forma Adjustments	Ref	Pro Forma Combined
Assets					
Cash and due from banks	$ 3,060	$ 4,241			$ 7,301
Federal funds sold and resale agreements	1,826	2,156			3,982
Trading securities and other short-term investments	2,866	1,736			4,602
Loans held for sale	1,922	3,246	$ (136)	A	5,032
Securities available for sale	31,031	8,826			39,857
Loans, net of unearned income	75,184	110,462	(13,379)	A	172,267
Allowance for loan and lease losses	(1,053)	(3,752)	2,155	B	(2,650)
Net loans	74,131	106,710	(11,224)		169,617
Goodwill	8,829	3,000	(3,000)	C	8,829
Other intangible assets	1,092	2,593	1,537	D	5,222
Equity investments	6,735	1,689			8,424
Other	14,118	9,494	2,706	E	26,318
Total assets	$ 145,610	$ 143,691	$ (10,117)		$ 279,184
Liabilities					
Deposits					
Noninterest-bearing	$ 19,255	$ 15,251			$ 34,506
Interest-bearing	65,729	80,331	$ 543	F	146,603
Total deposits	84,984	95,582	543		181,109
Borrowed funds					
Federal funds purchased and repurchase agreements	7,448	3,248			10,696
Other borrowings	24,691	25,526	(1,197)	G	49,020
Total borrowed funds	32,139	28,774	(1,197)		59,716
Accrued expenses and other	12,199	3,342	746	H	16,287
Total liabilities	129,322	127,698	92		257,112
Minority and noncontrolling interests in consolidated entities	2,070	155			2,225
Shareholders Equity					
Total shareholders equity(c)	14,218	15,838	(10,209)	I	19,847

Total liabilities, minority and noncontrolling interests, and shareholders equity	$ 145,610	$ 143,691	$ (10,117)	$ 279,184

(a) Amounts derived from PNC s unaudited interim consolidated financial statements, as of, and for the nine months ended, September 30, 2008.

(b) Amounts derived from National City s unaudited interim consolidated financial statements, as of, and for the nine months ended, September 30, 2008.

(c) Total shareholders equity does not reflect $7.7 billion of preferred securities and related warrants approved to be issued to the United States Treasury no later than the closing date. See Note 8.

See accompanying Notes To Consolidated Financial Statements.

Table of Contents

THE PNC FINANCIAL SERVICES GROUP, INC.

Pro Forma Condensed Combined Income Statement
Nine months ended September 30, 2008

In millions, except per share data Unaudited	PNC as Reported(a)	NCC as Reported(b)	Pro Forma Adjustments	Ref	Pro Forma Combined
Interest Income					
Loans	$ 3,145	$ 5,235	$ 389	J	$ 8,769
Securities available for sale(c)	1,270	363			1,633
Other(d)	355	247			602
Total interest income	4,770	5,845	389		11,004
Interest Expense					
Deposits	1,152	1,823	(123)	K	2,852
Borrowed funds	787	934	193	L	1,914
Total interest expense	1,939	2,757	70		4,766
Net interest income	2,831	3,088	319		6,238
Noninterest Income					
Fund servicing	695				695
Asset management(e)	589	232			821
Consumer services(f)	472	417			889
Corporate services(g)	547	(106)	(29)	M	412
Service charges on deposits	271	763			1,034
Net securities gains (losses)	(34)	427			393
Other(h)	143	222			365
Total noninterest income	2,683	1,955	(29)		4,609
Total revenue	5,514	5,043	290		10,847
Provision for credit losses	527	4,169			4.696
Noninterest Expense					
Personnel	1,660	1,841			3,501
Occupancy	274	255	(7)	N	522
Equipment(i)	267	306	(7)	N	566
Marketing	94	109			203
Other(j)	1,004	3,457	124	O	4,585
Total noninterest expense	3,299	5,968	110		9,377
Income (loss) before income taxes	1,688	(5,094)	180		(3,226)

Income tax expense (benefit)		558		(1,093)		59	P		(476)
Net income (loss)	$	1,130	$	(4,001)	$	121		$	(2,750)
Earnings (Loss) Per Common Share									
Basic	$	3.30	$	(11.32)				$	(6.31)
Diluted	$	3.24	$	(11.32)				$	(6.29)
Average Common Shares Outstanding									
Basic		343		745		(652)			436
Diluted		346		745		(652)			439

(a) Amounts derived from PNC s unaudited interim consolidated financial statements as of, and for the nine months ended, September 30, 2008

(b) Amounts from National City s unaudited interim consolidated financial statements, as of, and for the nine months ended, September 30, 2008.

(c) Includes the following National City Interest Income from Securities line items: Taxable and Exempt from Federal income taxes.

(d) Includes National City s Interest Income from Trading assets and Other.

(e) Includes National City s Trust and Investment Management fees line item.

(f) Includes National City s Insurance revenue, Card-related fees, Brokerage revenue, and Other service fees line items.

(g) Includes National City s Loan servicing revenue line item.

(h) Includes National City s Leasing revenue, Loan sale revenue, and Other line items.

(i) Includes National City s Equipment line item and $70 million of leasing expense.

(j) Includes National City s Impairment fraud and other losses, Foreclosure costs, Third party services, Supplies and postage and Other line items, less $70 million of leasing expense.

See accompanying Notes to Pro Forma Condensed Financial Statements.

Table of Contents

THE PNC FINANCIAL SERVICES GROUP, INC.

Pro Forma Condensed Combined Income Statement
Year Ended December 31, 2007

In millions, except per share data Unaudited	PNC as Reported(a)	NCC as Reported(b)	Pro Forma Adjustments	Ref	Pro Forma Combined
Interest Income					
Loans	$ 4,232	$ 8,570	$ 519	J	$ 13,321
Securities available for sale(c)	1,429	419			1,848
Other(d)	505	196			701
Total interest income	6,166	9,185	519		15,870
Interest Expense					
Deposits	2,053	2,991	(181)	K	4,863
Borrowed funds	1,198	1,798	338	L	3,334
Total interest expense	3,251	4,789	157		8,197
Net interest income	2,915	4,396	362		7,673
Noninterest Income					
Fund servicing	835				835
Asset management(e)	784	318			1,102
Consumer services(f)	692	590			1,282
Corporate services(g)	713	402	(39)	M	1,076
Service charges on deposits	348	905			1,253
Net securities gains (losses)	(5)	22			17
Other(h)	423	369			792
Total noninterest income	3,790	2,606	(39)		6,357
Total revenue	6,705	7,002	323		14,030
Provision for credit losses	315	1,326			1,641
Noninterest Expense					
Personnel	2,140	2,580			4,720
Occupancy	350	315	(10)	N	655
Equipment(i)	311	455	(9)	N	757
Marketing	115	157			272
Other(j)	1,380	1,798	194	O	3,372
Total noninterest expense	4,296	5,305	175		9,776
Income before income taxes	2,094	371	148		2,613

Income tax expense	627	57	49	P	733
Net income	$ 1,467	$ 314	$ 99		$ 1,880
Earnings Per Common Share					
Basic	$ 4.43	$ .51			$ 4.43
Diluted	$ 4.35	$ .51			$ 4.37
Average Common Shares Outstanding					
Basic	331	606	(513)		424
Diluted	335	612	(519)		428

(a) Amounts derived from PNC s audited consolidated financial statements as of, and for the year ended, December 31, 2007.
(b) Amounts derived from National City s audited consolidated financial statements as of, and for the year ended, December 31, 2007.
(c) Includes National City s Interest Income from Securities line items: Taxable, Exempt from Federal income taxes, and Dividends.
(d) Includes National City s Interest Income from Federal funds sold and security resale agreements and Other investments.
(e) Includes National City s Trust and Investment Management fee line item.
(f) Includes National City s Insurance revenue, Card-related fees, Brokerage revenue, and Other service fees line items.

(g) Includes national City s Loan servicing revenue line item.

(h) Includes National City s Loan sale (loss) revenue, Leasing revenue, Gain on divestitures, and Other line items.
(i) Includes National City s Equipment and Leasing expense line items.
(j) Includes National City s Impairment fraud and other losses, Third party services and Other line items.

See accompanying Notes to Pro Forma Condensed Financial Statements.

29

Table of Contents

Note 1 Basis of Presentation:

The unaudited pro forma condensed combined financial information has been prepared using the purchase method of accounting, giving effect to the merger involving PNC and National City as if it had occurred as of the beginning of the earliest period presented. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial position had the merger been consummated at January 1, 2007, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. Certain historical financial information has been reclassified to conform to the current presentation. The merger, which is currently expected to be completed on December 31, 2008, provides for the issuance of 0.0392 of a share of PNC common stock for each share of outstanding National City common stock, the issuance of an aggregate of approximately 328 million additional shares of National City common stock to certain investors immediately prior to the completion of the merger under the terms of their investment agreements (assuming the trading price per share of National City common stock on the trading day immediately prior to the completion of the merger is equal to or greater than $2.07, the closing price of National City common stock on October 24, 2008) and a payment of $384 million, payable in cash to certain National City warrant holders, and is subject to shareholder approval. Each outstanding share of National City preferred stock will be converted into a share of a corresponding series of PNC preferred stock having terms substantially identical to that series of National City preferred stock. Each National City option will be converted into PNC options with the same terms and conditions, adjusted to reflect the exchange ratio.

The merger will be accounted for as an acquisition by PNC of National City using the purchase method of accounting. Accordingly, the assets and liabilities of National City will be recorded at their respective fair values on the date the merger is completed. The share value of PNC common stock issued to effect the merger has been estimated at $59.09 per share. This amount was determined by averaging the price of shares of PNC common stock for a period beginning two trading days before the announcement of the merger and ending two trading days after the merger agreement (which includes the day of announcement).

The pro forma financial information includes estimated adjustments to record assets and liabilities of National City at their respective fair values and represents management s estimates based on available information. The pro forma adjustments included herein are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of thorough analyses to determine the fair value of National City s tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the estimated fair values of the net assets, commitments, executory contracts and other items of National City as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to National City s shareholders equity including results of operations from October 1, 2008 through the date the merger is completed will also change the purchase price allocation, which may include the recording of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

The unaudited pro forma condensed combined financial statements assume that the merger will close in the fourth quarter of 2008. However, if the merger is consummated on or after January 1, 2009, the merger will be accounted for under Statement of Financial Accounting Standards (revised 2007), Business Combinations (SFAS 141R).
SFAS 141R would require that the purchase price be determined based on PNC s closing stock price on the date the merger is consummated, that the loan portfolio consisting of both impaired loans, as defined, and nonimpaired loans, be recorded at fair value, with no carry-over of the allowance for credit losses, and that contingent assets and liabilities be recorded at fair value. Further SFAS 141R would require that merger related exit and termination charges be

recorded to expense as incurred.

Table of Contents

Note 2 Accounting Policies and Financial Statement Classifications:

The accounting policies of both PNC and National City are in the process of being reviewed in detail. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

Note 3 Merger and Integration Costs:

In connection with the merger, the plan to integrate PNC and National City s operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. PNC and National City are currently in the process of assessing the two companies personnel, benefit plans, premises, equipment, computer systems, supply chain methodologies and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of National City s employees, vacating National City s leased premises, changing information systems, canceling contracts between National City and certain service providers and selling or otherwise disposing of certain premises, furniture and equipment owned by National City. Additionally, as part of our formulation of the integration plan, certain actions regarding existing PNC information systems, premises, equipment, benefit plans, supply chain methodologies, supplier contracts and involuntary termination of personnel may be taken. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these integration actions. We expect that such decisions will be completed after the merger. The estimated non-recurring pretax charges consist of $2.3 billion of integration costs including a $1.8 billion conforming credit allowance adjustment.

Note 4 Estimated Annual Cost Savings:

PNC expects to realize approximately $1.2 billion in pretax cost savings following the merger, which PNC expects to be phased in over a 26-month period. These cost savings are not reflected in the pro forma financial information. Although management anticipates such synergies and cost savings to occur, there can be no assurance these synergies and cost savings will be achieved.

Note 5 Pro Forma Adjustments:

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

A Loans and loans held for sale were adjusted by $13.5 billion, to recognize $10.3 billion of credit losses related to impaired loans under AICPA Statement of Position 03-3, Accounting for Certain Loans or Debt Securities Acquired in a Transfer (SOP 03-3), and to adjust all loans by $3.2 billion to reflect current interest rates and spreads and reverse prior purchase accounting adjustments recorded by National City.

B Allowance for loan losses was adjusted by $2.2 billion, to reflect the reduction of National City s existing allowance for loan losses for loans subject to SOP 03-3. This adjustment has not been reflected in the pro forma income statements.

C Goodwill was adjusted by $3.0 billion to reflect the write-off of National City s historical goodwill. National City has recorded $2.4 billion of goodwill impairment charges in 2008. These charges would not have been recorded had the companies combined at the earliest period presented.

D Other intangibles were adjusted by $1.5 billion to reflect the write-off of National City s historical other intangibles of $0.3 billion and establish identifiable intangibles (net of a pro rata reduction to eliminate excess net asset value over purchase price paid) of $1.4 billion for estimated core deposit and other relationship intangibles, including asset management, and to reflect fair market value adjustments on MSRs of $0.4 billion.

E Other assets were adjusted to primarily record deferred tax assets of $3.8 billion. Offsetting these adjustments are fair value adjustments to other assets and a pro rata reduction of PP&E to eliminate excess net asset value over purchase price paid and reclassification of $1.0 billion of PNC and existing National City net deferred tax liabilities.

F Interest bearing time deposits were adjusted by $0.5 billion to reflect current interest rates and spreads and to reverse prior purchase accounting adjustments recorded by National City.

G Borrowings were adjusted by $1.6 billion to reflect current interest rates and spreads and to reverse prior purchase accounting adjustment recorded by National City. Borrowings also include the cash payment to certain warrant holders of $384 million (financing costs assumed at 4.0% pretax).

H Other liabilities were adjusted by $0.7 billion to primarily record reserves and employee benefit adjustments of $1.7 billion and for the reclassification of $1.0 billion of PNC s net deferred tax liability to other assets.

I Historical shareholders equity of National City has been eliminated and consolidated shareholders equity has been adjusted to reflect PNC s capitalization of National City.

J Interest income from loans has been adjusted to estimate the accretion of the purchase accounting adjustment related to current interest rates over the estimated remaining life of the loan portfolio of approximately 6 years.

K Interest expense from deposits has been adjusted to estimate the amortization of the purchase accounting adjustment related to current interest rates over the estimated life of the related deposit liabilities of approximately 3 years.

L Interest expense from borrowings has been adjusted to estimate the accretion of the purchase accounting adjustment related to current interest rates over the estimated remaining term of the borrowings of approximately 4 years and for the financing costs on the cash payment to National City warrant holders assuming a rate of 4.0% pretax.

M Other adjustments to amortize the other purchase accounting adjustments over the estimated remaining lives.

N Reduce depreciation expense for pro rata reduction in PP&E to eliminate net asset value in excess of purchase price paid.

O Intangible amortization expense has been adjusted to estimate the amortization of incremental identifiable intangible assets recognized (CDI amortized over 9 years using an accelerated method) and eliminate the historical amortization of National City.

P Income tax expense reflects the net tax on adjustments at a tax rate of 33%.

Note 6 Preliminary Purchase Accounting Allocation:

The pro forma financial information reflects the right of each National City stockholder to receive a number of shares of PNC common stock equal to the product of 0.0392 times the number of shares of National City stock held on the record date, and the right of certain warrant holders to receive an amount of cash equal to $384 million. Each outstanding share of National City preferred stock will be converted into a share of a corresponding series of PNC preferred stock having terms substantially identical to that series of National City preferred stock. The preferred stock has a liquidation value of $150 million. Each option outstanding will be exchanged for PNC options. Because the exercise price of the converted options was higher than the market price, a value of $2 million was assigned to the options based on a Black Scholes Option Pricing Model. The merger will be accounted for using the purchase method of accounting; accordingly PNC s cost to acquire National City will be allocated to the assets (including identifiable intangible assets) and liabilities of National City at their respective estimated fair values as of the merger date.

Table of Contents

Accordingly, the preliminary allocation of the purchase price to the net assets acquired at September 30, 2008, is summarized below:

	As of September 30, 2008 (In millions, except per share data)			
Pro Forma Purchase Price				
National City common shares outstanding		2,036		
Incremental shares to be issued		328		
Total common shares for conversion		2,364		
Exchange ratio		0.0392		
PNC common stock issued		92.69		
Average PNC share price over days surrounding announcement	$	59.09		
Purchase price per National City common shares outstanding			$	5,477
National City preferred stock converted to PNC preferred stock				150
Value of National City options converted to PNC options				2
Cash payment to certain warrant holders				384
Total Pro Forma Purchase Price			$	6,013
Preliminary Allocation of the Pro Forma Purchase Price				
National City stockholders equity	$	15,838		
National City goodwill and other intangibles		3,297		12,541
Estimated Adjustments to Reflect Fair Value of Net Assets Acquired				
Loans		(11,360)		
Other assets		(136)		
Other intangibles		1,834		
Deposits		(543)		
Debt		1,581		
Accrued expenses and other		(1,738)		
Deferred taxes		3,834		(6,528)
Fair value of net assets acquired			$	6,013
Preliminary Pro Forma Goodwill Resulting From the Merger			$	

Table of Contents

Note 7 Pro Forma Earnings Per Share:

The pro forma combined earnings and diluted earnings per share for the respective periods presented are based on the combined weighted average number of shares of common and diluted potential common shares of PNC and National City. The number of weighted average common shares, including all diluted potential common shares, reflects the exchange of 0.0392 of a share of PNC common stock for each share of National City common stock. Amounts used in the determination of the pro forma basic and diluted earnings per share are as follows:

	Nine Months Ended 09/30/08	Year Ended 12/31/07
	(In millions, except per share amounts)	
Calculation of Basic Earnings (Loss) per Common Share		
Pro forma net income (loss)	$ (2,750)	$ 1,880
Less: Preferred stock dividends(a)	1	2
Net income (loss) applicable to basic earnings per common share	$ (2,751)	$ 1,878
Basic weighted average common shares outstanding	436	424
Basic earnings (loss) per common share	**$ (6.31)**	**$ 4.43**
Calculation of Diluted Earnings (Loss) per Common Share		
Pro forma Net income (loss)	$ (2,750)	$ 1,880
Less: Preferred dividends(a)	1	2
Less: BlackRock adjustment for common stock equivalents	8	8
Net income (loss) applicable to diluted earnings per common share	$ (2,759)	$ 1,870
Basic weighted average common shares outstanding	436	424
Conversion shares	3	4
Diluted weighted average common shares outstanding	439	428
Diluted earnings (loss) per common share	**$ (6.29)**	**$ 4.37**

Note: National City options converted to PNC options were not included in the calculation of diluted earnings per common share because the exercise price was higher than the market price (antidilutive).

(a) 2008 preferred dividends on National City Preferred Stock Series G, which was converted to common shares in September 2008, were excluded from this calculation as it has been assumed that the conversion to common shares was completed at the beginning of the period presented.

Note 8 Capital Issuance:

PNC has received approval from the United States Treasury Department (Treasury) to issue to the Treasury $7.7 billion of preferred securities and related warrants no later than the closing date. The securities consist of preferred stock and common stock warrants, all of which are classified as Tier 1 capital for regulatory purposes.

THE MERGER

Background of the Merger

Beginning in 2007 and continuing into 2008, the markets for home equity loans and other residential real estate related loans experienced severe disruption, resulting in National City being forced to retain billions of dollars of such loans that it had originated with intent to sell. At the same time, housing prices began to deteriorate rapidly, and National City s non-performing loans and credit losses relating to residential real estate increased sharply. For the fourth quarter of 2007, National City reported a net loss of $333 million, compared to net income of $842 million for the fourth quarter of 2006. In January 2008, in order to address the disruption in the housing and credit markets, National City announced the following actions, which were intended to bolster its capital and liquidity: a 49% cut in its quarterly dividend, a $650 million raise of capital and a $1.4 billion sale of convertible notes. In February 2008, the National City board of directors and management began to consider additional alternative strategies designed to enable National City to address its asset quality issues and liquidity challenges posed by these conditions. In mid-March, coincident with the failure of Bear Stearns, a review for a ratings downgrade by Moody s, significant declines in the market price of National City stock, and associated media stories, National City experienced meaningful, albeit short-lived, deposit outflows and reductions of trading lines extended by financial counterparties.

Accordingly, National City and its financial advisor began exploring both possible strategic and capital raise transaction options, including by contacting a number of parties (both other financial institutions and private equity firms) to assess their interest in a potential strategic transaction with National City. Following these initial contacts, several interested parties, including PNC, commenced preliminary discussions with National City. PNC and other potential parties conducted extensive due diligence investigations of, and engaged in discussions with, National City. Ultimately, no viable strategic transaction options emerged with PNC or any other potential merger partner, and National City s board of directors and management determined to proceed with a $7 billion capital infusion led by Corsair.

In late April and early May 2008, National City completed the Corsair-led capital infusion through the issuance of a combination of common stock, convertible preferred stock and warrants. As a condition to entering into the capital infusion transactions, Corsair and two other investors negotiated downside protection, similar to that present in then-recent transactions, whereby Corsair and the other two investors would be compensated in the event that National City issued common stock or consummated a merger transaction in which the price paid for shares in the issuance, or the implied price in the merger, was less than $5.00 per share the per share price paid by such investors in the capital infusion subject to certain exceptions and limitations. Other investors participating in the capital infusion transactions declined the downside protection and associated warrants in order to be free from, among other things, associated transfer restrictions on their shares of National City stock. On September 15, National City s stockholders approved, among other things, the authorization of the shares necessary to enable the conversion of the preferred stock issued in the capital raise transactions into common stock. Upon the issuance of the common stock and preferred stock in the capital raise transactions, National City s regulatory capital ratios were among the highest of large U.S. banks and its liquidity issues stabilized.

Throughout the second and third quarters of 2008, economic conditions in general, and the housing market in particular, continued to deteriorate. As a consequence of this deterioration on the performance of National City s liquidating portfolio of home equity, nonprime mortgage, and construction loans, which drove a significant increase in the provision for loan losses, as well as goodwill impairments and other charges, National City reported a net loss in the second quarter of 2008 of approximately $1.8 billion, compared with net income of approximately $347 million in the second quarter of 2007, and reported a net loss in the third quarter of 2008 of approximately $729 million, revised to $2.1 billion subsequent to and due to the announcement of the merger, compared with a net loss of approximately $19 million in the third quarter of 2007.

During the second and third quarters of 2008, National City s management conducted a review of its operations and determined to take steps to reduce its expense base, sell certain non-core assets and reduce its

Table of Contents

liquidating asset portfolios. National City engaged the services of several consultants, including Morgan Stanley, to assist it with asset dispositions. In addition, National City reduced its quarterly dividend to one cent per share starting in April. From time to time during this period, despite its high regulatory capital ratios, National City continued to face periodic liquidity challenges, generally associated with adverse industry developments such as the failure of IndyMac Bank, as well as negative publicity about National City. Throughout this period, National City s management was in regular communication with National City s regulators. In June, in response to a publicized information leak, National City confirmed publicly that it had previously entered into Memoranda of Understanding with each of the Office of the Comptroller of the Currency, or OCC, and the Federal Reserve Bank of Cleveland, or Federal Reserve, that addressed issues of capital management, risk management, asset quality and liquidity management.

In September 2008, the occurrence in rapid succession of a series of unprecedented events in the financial services industry increased the uncertainty and stress in the financial markets in general and liquidity pressures on National City in particular. These events included the conservatorships of Fannie Mae and Freddie Mac announced on September 7, 2008, the bankruptcy of Lehman Brothers Holdings and the pending acquisition of Merrill Lynch & Co. by Bank of America announced on September 15, 2008, along with growing concern about the viability of American International Group, which culminated in a transaction in which the Federal government acquired most of American International Group s equity. On the evening of September 21, Morgan Stanley and Goldman Sachs announced that they had been approved to convert from independent investment banks to bank holding companies subject to regulation by the Federal Reserve. On September 25, 2008, Washington Mutual Bank the principal subsidiary of Washington Mutual, Inc. and the country s largest thrift institution and sixth largest depository institution at the time was seized by the Office of Thrift Supervision, placed into receivership by the FDIC and sold to JPMorgan Chase in a transaction in which JPMorgan Chase did not assume any of the holding company s liabilities or the subordinated or senior debt of Washington Mutual Bank. Washington Mutual filed for bankruptcy the next day, and it was reported that its shareholders and debtholders were unlikely to receive any payments or distributions in respect of their securities. In connection with these events, there was market speculation about the viability of Wachovia Corporation the country s fourth largest banking organization and National City, followed by a series of events, temporarily involving a proposal for parts of Wachovia to be acquired in an FDIC-assisted transaction, that ultimately led to Wachovia agreeing to be acquired by Wells Fargo & Company on October 3. These developments and the circumstances surrounding them exacerbated the already significant pressures on National City and other United States banking institutions.

On September 19, the Treasury Department announced the Troubled Asset Relief Program, or TARP, a $700 billion plan by which the Federal government would purchase certain assets and securities directly from financial institutions, and legislation was introduced in Congress to implement the TARP. National City s management began analyzing National City s potential participation in the TARP with Morgan Stanley. On September 29, the House of Representatives voted on but did not approve the Emergency Economic Stabilization Act of 2008, or EESA, and its provision for the TARP. The financial markets subsequently dropped precipitously and credit markets tightened even further.

These events created significant turmoil in the markets and for market participants, including National City. The losses suffered by securityholders and, in the case of Lehman, counterparties at other institutions, the degradation of the credit markets and increase in the costs of borrowing, the deteriorating condition of the United States economy and housing market, market perceptions and rating agency outlooks, together with the uncertainty and timing of the TARP, all led to further pressure on National City s stock price, liquidity and relationships with counterparties. On September 29, National City s common stock price closed at an all-time low of $1.36 per share, and closed at $1.75 per share on September 30. Counterparties began to demand that National City post collateral for or prepay ordinary course transactions, and in some cases refused to conduct business with National City. Deposit levels, particularly in business transaction accounts and other accounts in excess of the FDIC insurance limit, declined. In addition, on September 3, Standard & Poor s had downgraded National City s credit ratings and placed it on negative outlook. On

September 30, National City was placed on review for downgrade by Moody s, and on October 3 it was downgraded by Fitch. These factors led National City s management, with the assistance of Goldman Sachs, to commence an analysis of potential strategic alternatives. Through much of this period, National City s management had almost daily (and sometimes multiple times per day) conversations with senior officials from the OCC and Federal Reserve about National City s financial condition and regulatory status. In addition, the FDIC began to gather information about National City Bank s loan and deposit base.

At an October 2 meeting of the National City board of directors, there was extensive discussion of management s review of strategic alternatives in light of risks facing National City. Management indicated that one of the alternatives was participation in the TARP, but that there was no assurance that the legislation would be enacted or implemented on a timely basis, that National City would be eligible or that the terms of participation would be consistent with National City s objectives. Management also indicated that it had reviewed alternatives for a strategic transaction, and described its review and the potential strategic partners that had been identified by management and Goldman Sachs. The board of directors determined that management should pursue both the TARP alternative and, in light of the uncertainty of the TARP, strategic alternatives. The board also determined to engage formally Goldman Sachs for financial and strategic advice on National City s alternatives.

On October 3, the Congress passed EESA and the President signed the legislation into law. On October 4, management, with the assistance of Morgan Stanley, submitted information to the U.S. Treasury Department concerning National City s potential participation in the TARP. The information, among other things, contemplated the direct purchase by the Federal government of National City s liquidating loan portfolio at a significant loss.

During the week of October 6, National City s management continued to keep in close communication with the Federal Reserve and OCC, and had several conversations with the OCC about the potential for National City to participate in the TARP. Management also reached out to several financial institutions, including PNC, to gauge interest in a potential transaction with National City. PNC retained Wachtell, Lipton, Rosen & Katz to provide legal advice and sought financial advice from Citigroup Global Markets, JPMorgan and Sandler O Neill & Partners, L.P. in connection with a possible transaction involving National City.

Some of the potential transaction partners contacted by National City, including PNC, had expressed a preliminary interest in engaging in a combination transaction with National City in March and April of 2008 and in most cases had conducted due diligence at that time. Each institution proceeded to update its due diligence throughout the week. Sullivan & Cromwell LLP and Jones Day, counsel to National City, prepared transaction documentation for delivery to certain of the interested parties. The board of directors began having update calls with management each weekday, which covered, among other things, National City s liquidity position, discussions with regulators and potential strategic partners.

Beginning Wednesday, October 8, and continuing over the next several days, PNC again commenced preliminary discussions with National City regarding a potential transaction. PNC and its advisors also conducted a due diligence investigation of National City, including by updating PNC s findings from several months earlier. In light of general market conditions and the evolving regulatory situation in the financial services industry, and following discussion with its board of directors, PNC determined that it was not then prepared to pursue a strategic transaction with National City. By Sunday, October 12, one of the other potential transaction partners also terminated discussions. Although the remaining potential transaction partner had not formally terminated discussions, management believed that there was not a realistic prospect that it would proceed at that time.

At a Sunday, October 12, meeting of the National City board of directors, management reviewed the current situation, including the fact that none of the potential transaction partners appeared to remain interested in pursuing a strategic transaction with National City at that time. The board of directors discussed the continuing uncertainty of National City s participation in the TARP and the terms and timing of the TARP generally, as well as the possibility and timing of private sales of high-risk real estate assets coupled with raising new capital and other deleveraging transactions, which we refer to as the stand-alone proposals. The board of directors instructed management to continue to pursue discussions with the Federal government about National City s potential participation in the TARP and to explore the possibility of private asset sales. The

Table of Contents

board of directors also determined to engage the services of Cravath, Swaine & Moore LLP to act as counsel to the board of directors in evaluating National City s strategic alternatives.

On Tuesday, October 14, the Treasury Department announced the Capital Purchase Program, or CPP, under the TARP. Under this program, the Treasury Department would, subject to certain terms and limits, make direct capital investments in selected financial institutions in the form of the issuance of Tier 1 nonvoting preferred stock and warrants exercisable for common stock. In addition, the FDIC announced two new programs, the first to insure, without limit, certain non-interest-bearing transaction accounts and the second to guarantee certain debt issuances by banking institutions. National City management promptly contacted Federal regulators to express interest in participating in the CPP and the liability guarantee program, and was advised by the regulators that National City s access to the CPP and the FDIC liability guarantee with respect to senior holding company and bank debt was uncertain. Moreover, based on government focus on the CPP and taking into account discussions with the OCC, management believed that the period of time required to implement the TARP s asset purchase program could be lengthy and that as a result National City was unlikely to be able to avail itself of that program, if at all, on a timely basis.

Following the discussions with the regulators, management contacted three of the potential partners it had contacted previously, including PNC, to reassess the possibility of a transaction in light of the CPP and also contacted a fourth institution to gauge initial interest in a transaction. PNC did not make a proposal at that time. Another financial institution submitted an offer, which was delivered on Thursday, October 16, and involved the acquisition of National City at a price below the price offered by PNC the following week. Over the subsequent two days representatives of National City, including both management and outside advisors, engaged in extensive diligence and discussion sessions with this potential acquiror. In addition, during that weekend management held discussions with another financial institution, which proposed a complex combination transaction that involved a spinoff of National City s liquidating portfolio and other assets and required a significant amount of capital from the TARP. During this period, National City s management had numerous discussions with the OCC and the Federal Reserve regarding National City s possible participation in the CPP and FDIC liability guarantee program. The board of directors also continued its update calls with management each weekday.

On Sunday, October 19, management concluded that, taking into account the views of the Federal Reserve and OCC on National City s financial condition and other factors, it was likely that National City would not be permitted to participate in the CPP, that full access to the liability guarantee program with respect to National City s senior holding company and bank debt was uncertain, and that it must find a merger partner quickly in order to avoid further regulatory action against National City Bank. This conclusion was reviewed and discussed at length with the National City board of directors at a scheduled meeting in Cleveland the same day. Management reviewed the two strategic transaction options (the acquisition proposal and the combination proposal) and a standalone option with the board of directors. Goldman Sachs advised the board that it concurred with management s view that management had contacted all reasonably practicable candidates for a potential strategic transaction. The board engaged in extensive discussion of the various alternatives and the consequences of regulatory action for National City s stockholders. The board expressed serious concerns about not only the proposed pricing of the then current acquisition proposal, but also the execution and regulatory risks, capital requirements and potential timetable of the combination and stand-alone proposals. Taking into account advice from management, Goldman Sachs and legal counsel, the National City board of directors concluded that the acquisition proposal likely presented the least execution risk and highest probability of regulatory acceptance, and directed that management pursue a transaction with the potential acquiror subject to a meaningful improvement in price. The board also directed that management continue to explore with the potential combination partner whether the combination transaction could be accomplished on a timely basis with reasonable execution risk and whether such a transaction would satisfy the regulators.

On Monday, October 20, the potential acquiror revised its acquisition proposal and discussions continued, particularly about pricing and the form of consideration to be received by National City s stockholders. Discussions with the potential combination partner were terminated because management determined that the combination proposal would require significant time and presented significant execution risks, including the

Table of Contents

concurrence and forbearance of banking regulators. National City management was in continuous communication with the OCC regarding the status of negotiations. The board of directors reconvened that evening and was updated on the status of each potential transaction and National City s liquidity position as well as management s discussions with the Federal regulators.

On Tuesday, October 21, discussions with the potential acquiror continued throughout the day, including with respect to price and structure. That evening, the board of directors reconvened and management reported on the status of negotiations. The board of directors and management also discussed the downside protection terms of the investment agreements and warrants that had been entered into by National City with Corsair Capital, National City s largest stockholder, and two other investors in the capital infusion transactions in April and May, and the impact on National City stockholders (both those entitled to the downside protection and all other stockholders) of these agreements and warrants in the context of a merger transaction in which National City s common stock would be priced below $5.00 per share. Following this discussion, Richard Thornburgh a Corsair-nominated director recused himself from the meeting, and the board of directors, management and its legal counsel discussed the investment agreements and warrants and possible alternative interpretations of some of the downside protection provisions in the warrants.

On Wednesday, October 22, counsel for the potential acquiror delivered a draft of the proposed transaction documentation to Sullivan & Cromwell. That evening, the board of directors reconvened and management reported on the status of negotiations and that the draft transaction documentation differed in a number of significant respects, particularly relating to greater conditionality, from certain other recent transactions. Management informed the board of directors that the potential acquiror had strongly urged that a transaction be announced prior to market-open on October 24, and that, in light of discussions with the OCC, management had concluded that meeting this schedule for announcement was critical. In particular, management understood from discussions with the OCC that the Treasury Department could be announcing new banks receiving capital in the very near future under the CPP, and management and the board were concerned about the market s interpretation of the absence of National City from that announcement. After extensive discussion of the proposed transaction and schedule, including the possible consequences of failing to meet the proposed schedule, the board of directors agreed that management should proceed to attempt to negotiate definitive documentation on the proposed schedule. The parties began negotiating the documentation in earnest, which continued throughout the night and into the evening of the next day.

Despite having concluded that circumstances had not been right for it to submit an acquisition proposal earlier in the month, PNC had continued to consider the possibility of a transaction and continued to refine and evaluate its due diligence findings with respect to National City and consider the potential opportunities presented by a combination. In light of this and of ongoing legal and regulatory developments and market conditions in the financial services industry, on Thursday, October 23, PNC determined it should renew discussions with National City regarding a potential acquisition. During the day on Thursday, October 23, PNC worked with Wachtell, Lipton and with its financial advisors at Citigroup Global Markets, JPMorgan and Sandler O Neill to complete a proposal that it could deliver to National City.

That afternoon, the PNC board of directors met with members of PNC s senior management and its outside advisors to discuss a potential transaction with National City. PNC senior management reviewed with the PNC board of directors information regarding PNC, National City and the terms of the proposed transaction. PNC senior management presented the PNC board of directors with the findings of their due diligence investigations of National City and additional information, including financial information regarding the two companies and the proposed transaction. Citigroup Global Markets and JPMorgan discussed the potential combination with the PNC board of directors, including their respective views regarding the business and economic environment, potential opportunities and challenges presented by a combination with National City and other matters. Wachtell, Lipton discussed with the PNC board of directors the legal standards applicable to its decisions and actions with respect to the proposed transaction and reviewed the legal terms of the proposed merger. Following review and discussion among the members of the

PNC board of directors, including consideration of the factors described under PNC s Reasons for the Merger; Recommendation of the PNC Board of Directors, the PNC board of directors determined that the transaction was in the best interests of PNC and its shareholders and authorized PNC management and PNC s outside advisors to pursue a transaction with National City. Subsequent to the board meeting, Citigroup Global Markets and JPMorgan each delivered to the PNC board of directors its written opinion, dated October 31, that, as of October 24, 2008, and based upon and subject to the considerations and limitations set forth in their respective opinions and other matters as each of them considered relevant, the aggregate consideration to be paid by PNC in connection with the merger was fair, from a financial point of view, to PNC.

At approximately 6:00 p.m. on October 23, PNC contacted National City regarding its interest in a potential transaction at a price that was significantly higher than that offered by the other potential acquiror. Management informed PNC that active discussions with another party were underway, that a National City board meeting had been scheduled for later that evening and that if PNC wanted to pursue a transaction it would have to quickly present a proposal with satisfactory transaction documentation so that the board of directors could properly evaluate the proposal. Sullivan & Cromwell then contacted Wachtell, Lipton to discuss the form of transaction documentation and transaction protection and to discuss whether there were any significant legal impediments to the proposed transaction. Based on its understanding of PNC s proposal, including the proposed terms of the proposed PNC merger agreement and transaction protection (in the form of a stock option agreement), management concluded that the PNC proposal was a bona fide proposal that presented better value, and terms that presented less closing risk, than the proposal from the other potential acquiror. Management then contacted the OCC to inform it of this development and then contacted the chief executive officer of the other potential acquiror to apprise him of the PNC proposal and provide an opportunity to improve its offer. The other potential acquiror immediately terminated negotiations and withdrew its pending offer.

Thereafter, Wachtell, Lipton, Sullivan & Cromwell and Cravath, Swaine & Moore began negotiating the terms of a merger agreement and stock option agreement. National City management had further discussions with PNC s management about the price, terms and structure of the PNC proposal.

At approximately 9:30 p.m., the National City board of directors reconvened and was advised of the PNC proposal and the termination of discussions with the other potential acquiror. Management advised the board that the price being offered by PNC to National City stockholders was substantially higher than that proposed by the other potential acquiror. Cravath, Swaine & Moore reviewed the legal duties of the directors with respect to the PNC proposal, as well as other relevant considerations. Sullivan & Cromwell described the proposed transaction documentation, and advised that it was more favorable to National City in a number of respects, in particular, certainty of closing, than that proposed by the other potential acquiror, and that the transaction protection provisions were less onerous to National City than those proposed by the other potential acquiror. Goldman Sachs reviewed and discussed the financial terms of the proposed merger with PNC, discussed financial information concerning PNC, compared the PNC proposal to other recent transactions and discussed its analysis as to the fairness, from a financial point of view to the holders of National City common stock (other than PNC and its affiliates), of the exchange ratio pursuant to the proposed merger agreement. Goldman Sachs indicated that, based on the circumstances and subject to completion of due diligence, final financial analysis and review of definitive documentation, it expected that it would be able to render an opinion that the exchange ratio pursuant to the PNC proposal was fair, from a financial point of view, to the holders of National City common stock (other than PNC and its affiliates). Management reported to the board of directors its understanding that the Federal Reserve and the OCC had informed PNC that they did not object to PNC making its proposal and that PNC expected to raise Tier 1 capital under the CPP based on both its risk-weighted assets as well as National City s risk-weighted assets. The board of directors also discussed the impact that the payments required to be made under the terms of the downside protection agreements with Corsair and certain other investors would have on the amounts to be received by National City stockholders (both those entitled to downside protection and all other stockholders). Following this discussion, Richard Thornburgh a Corsair nominated director recused himself from the meeting, and the board discussed further with management and its legal advisors the downside protection provisions of the investment agreements and warrants. The board and its advisors discussed the application of those provisions under the terms of the PNC proposal, including possible alternative interpretations of some of those provisions in the warrants and the impact of those interpretations on the downside protection payments to the investors entitled to such payments and to the common stockholders. In view of management s understanding that PNC would require certainty regarding the appropriate calculation methodology under the downside protection provisions prior to signing the merger agreement, and in view of the possible alternative interpretations, including the interpretation advanced by Corsair (and likely to be advanced by the other investors), and the related uncertainties regarding those interpretations, the board determined to proceed in accordance with the interpretation advanced by Corsair (and likely to be advanced by the other investors). Following this discussion, Mr. Thornburgh rejoined the meeting, and the board of directors determined that management should seek to negotiate to improve the exchange ratio in the merger.

As a result of further discussions between National City management and PNC and consideration by PNC of National City s request, PNC increased the value to be received by National City stockholders. The board meeting reconvened following those discussions, at which time the board of directors discussed the revised PNC proposal and determined that National City should attempt to negotiate definitive transaction documentation with PNC in time for announcement of a merger by early morning.

Management, Sullivan & Cromwell and Cravath, Swaine & Moore negotiated with PNC and Wachtell, Lipton through the night. In addition, National City management and Goldman Sachs conducted due diligence on PNC. Representatives of PNC also negotiated a support agreement with Corsair pursuant to which Corsair would agree to support and vote for the merger.

At approximately 6:00 a.m. on October 24, the National City board reconvened. At the meeting, National City s management and counsel updated the board of directors on the status of the negotiations. Goldman Sachs further reviewed its due diligence findings with respect to PNC, and the expectations regarding the financial condition of PNC following completion of the merger. Sullivan & Cromwell described the terms of the PNC merger agreement, including the conditions to closing, and the stock option agreement and the support agreement to be entered into between PNC and Corsair. Goldman Sachs orally delivered its opinion that, as of that date, and based upon and subject to specified factors, limitations and assumptions described to the board, as well as the extraordinary circumstances facing National City, the exchange ratio pursuant to the PNC merger agreement was fair, from a financial point of view, to the holders of National City common stock (other than PNC and its affiliates), and discussed the financial analysis underlying its opinion. The board of directors engaged in extensive discussion with management and its advisors, focusing on the respective financial conditions of National City and PNC, the condition of the financial markets in general, the exhaustive search for other alternatives, management s view that it was highly doubtful that National City would be permitted to participate in the CPP, management s view that the TARP would not be implemented within a timeframe useful to National City, the substantial uncertainty of full access to the liability guarantee program with respect to National City s senior holding company and bank debt, the communications from the Federal regulators with respect to the merger, National City s prospects in the absence of announcing a transaction (including the potential for further regulatory action), and the fairness opinion rendered by Goldman Sachs. After consideration by the board of directors, on motion duly made and seconded, and with Richard Thornburgh a director appointed by Corsair indicating his full support for the merger but abstaining from the vote, the board resolved that the merger agreement is advisable, fair to and in the best interest of National City stockholders and voted to approve and adopt the merger agreement and the merger and recommend that National City stockholders adopt the merger agreement.

At approximately 8:45 a.m. on October 24, PNC and National City executed the merger agreement and stock option agreement, PNC and Corsair executed the support agreement, and the merger was announced.

National City s Reasons for the Merger; Recommendation of the National City Board of Directors

After careful consideration, the National City board of directors determined that the merger agreement and the transactions contemplated by the merger agreement were advisable and in the best interests of National City and its stockholders and approved the merger agreement and the transactions contemplated by the

merger agreement, including the merger. Accordingly, National City s board recommends that National City stockholders vote FOR adoption of the merger agreement at the National City special meeting.

In reaching its decision, the board of directors, with advice from its financial and legal advisors, considered a number of factors, including the following:

The limited strategic alternatives available to National City, notwithstanding the exhaustive search and evaluation of alternatives conducted by National City management with the assistance of its legal and financial advisors.

The likely unavailability to National City of the CPP, the uncertain timeframe for implementation of the TARP and the substantial uncertainty of full access to the liability guarantee program with respect to National City s senior holding company and bank debt, which could jeopardize National City s viability as an independent institution going forward.

The likelihood of regulatory action in the absence of a transaction and the consequences of such action to National City s stockholders.

National City s and PNC s respective businesses, operations, financial conditions, asset quality, earnings and prospects. In reviewing these factors, National City s board concluded that PNC s financial condition and asset quality appeared to be relatively sound, and that PNC s earnings and prospects should result in the combined company having superior future earnings and prospects compared to National City s earnings and prospects on a stand-alone basis.

The current and prospective environment in which National City operates, which reflects challenging and uncertain banking industry conditions and risks that are likely to persist, including the volatile valuations and illiquidity of certain financial assets and exposures and generally uncertain economic conditions. The board also considered the effect these factors could have on National City s liquidity position and funding capabilities.

The likelihood that National City s non-performing, classified and criticized loans would increase and the resulting impact of such increases on the views and actions of the regulators, rating agencies, liquidity sources and counterparties.

The inability of major financial institutions such as National City to withstand a loss of confidence of their liquidity sources and the speed with which such a loss can cause regulators to declare a financial institution insolvent.

The impact on stockholders, depositors, debtholders, employees and other constituencies if a depository institution experiences a loss of liquidity that leads to an FDIC receivership.

The prior recent occasions on which National City had experienced significant deposit outflows (and the risk that National City could experience, and the potential impact on National City of, additional significant deposit outflows).

The reputation and business practices and experience of PNC and its management as they might affect the business of National City and its subsidiaries.

The all stock and fixed exchange ratio aspects of the merger consideration, which would allow National City stockholders to participate in a portion of the future performance of the combined National City and PNC businesses and synergies resulting from the merger, and the value to National City stockholders represented by that consideration. The board of directors also considered the adequacy of the merger consideration, not only in relation to the current market price of National City s common stock, but also in relation to the historical, present and anticipated future operating results and financial position of National City and the value of National City in a liquidation scenario. The board of directors considered that PNC s proposal was substantially more valuable to National City stockholders than the proposal from the other potential acquiror, that the other potential acquiror had withdrawn its offer and terminated discussions, that no other potential transaction partners had emerged with a viable proposal, despite extensive efforts of management and National City s financial advisor, and that other factors were consistent with approval of PNC s proposal in relation to the other potential acquiror.

Closing certainty, price certainty, and time to closing, along with management s belief that National City s regulators would view the transaction favorably.

The terms of the merger agreement and stock option agreement, which were more favorable than those presented by the other potential acquiror.

The opinion, analyses and presentations of Goldman Sachs, including the oral opinion of Goldman Sachs (which subsequently was confirmed in writing), as described above. For more information, see Opinion of National City s Financial Advisor beginning on page [ ].

In addition, National City s board of directors considered the following in connection with its decision to adopt the merger agreement:

the fact that PNC s shareholders would be required to vote on the issuance of shares in the merger;

the requirement that National City enter into the stock option agreement granting PNC an option on 19.9% of National City s common stock as transaction protection;

the possibility that divestitures may be required by regulatory authorities in certain markets in which National City and PNC compete;

that the exchange ratio represented a discount relative to the historic trading levels of National City common stock; and

that the merger, because the implied value represents consideration to stockholders of less than $5.00 per share, would entitle certain stockholders to payments under the downside protection provisions of their investment agreements and warrants.

National City s board concluded that the anticipated benefits of the merger would outweigh the preceding considerations.

The reasons set forth above are not intended to be exhaustive, but include material facts considered by the board of directors in approving the merger agreement. Although each member of National City s board individually considered these and other factors, the board did not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board collectively made its determination with respect to the merger based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the merger is in the best interests of National City and its stockholders.

National City s board of directors realized there can be no assurance about future results, including results expected or considered in the factors listed above. However, the board concluded the potential positive factors outweighed the potential risks of completing the merger.

PNC s Reasons for the Merger; Recommendation of the PNC Board of Directors

The PNC board of directors consulted with PNC management as well as legal and financial advisors and determined that the merger is in the best interests of PNC and PNC shareholders. In reaching its conclusion to approve the merger agreement, the PNC board considered a number of factors, including the following material factors:

its knowledge of the current and prospective environment in which PNC and National City operate, including economic and market conditions;

its assessment of National City s businesses, prospects, franchises, core earnings generation ability, assets and liabilities and its view of the attractive growth and demographic characteristics of National City s existing markets and businesses;

the review by the PNC board of directors with its advisors of the structure of the merger and the financial and other terms of the merger;

Table of Contents

the fact that the combined company will have a deposit base of $180 billion, making PNC the fifth largest U.S. bank by deposits;

the fact that the combined company will have greater scale and scope, enhancing service to customers and communities and providing greater opportunities for its employees;

PNC s view of the value inherent in National City s banking and asset management businesses, including its strong customer service and community-oriented culture and the capabilities of its employees;

the unique opportunity presented by the chance to acquire a franchise of National City s quality, size and scope, its assessment of the pro forma capital position, financial condition and results of operations of the combined company, and the expectation that the transaction will be accretive to PNC s earnings per common share in the second year following the closing of the merger;

the potential expense saving opportunities, currently estimated by PNC s management to be approximately $1.2 billion per year on a pre-tax basis when fully realized;

the likelihood that the regulatory and shareholder approvals needed to complete the transaction will be obtained in a timely manner and that the regulatory approvals will be obtained without the imposition of adverse conditions;

the historical and current market prices of PNC common stock and National City common stock;

the respective views of Citigroup Global Markets and JPMorgan regarding the business and economic environment, potential opportunities and challenges presented by a combination with National City;

PNC s track record of integrating acquisitions of banks and its understanding of the opportunities and risks presented by an acquisition of a company with the size and other characteristics of National City.

The PNC board of directors considered all of these factors as a whole and, on balance, concluded that they supported a favorable determination to enter into the merger agreement.

The foregoing discussion of the information and factors considered by the PNC board of directors is not exhaustive, but includes all material factors considered by the PNC board of directors. In view of the wide variety of factors considered by the PNC board of directors in connection with its evaluation of the merger and the complexity of these matters, the PNC board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The PNC board of directors evaluated the factors described above and reached a consensus that the merger was advisable and in the best interests of PNC and its shareholders. In considering the factors described above, individual members of the PNC board of directors may have given different weights to different factors.

The PNC board of directors determined that the transaction was in the best interests of PNC and its shareholders, and the board voted unanimously to approve the merger agreement and recommends that PNC shareholders vote FOR the issuance of PNC common stock in the merger.

Opinion of National City s Financial Advisor

On October 24, 2008, Goldman Sachs rendered its oral opinion to the National City board of directors that, as of that date, and based upon and subject to the factors, limitations and assumptions set forth in the written opinion of Goldman Sachs, as well as the extraordinary circumstances facing National City referred to in such written opinion, the exchange ratio of 0.0392 of a share of PNC common stock to be received in respect of each share of National City common stock pursuant to the merger agreement was fair from a financial point of view to the holders of National City common stock other than PNC and its affiliates.

The full text of the subsequently delivered written opinion of Goldman Sachs, dated October 24, 2008, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this document as **Appendix C**. The opinion of Goldman Sachs was provided for the information and assistance of the National City board of directors in connection with its consideration of the merger and does not constitute a recommendation as to how any holder of shares of National City common stock should vote or otherwise act with respect to the merger or any other matter.

In connection with rendering the opinion described above and performing its financial analysis, Goldman Sachs reviewed, among other things:

1. the merger agreement;

2. annual reports to stockholders and annual reports on Form 10-K of National City and PNC for the five fiscal years ended December 31, 2007;

3. certain interim reports to stockholders and quarterly reports on Form 10-Q of National City and PNC;

4. certain other communications from National City and PNC to their respective stockholders;

5. certain publicly available research analyst reports for National City and PNC;

6. certain internal financial analyses and forecasts for National City prepared by National City s management, and for PNC prepared by PNC s management, and approved by the National City board of directors for Goldman Sachs use in connection with rendering the opinion;

7. estimates by National City s management as to National City s liquidity, as well as certain analyses prepared by National City s management with respect to National City s leverage and capital adequacy;

8. a liquidation analysis (prepared by National City s management and approved by its board of directors for use in connection with the rendering of the opinion) as to the value, if any, that holders of National City common stock would be expected to receive with respect to the shares of common stock in a liquidation of National City; and

9. publicly announced credit ratings of National City and of certain other institutions that Goldman Sachs believed to be generally relevant.

Goldman Sachs also held discussions with members of the senior managements of National City and PNC regarding their assessment of the rationale for the merger, the past and current business operations, financial condition and future prospects of their respective companies, and with the senior management of National City regarding their assessment of the fair market value of certain key asset categories of National City. In addition, Goldman Sachs reviewed the reported price and trading activity for shares of National City common stock, certain publicly traded debt instruments of National City and shares of PNC common stock, compared certain financial and stock market information for National City and PNC with similar information for certain other companies the securities of which are publicly traded and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

National City advised Goldman Sachs that National City had considerable exposure to risks related to the deteriorating credit performance and declining values of a significant portion of the loan and mortgage portfolios and related assets of National City and its subsidiaries, and that the business and prospects of National City were severely and negatively affected as a result thereof, as well as due to the crisis in the capital markets, the extraordinary economic, financial and regulatory environment then prevailing and the deteriorating financial condition of National City.

In particular, National City informed Goldman Sachs that:

National City and its principal operating subsidiaries had limited liquidity and unencumbered assets available as collateral for financings from the capital markets that National City may have sought to obtain on an immediate basis;

Based on communications National City had with United States banking regulators, National City did not expect to have, on a standalone basis, access to federal liquidity and funding arrangements necessary to address its short and long term liquidity needs. National City also did not expect to be able to raise funding through the capital markets in amounts sufficient to meet such liquidity needs, and

Table of Contents

absent a definitive transaction such as the merger, National City expected that its liquidity position would become severely strained due to a decline in customer and counterparty confidence and consequently, shortly thereafter, National City would have insufficient unrestricted cash on hand to meet such liquidity needs; and

In light of the foregoing, absent entering into a definitive transaction (such as the merger) that would allow National City access to ongoing liquidity and funding or relieve National City of the need for such liquidity and funding, National City expected that it and its subsidiaries would face additional regulatory actions, including intervention by the United States federal banking regulators, and/or be required to seek protection under applicable bankruptcy laws in the very near future.

The National City board of directors advised Goldman Sachs that, as a result of the foregoing, National City and its board of directors were faced with a narrow set of alternatives, which, at the time, were limited to a transaction such as the merger or intervention by United States banking regulators and eventual liquidation of National City. Accordingly, Goldman Sachs also considered recent instances where concerns regarding the liquidity of a bank or financial institution triggered a rapid deterioration of the institution s financial condition, necessitating government intervention or bankruptcy protection, and as a result of which the common equity holders of the institution were likely to receive substantially diminished value, if any at all, for their equity. In light of the facts and circumstances, and in reliance on the liquidation analysis described above, Goldman Sachs assumed that if National City s banking assets were taken over by the United States federal banking regulators and National City s non-banking assets liquidated under applicable bankruptcy laws, holders of National City common stock would likely receive no material value for their shares of National City common stock.

For purposes of rendering its opinion, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it. At the direction of the National City board of directors, Goldman Sachs (i) did not rely upon any financial forecasts relating to National City (except for the liquidation analysis described above) and (ii) did not perform certain analyses that it customarily would have prepared for National City in connection with a fairness opinion, because of the determination of National City that such forecasts and analyses were not meaningful as a result of the extraordinary circumstances of National City described in the opinion and herein. Goldman Sachs assumed with the consent of the National City board of directors that the forecasts for PNC, prepared by PNC s management and approved by the National City board of directors for Goldman Sachs use in connection with rendering its opinion, had been reasonably prepared and reflected the best currently available estimates and judgments of the management of National City. Goldman Sachs also assumed that the merger would be consummated in accordance with the terms set forth in the merger agreement without any waiver or amendment of, or delay in the fulfillment of, any terms or conditions set forth in the merger agreement or any subsequent development related to the merger, that would have an adverse effect on National City or PNC or on the expected benefits of the merger in any way meaningful to its analysis. Goldman Sachs opinion does not address any legal, regulatory, tax or accounting matters, as to which matters it understood that National City received such advice as it deemed necessary from qualified professionals. Goldman Sachs is not an expert in the evaluation of loan and mortgage portfolios or in assessing the adequacy of allowances for losses with respect thereto, and accordingly, it did not evaluate the same with respect to National City or PNC and assumed, with National City s consent, that PNC s allowances for such losses were adequate to cover all such losses. In addition, Goldman Sachs did not review individual credit files nor did it make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of National City or PNC or any of their respective subsidiaries, and it was not furnished with any such evaluation or appraisal (other than the liquidation analysis described above). In addition, Goldman Sachs did not evaluate the solvency or fair value of any party to the merger agreement under any state or federal laws relating to bankruptcy, insolvency or similar matters. Goldman Sachs did not express any opinion as to the value of any asset of National City, whether at current market prices or in the future. It noted however, that under the ownership of a company with adequate liquidity and capital, such as PNC, the value

46

of National City and its subsidiaries could substantially improve, resulting in significant returns to PNC if the merger is consummated.

The opinion of Goldman Sachs did not address the underlying business decision of National City to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may have been available to National City. The opinion of Goldman Sachs addressed only the fairness from a financial point of view to the holders of National City common stock (other than PNC and its affiliates), as of the date thereof, of the exchange ratio pursuant to the merger agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the merger agreement or the transaction contemplated thereby, including, without limitation, (i) the Option Agreement (as defined in the merger agreement), (ii) the rights of certain investors under the Investment Agreements (as defined in the merger agreement) and the Warrants (as defined in the merger agreement) issued pursuant to the Investment Agreements, (iii) the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of National City or PNC other than holders of National City common stock (other than PNC and its affiliates) or (iv) the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of National City or PNC, or class of such persons in connection with the merger, whether relative to the 0.0392 of a share of PNC common stock to be paid for each share of National City common stock pursuant to the merger agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of National City common stock or shares of PNC common stock would trade at any time. The opinion of Goldman Sachs was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date thereof, including the ongoing crisis in the capital markets, the condition of the mortgage market and the extraordinary financial and economic environment at the time and the related uncertainty regarding the extent and duration of those conditions. Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date thereof. The opinion of Goldman Sachs was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses conducted by Goldman Sachs in connection with rendering its opinion. The following summary does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of the analyses described herein represent relative importance or weight given them. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and alone are not a complete description of the financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 24, 2008, and is not necessarily indicative of current market conditions.

In view of National City s determination that traditional financial analyses were not meaningful with respect to National City under the extraordinary circumstances described above, Goldman Sachs considered the liquidation analyses described below, in addition to certain other analyses summarized below, but did not rely on the traditional analyses that it would customarily have performed in preparing a fairness opinion.

Liquidation Analysis. Goldman Sachs considered the liquidation analysis, prepared by National City s management and approved by the National City board of directors for use by Goldman Sachs in connection with the rendering of its opinion, in assessing the value, if any, that holders of National City common stock would be expected to receive in respect of such stock in the event that National City s banking assets were taken over by United States federal banking regulators and its non-banking assets liquidated under applicable bankruptcy laws. Goldman Sachs determined that such liquidation analysis was relevant with respect to National City in view of the extraordinary circumstances of National City described above. The liquidation analysis illustrated (i) the implied proceeds from a liquidation of National City s assets under two possible scenarios and (ii) the application of such proceeds first in satisfaction of

National City s material outstanding obligations and liabilities in each scenario, thereby illustrating the implied proceeds that would be available to holders of National City common stock in each scenario. The illustrative liquidation proceeds were estimated by National City s management, in Case 1, assuming an immediate liquidation, and in Case 2, assuming a liquidation over a moderate (non-immediate) time frame.

Illustrative Proceeds:[(1)]

	Balance at 09/30/08	Implied Proceeds Case 1	Case 2
		(In billions)	
Portfolio Loans	$ 110	$ 73	$ 89
Other Assets	35	27	29
Total Assets	$ 145	$ 99	$ 118
Deposit Franchise	96	2	5
Total Implied Proceeds		$ 102	$ 123

(1) Source: National City management.

Illustrative Application of Proceeds:[(1)]

	Balance At 09/30/2008	Proceeds Received Case 1	Case 2
	(In billions, except per share values)		
Total Implied Proceeds		102	123
Secured Borrowings	10	(10)	(10)
Deposits	96	(92)	(96)
Other Liabilities	23	(0)	(18)
Liabilities	$ 128	$ (102)	$ (123)
Remaining Proceeds		0	0
Common Stock	17	0	0
Implied Equity Value per Share of National City Common Stock		$ 0	$ 0

(1) Source: National City management.

Goldman Sachs compared the illustrative liquidation proceeds per share of National City common stock, as implied by the foregoing liquidation analysis with the $2.23 value per share of National City common stock implied by the exchange ratio on the basis of the closing price of PNC common stock on October 23, 2008.

Discounted Cash Flow Analysis of PNC. Goldman Sachs conducted an illustrative discounted cash flow analysis with respect to PNC (on a stand-alone basis, using estimates for earnings per share derived from publicly available equity research) and compared the implied value per share of PNC common stock with the closing price of PNC common stock on October 23, 2008. Goldman Sachs used discount rates ranging from 8%-12%, forecasts for PNC earnings per share based on median IBES estimates for the second half of 2008, 2009 and 2010, grown at the median IBES long-term growth rate of 7.3% thereafter, a Tier 1 capital ratio ranging from of 8% to 9% and terminal forward earnings multiples in the range of 11x to 13x applied to estimated earnings for the period from July 1, 2013 to June 30, 2014. This analysis resulted in an implied present value per share of PNC common stock in the range of $55.90 to $74.93, compared to the $56.88 closing price of PNC common stock on October 23, 2008.

Table of Contents

Comparative Analysis of PNC Trading Multiples. Goldman Sachs also reviewed certain historical trading multiples of PNC common stock in relation to the corresponding median trading multiples for selected national banks and regional banks:

	Median Multiple of Price to Next 12 Months Earnings Estimates Over Period Ending on October 23, 2008			
	YTD 2008	1 Year	3 Years	5 Years
PNC	12.2x	11.9x	12.7 x	12.5x
National Banks(1) Median	11.1	10.5	11.4	11.3
Regional Banks(2) Median	11.1	10.7	12.2	12.5

	Median Multiple of Price to Tangible Book Value Over Period Ending on October 23, 2008		
	1 Year	3 Years	5 Years
PNC	4.2x	4.1x	4.0x
National Banks(1) Median	2.5	3.2	3.2
Regional Banks(2) Median	1.8	2.6	2.6

(1) National Banks include Bank of America, JPMorgan Chase, Citigroup and Wells Fargo.

(2) Regional Banks include US Bancorp, BB&T, SunTrust, M&T Bank, Fifth Third, Regions, KeyCorp and Comerica.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole and the circumstances described above, could create an incomplete view of the processes underlying Goldman Sachs opinion. In arriving at its fairness determination, Goldman Sachs considered the circumstances described above and the results of all of its relevant analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering such circumstances and the results of all of its relevant analyses. No company or transaction used in Goldman Sachs analyses is directly comparable to National City, PNC or the merger.

As described above, the opinion of Goldman Sachs to the National City board of directors was one of many factors taken into consideration by the National City board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as **Appendix C** to this proxy statement/prospectus.

National City selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience relevant to the merger. Pursuant to an engagement letter dated

September 30, 2008, National City retained Goldman Sachs to act as financial advisor in connection with the possible sale of all or a portion of National City. Pursuant to the terms of the engagement letter, National City has agreed to pay Goldman Sachs a transaction fee of $25 million for its services in connection with the merger, most of which is contingent upon consummation of the merger, to reimburse Goldman Sachs expenses incurred in connection with its engagement and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Goldman, Sachs and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of National City, PNC and any of their respective affiliates or any currency or commodity that may be involved in the transaction contemplated by the merger agreement for their own account and for the accounts of their customers. Goldman Sachs has acted as financial advisor to National City in connection with, and has participated in certain of the negotiations leading to the merger agreement. In addition, Goldman Sachs has provided certain investment banking and other financial services to National City and its affiliates from time to time, including having acted as counterparty to a derivative transaction entered into by National City in December 2006; as financial advisor to National City in connection with the sale of the First Franklin mortgage origination franchise and related servicing platform in December 2006; as sole bookrunner in a convertible bond offering by National City (aggregate principal amount of approximately $1.4 billion) in January 2008; as sole bookrunner in a mutli-tranche preferred stock offering by National City in January 2008; as joint bookrunner, manager, co-manager and/or selling group member with respect to various investment grade debt issuances by National City and certain of its affiliates from 2005 to 2008; and as financial advisor to National City with respect to an approximately $7 billion equity issuance by National City in April 2008. Goldman Sachs also has provided certain investment banking and other financial services to PNC and its affiliates from time to time, including having acted as lead manager, sole bookrunner and/or joint bookrunner with respect to investment grade debt issuances by PNC and/or its affiliates in an aggregate principal amount of approximately $3.3 billion from 2005 to 2008; as lead manager, sole manager and/or joint bookrunner with respect to issuances of preferred securities by PNC and/or its affiliates in an aggregate amount of approximately $1.75 billion from 2006 to 2008; provided individual asset management services to an affiliate of PNC in 2006; and acted as financial advisor to PNC with respect to the acquisition of Mercantile Bankshares Corporation in March 2007. Goldman Sachs also may provide investment banking and other financial services to National City, PNC and their respective affiliates in the future. In connection with the above-described services Goldman Sachs has received, and may receive, compensation.

Opinion of PNC s Financial Advisors to the PNC Board of Directors

Citigroup Global Markets

Citigroup Global Markets was retained to act as financial advisor to PNC in connection with a merger transaction with National City. Pursuant to Citigroup Global Markets letter agreement with PNC, dated October 23, 2008, Citigroup Global Markets delivered a written opinion to the PNC board of directors on October 31, 2008 to the effect that, based upon and subject to the considerations and limitations set forth in the opinion, Citigroup Global Markets work described below and other factors it deemed relevant, the aggregate consideration to be paid by PNC in connection with the merger was fair as of October 24, 2008, from a financial point of view, to PNC. As more fully described below, the aggregate consideration to be paid by PNC in connection with the merger consists of (i) the issuance of 0.0392 of a share of PNC common stock, par value $5.00 per share, for each outstanding share (with certain exceptions) of National City common stock, par value $4.00 per share and (ii) a payment to certain National City warrant holders of an amount in cash equal to approximately $384 million.

In connection with rendering its opinion, Citigroup Global Markets delivered a presentation to the PNC board of directors on October 31, 2008 with respect to the material analyses performed by Citigroup Global Markets in evaluating the fairness of the aggregate consideration to be paid by PNC in connection with the merger. Citigroup Global Markets noted that from a PNC shareholder perspective, the aggregate consideration to be paid in the transaction equates to a purchase price of $2.39 per share of National City common stock. In calculating the purchase price of $2.39 per share of National City common stock, Citigroup Global Markets noted that the total value of the aggregate consideration included an amount of approximately $5.3 billion payable in PNC common stock (determined by (A) multiplying the transaction exchange ratio of 0.0392x by PNC s closing price per common share as of October 23, 2008 of $56.88, and then (B) multiplying the resulting amount from (A) by the adjusted number of shares of National City common stock outstanding of 2,364 million shares) plus a cash amount of approximately $384 million payable to certain National City warrant holders, totaling an aggregate transaction value of approximately $5.7 billion. The aggregate transaction value of approximately $5.7 billion divided by 2,364 million adjusted shares of National City adjusted common stock outstanding equates to a per share price of National City common stock of $2.39.

The full text of Citigroup Global Markets opinion, which sets forth the assumptions made, general procedures followed, matters considered and limits on the review undertaken, is included as **Appendix D** to this document. The summary of Citigroup Global Markets opinion set forth below is qualified in its entirety by reference to the full text of the opinion. **You are urged to read Citigroup Global Markets opinion carefully and in its entirety.**

In arriving at its opinion, Citigroup Global Markets reviewed the merger agreement and held discussions with certain senior officers, directors and other representatives and advisors of PNC and certain senior officers and other representatives and advisors of National City concerning, among other things, the business, operations and prospects of National City and PNC and the effects of the merger on the financial condition and future prospects of PNC. Citigroup Global Markets examined certain publicly available business and financial information relating to National City and PNC as well as certain financial forecasts and other information and data relating to National City and PNC which were provided to or discussed with it by the respective managements of National City and PNC, including information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the management of PNC to result from the merger. Citigroup Global Markets reviewed the financial terms of the merger as set forth in the merger agreement in relation to, among other things: current and historical market prices and trading volumes of National City common stock and PNC common stock; the historical and projected earnings and other operating data of National City and PNC; and the capitalization and financial condition of National City and PNC.

Citigroup Global Markets considered, to the extent publicly available, the financial terms of certain other transactions effected which Citigroup Global Markets considered relevant in evaluating the merger and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citigroup Global Markets considered relevant in evaluating those of National City and PNC. Citigroup Global Markets also analyzed certain internal forecasts provided by PNC and National City and evaluated certain potential pro forma financial effects of the merger on PNC. In addition to the foregoing, Citigroup Global Markets conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citigroup Global Markets deemed appropriate in arriving at its opinion. The issuance of Citigroup Global Markets opinion was authorized by its fairness opinion committee.

In rendering its opinion, Citigroup Global Markets assumed and relied upon, without independent verification, the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and upon the assurances of the management of PNC that they were not aware of any relevant information that had been omitted or that remained undisclosed to Citigroup Global Markets. With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Citigroup Global Markets relating to PNC and National City and, in the case of certain potential pro forma financial effects of, and strategic implications and operation benefits resulting from, the merger, Citigroup Global Markets was advised by the management of PNC that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of PNC as to the future financial performance of National City and PNC, such strategic implications and operational benefits (including amount, timing and achievability thereof) anticipated to result from the merger and the other matters covered thereby, and have assumed, with the consent of PNC, that the financial results (including the potential strategic implications and operational benefits anticipated to result from the merger) reflected in such forecasts and other information and data will be realized in the amounts and at the times projected.

Citigroup Global Markets assumed, with the consent of PNC, that the merger will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition will be imposed that would have an

Table of Contents

adverse effect on National City, PNC or the contemplated benefits of the merger. Citigroup Global Markets also assumed, with the consent of PNC, that the merger will be treated as a tax-free reorganization for federal income tax purposes and that the representations and warranties made by PNC and National City in the merger agreement were and will be true and correct in all respects material to its analysis. Citigroup Global Markets did not consider any potential deposit divestitures that may be required from a regulatory perspective in connection with the merger nor did it express any opinion as to whether any such deposit divestitures may or will be required. Finally, with the consent of PNC, Citigroup Global Markets relied upon the advice PNC received from its legal, regulatory, accounting and tax advisors as to all legal, regulatory, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

In addition, Citigroup Global Markets did not review individual loan or credit files, nor did it make or was it provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of PNC or National City or any of their respective subsidiaries, nor did it make any physical inspection of the properties or assets of PNC or National City. Citigroup Global Markets is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of allowances for losses with respect thereto and, accordingly, Citigroup Global Markets assumed, with the consent of PNC, that such allowances for PNC and National City losses on a combined basis are adequate to cover all such losses.

Citigroup Global Markets opinion was necessarily based upon information available to it, and financial, stock market and other conditions existing, as of October 24, 2008. Citigroup Global Markets informed the PNC board of directors that subsequent developments may affect its opinion and that Citigroup Global Markets did not have any obligation to update, revise or reaffirm its opinion. Citigroup Global Markets opinion is limited to the fairness as of October 24, 2008, from a financial point of view, to PNC of the aggregate consideration to be paid by PNC in connection with the merger and Citigroup Global Markets did not express any opinion as to what the value of PNC common stock will be when issued pursuant to the merger or the price at which PNC common stock will trade at any time. Furthermore, Citigroup Global Markets expressed no view as to, and its opinion did not address, the underlying business decision of PNC to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for PNC or the effect of any other transaction in which PNC might engage. Citigroup Global Markets also expressed no view as to, and its opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the aggregate consideration.

Citigroup Global Markets advisory services and opinion were provided for the information of the PNC board of directors, and its opinion was not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the merger.

The following is a summary of the presentation Citigroup Global Markets delivered to the PNC board of directors on October 31, 2008 with respect to the material analyses performed by Citigroup Global Markets in evaluating the fairness of the aggregate consideration to be paid by PNC in connection with the merger. Unless otherwise noted, the analyses were based on the aggregate consideration of $2.39 per National City share, as calculated above. The summary includes information presented in tabular format. **In order to understand fully the financial analyses used by Citigroup Global Markets, these tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.** The following quantitative information, to the extent it is based on market data, is, except as otherwise indicated, based on market data as it existed on or prior to October 23, 2008, and is not necessarily indicative of current or future market conditions.

Historical Trading Analysis. Citigroup Global Markets reviewed the trading prices of PNC common stock and National City common stock for the period from October 24, 2003 through October 23, 2008. For each trading day in that period, Citigroup Global Markets derived the implied historical exchange ratio by dividing the closing price of

National City common stock by the closing price of PNC common stock. Citigroup Global Markets noted that the implied historical exchange ratio as of October 23, 2008, the last trading day prior to the announcement of the merger, was 0.0483x. The following table sets forth the average

Table of Contents

implied historical exchange ratios for the specified periods ended October 23, 2008 and the premium represented by each such ratio as compared to the exchange ratio implied by closing trading prices on October 23, 2008.

Period	Implied Exchange Ratio	Implied Premium to Market (October 23, 2008 Exchange Ratio)
One-Year Average	0.1564x	224%
Three-Year Average	0.3818x	690%
Five-Year Average	0.4899x	914%

Among other things, Citigroup Global Markets noted that the exchange ratio in the merger of 0.0392x per share of PNC common stock for each outstanding share of National City common stock was less than the one-year, three-year and five-year average implied historical exchange ratios.

Comparable Companies Analysis. Citigroup Global Markets compared financial and stock market data and forecasted financial information for PNC and National City with similar information for selected publicly traded super regional banks. The selected super regional banks considered by Citigroup Global Markets were divided into two reference groups, and consisted of the following:

Reference Group 1

- BB&T Corporation
- Comerica Incorporated
- Fifth Third Bancorp
- KeyCorp
- M&T Bank Corporation
- Regions Financial Corporation
- SunTrust Banks, Inc.
- U.S. Bancorp

Reference Group 2

- Wachovia Corporation

The financial information used by Citigroup Global Markets for all super regional banks in Reference Group 1 above in the course of this analysis was based on historical financial information as of September 30, 2008, market data as of October 23, 2008 and forecasted information published by Thomson Reuters Corporation (Reuters). Reuters is a data service that publishes compilations of earnings estimates by selected research analysts, among other things.

For each of the selected comparable super regional banks in Reference Group 1 above, Citigroup Global Markets derived and compared, among other things:

- the ratio of the company s closing price per common share on October 23, 2008, to its estimated earnings per share (EPS) for each of calendar years 2009 and 2010;

- the ratio of the company s closing price per common share on October 23, 2008, to its reported book value per share and tangible book value per share; and

- the implied core deposit premium represented by the company s closing price per common share on October 23, 2008 (determined by taking the excess of the company s market capitalization over tangible book value and dividing it by the company s core deposits, calculated as total deposits less certificates of deposits).

As for Reference Group 2, Citigroup Global Markets derived Wachovia Corporation s hypothetical adjusted closing price per common share as of October 23, 2008 by multiplying Wachovia Corporation s closing price per common share as of September 26, 2008 (which was the day prior to the announcement of the proposed acquisition of Wachovia Corporation by Citigroup, Inc.) of $10.00 per share by the median share price performance of the super regional banks in Reference Group 1 above, including PNC and National City (collectively referred to as the Super Regional Bank Index), for the period of September 26, 2008 through October 23, 2008. Citigroup Global Markets noted that the median share price performance of the Super Regional Bank Index for the period of September 26, 2008 through October 23, 2008 was a decrease of 25.6%. Citigroup Global Markets applied this 25.6% decrease to Wachovia Corporation s closing price per common share as of September 26, 2008 of $10.00 per share to derive a hypothetical adjusted closing price of $7.44 per share of Wachovia Corporation s common stock as of October 23, 2008.

With regard to Wachovia Corporation, Citigroup Global Markets derived and compared, among other things:

- the ratio of Wachovia Corporation s hypothetical adjusted closing price per common share on October 23, 2008 of $7.44 per share, to its estimated EPS for each of calendar years 2009 and 2010;
- the ratio of Wachovia Corporation s hypothetical adjusted closing price per common share on October 23, 2008 of $7.44 per share, to its reported book value per share and tangible book value per share; and
- the implied core deposit premium represented by Wachovia Corporation s hypothetical adjusted closing price per common share on October 23, 2008 of $7.44 per share (determined by taking the excess of the company s market capitalization over tangible book value and dividing it by the company s core deposits).

The following tables set forth the results of these analyses:

Reference Group 1

Common Share Price as Multiple of:	Range	Median
Estimated EPS for 2009	10.3x-15.6x	12.9x
Estimated EPS for 2010	5.6x-10.8x	8.1x
Book Value	0.34x-2.49x	0.75x
Tangible Book Value	0.79x-4.63x	1.19x

Implied Premium/(Discount) of Common Share Price to:	Range	Median
Core Deposits	(3.9)%-36.5%	2.5%

Reference Group 2

Hypothetical Adjusted Common Share Price as Multiple of:	Value
Estimated EPS for 2009	5.3x
Estimated EPS for 2010	3.3x
Book Value	0.40x
Tangible Book Value	0.81x

Implied Premium/(Discount) of Hypothetical Adjusted Common Share Price to:	**Value**
Core Deposits	(1.0)%

Based on the information for the super regional banks in Reference Group 1 above, Citigroup Global Markets derived a reference range for the implied equity value per share of National City common stock of $3.72 to $6.87. Based on the information for Wachovia Corporation in Reference Group 2 above, Citigroup Global Markets derived a reference range for the implied equity value per share of National City common stock of $3.80 to $4.64. Citigroup Global Markets noted that the aggregate consideration of $2.39 per National City share to be paid by PNC in connection with the merger was below each of the reference ranges of the

Table of Contents

implied equity value per share of National City common stock derived by Citigroup Global Markets in its comparable companies analysis.

Precedent Transactions Analysis. Citigroup Global Markets reviewed publicly available information for merger or acquisition transactions involving banks that it deemed relevant to its analysis of the merger. The transactions reviewed by Citigroup Global Markets were limited to (i) those transactions with a transaction value in excess of $500 million in which the target had a return on average assets over the 12 months prior to the announcement date of the acquisition of less than 0.5% and had a ratio of non-performing assets to total assets greater than 3% for the most recent quarter available preceding the announcement date of the acquisition and (ii) three other recent transactions deemed relevant by Citigroup Global Markets. The group of transactions consisted of the following:

Buyer Name	Target Name
Banco Santander S.A.	Sovereign Bancorp, Inc.
Wells Fargo & Company	Wachovia Corporation
Bank of America Corporation	Countrywide Financial Corporation
MacAndrews and Forbes	First Nationwide Federal Savings Bank
NationsBank Corporation	MNC Financial, Inc.
Washington Mutual, Inc.	Pacific First Federal Savings Bank
First Union Corporation	Dominion Bankshares
Bank One Corporation	Valley National Corporation
Society Corporation	Ameritrust Corporation
BankAmerica Corporation	Security Pacific Corporation
Chemical Banking Corporation	Manufacturers Hanover Corporation

For each precedent transaction above, Citigroup Global Markets derived and compared, among other things:

the ratio of the price per common share paid for the acquired company to the EPS of the acquired company for the latest twelve months (LTM) based on the latest publicly available financial statements of the acquired company prior to the announcement of the acquisition;

the ratio of the price per common share paid for the acquired company to the EPS of the acquired company for either the calendar year of, or the calendar year following, the announcement of the acquisition (Estimated Forward EPS);

the ratio of the price per common share paid for the acquired company to book value per share and tangible book value per share of the acquired company based on the latest publicly available financial statements of the acquired company prior to the announcement of the acquisition; and

the implied premium/(discount) represented by the price per common share paid for the acquired company to the acquired company s deposits (determined by taking the excess of the acquisition consideration over tangible book value and dividing it by the acquired company s deposits).

The following tables set forth the results of these analyses of the precedent transactions above:

Transaction Price as Multiple of:	Range	Median

LTM EPS	13.3x-39.9x	24.2x
Estimated Forward EPS	NM	NM
Book Value	0.23x-2.27x	0.96x
Tangible Book Value	0.32x-2.41x	1.16x

Implied Premium/(Discount) of Transaction Price to:	**Range**	**Median**
Deposits	(16.0)%-8.3%	1.2%

Based on the information derived for each of the precedent transactions above, Citigroup Global Markets derived a reference range for the implied equity value per share of National City common stock of $5.13 to $6.68. Citigroup Global Markets noted that the aggregate consideration of $2.39 per National City share to be

Table of Contents

paid by PNC in connection with the merger was below the reference range for the implied equity value of National City common stock derived by Citigroup Global Markets in its precedent transactions analysis as set forth above.

In addition, Citigroup Global Markets noted the following data with respect to the median implied multiples and premium for all bank merger or acquisition transactions since January 1, 2004 with a transaction value in excess of $1 billion, totaling 44 transactions:

Transaction Price as Multiple of:	Median
LTM EPS	19.9x
Estimated Forward EPS	17.3x
Book Value	2.50x
Tangible Book Value	3.43x

Implied Premium/(Discount) of Transaction Price to:	Median
Deposits	23.4%

With respect to the financial information for the companies involved in the precedent transactions analysis, Citigroup Global Markets relied upon information from public filings and company press releases, as well as information published by SNL Financial (SNL). Among other things, SNL compiles financial information regarding companies and merger and acquisition transactions in the banking and financial services sectors.

Discounted Cash Flow Analysis. Citigroup Global Markets performed a discounted cash flow analysis to estimate a range for the implied equity value per share of National City common stock as of October 23, 2008, including certain potential expenses and cost savings forecasted by PNC management to result from the merger. In this analysis, Citigroup Global Markets assumed a range for cost of equity of 9% to 12%, and used it to derive the present value of (1) National City s estimated free cash flows available to stockholders from 2009 to 2013, plus (2) National City s terminal value at the end of 2013. Terminal value for National City was calculated based on a range of 10.0x to 12.0x estimated 2014 net income. In performing this analysis, Citigroup Global Markets used earnings estimates provided by PNC management as of October 23, 2008 for National City and an estimated long-term annual growth rate for National City s EPS (based on estimates obtained from FactSet Research Systems Inc.) of 7.0%. Net income and balance sheet data were adjusted to account for certain restructuring charges anticipated by PNC management to result from the merger, including but not limited to credit and interest rate mark adjustments to National City s loan portfolio based on PNC management s estimates and PNC management s assumptions of cost savings resulting from the merger of approximately 10% of PNC and National City s combined pre-tax controllable expenses. In determining cash flows available to stockholders, Citigroup Global Markets assumed the maintenance of a constant Tier 1 risk-based capital ratio of 8.5% and a target ratio of tangible common equity as a percentage of total Tier 1 risk-based capital of 65%. Citigroup Global Markets forecasted the growth of National City s assets based on PNC management s estimates.

Based on these assumptions, Citigroup Global Markets derived a reference range for the implied equity value per share of National City common stock of $2.71 to $3.93. Citigroup Global Markets noted that the aggregate consideration of $2.39 per National City share to be paid by PNC in connection with the merger was below the reference range for the implied equity value per share of National City common stock derived by Citigroup Global Markets in its discounted cash flow analysis. Citigroup Global Markets also noted that the internal rate of return implied by the aggregate consideration of $2.39 per National City share to be paid by PNC in connection with the merger was above PNC s cost of equity.

Forecasted Pro Forma Financial Analysis. Citigroup Global Markets analyzed the estimated financial impact of the merger on PNC s 2009 through 2013 estimated GAAP EPS and 2009 through 2013 estimated cash EPS (CEPS). CEPS is determined by adding per share amortization of existing intangible assets and acquisition-related intangible assets to GAAP EPS. In the course of this analysis, Citigroup Global Markets used estimates from PNC management of GAAP EPS for 2009 through 2013 and assumed, based on management forecasts, that the merger will result in cost savings equal to approximately 10% of PNC and

Table of Contents

National City s combined pre-tax controllable expenses. Based on its analysis, Citigroup Global Markets determined that the merger would be dilutive to PNC s estimated GAAP EPS and estimated CEPS for 2009 and accretive to PNC s estimated GAAP EPS and estimated CEPS for 2010 through 2013 and noted that the Tier 1 risk-based capital ratio would remain above PNC s historical target range for each year during that period. Citigroup Global Markets also noted that PNC plans to issue to the U.S. Treasury $7.7 billion of preferred stock and related warrants under the TARP Capital Purchase Program, subject to standard closing requirements, and such issuance is included in its financial analyses.

* * *

The preceding discussion is a summary of the material financial analyses furnished by Citigroup Global Markets Inc. to the PNC board of directors, but it does not purport to be a complete description of the analyses performed by Citigroup Global Markets or of the presentation it delivered to the PNC board of directors. The preparation of financial analyses and fairness opinions is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. Citigroup Global Markets made no attempt to assign specific weights to particular analyses or factors considered, but rather made qualitative judgments as to the significance and relevance of all the analyses and factors considered and determined to give its fairness opinion as described above. Accordingly, Citigroup Global Markets believes that its analyses, and the summary set forth above, must be considered as a whole, and that selecting portions of the analyses and of the factors considered by Citigroup Global Markets, without considering all of the analyses and factors, could create a misleading or incomplete view of the processes underlying the analyses conducted by Citigroup Global Markets and its opinion. With regard to the comparable companies and precedent transaction analyses summarized above, Citigroup Global Markets selected comparable public companies and precedent transactions on the basis of various factors, including size and similarity of the line of business of the relevant entities; however, no company utilized in these analyses is identical to PNC or National City and no precedent transaction is identical to the merger. As a result, these analyses are not purely mathematical, but also take into account differences in financial and operating characteristics of the subject companies and other factors that could affect the transaction or public trading value of the subject companies to which PNC and National City are being compared.

In its analyses, Citigroup Global Markets made numerous assumptions with respect to PNC, National City, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of PNC and National City. Any estimates contained in Citigroup Global Markets analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Estimates of values of companies do not purport to be appraisals or to necessarily reflect the prices at which companies may actually be sold. Because these estimates are inherently subject to uncertainty, none of PNC, National City, the PNC board of directors, the National City board of directors, Citigroup Global Markets or any other person assumes responsibility if future results or actual values differ materially from the estimates.

Citigroup Global Markets analyses were prepared solely as part of Citigroup Global Markets analysis of the fairness of the aggregate consideration to be paid by PNC in connection with the merger and were provided to the PNC board of directors in that connection.

Citigroup Global Markets is an internationally recognized investment banking firm engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. PNC selected Citigroup Global Markets to act as its financial advisor on the basis of Citigroup Global Markets international reputation and Citigroup Global Markets familiarity with PNC. Citigroup Global Markets and its affiliates in the past have provided, and currently provide, services to PNC and its affiliates unrelated to the merger, for which services Citigroup Global Markets and its affiliates have received and expect to receive compensation, including, without limitation, acting as financial advisor to PNC in connection with the acquisition of Yardville National Bancorp, acting as financial advisor to PNC in connection with the acquisition of Mercantile Bankshares Corporation and acting as the lead manager or lead underwriter of

Table of Contents

various PNC debt offerings. In addition, Citigroup Global Markets and its affiliates in the past have provided services to National City and its affiliates unrelated to the merger, for which services Citigroup Global Markets and its affiliates have received compensation, including, without limitation, acting as the lead manager or lead underwriter of various National City debt offerings. In the ordinary course of its business, Citigroup Global Markets and its affiliates may actively trade or hold the securities of PNC or National City for its own account or for the account of customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citigroup Global Markets and its affiliates, including Citigroup Inc. and its affiliates, may maintain relationships with PNC, National City and their respective affiliates.

Pursuant to its letter agreement with Citigroup Global Markets, PNC has paid Citigroup $2.5 million in fees in connection with the merger, and an additional $7.5 million will become payable upon consummation of the merger. PNC has also agreed to reimburse Citigroup Global Markets for its reasonable travel and other out-of-pocket expenses incurred in connection with its engagement, including the reasonable fees and expenses of its counsel, and to indemnify Citigroup Global Markets against specific liabilities and expenses relating to or arising out of its engagement, including liabilities under the federal securities laws.

JPMorgan

On October 31, 2008 JPMorgan rendered its written opinion to the PNC board of directors that, as of October 24, 2008 and based upon and subject to the factors and assumptions set forth in its opinion, the aggregate consideration (consisting of the issuance of shares of PNC common stock at an exchange ratio of 0.0392 shares of PNC common stock for each outstanding share of National City common stock, plus the payment of a cash amount of approximately $384 million in the aggregate to certain National City warrant holders) to be paid by PNC in connection with the merger with National City was fair, from a financial point of view, to PNC. The issuance of JPMorgan s opinion was approved by a fairness opinion committee of JPMorgan on October 24, 2008.

The full text of the written opinion of JPMorgan, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan in connection with the opinion, is attached to this document as **Appendix E** and is incorporated in this document by reference. JPMorgan provided its advisory services and opinion for the information of the PNC board of directors in connection with its consideration of the merger. The description of the JPMorgan opinion is qualified in its entirety by reference to the full text of the opinion set forth in **Appendix E**. Holders of PNC common stock should read this opinion carefully and in its entirety.

JPMorgan s opinion is directed to the PNC board of directors and addresses only the fairness, from a financial point of view, to PNC of the aggregate consideration to be paid in connection with the merger. JPMorgan s opinion does not address the underlying decision by PNC to engage in the merger. Moreover, JPMorgan has expressed no opinion as to the price at which PNC s common stock will trade at any future time. JPMorgan was not asked to, and did not, recommend the specific aggregate consideration payable in the merger, which consideration was determined through negotiations between PNC and National City. JPMorgan s opinion does not constitute a recommendation as to how any holder of PNC common stock should vote with respect to the merger or any other matter.

In arriving at its opinion, JPMorgan, among other things:

- reviewed the merger agreement;
- reviewed certain publicly available business and financial information concerning National City and PNC and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies JPMorgan deemed relevant and the consideration paid to holders of equity of such companies;

compared the financial and operating performance of National City and PNC with publicly available information concerning certain other companies JPMorgan deemed relevant and reviewed the current and historical market prices of National City common stock and PNC common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of PNC relating to the respective businesses of National City and PNC, as well as the estimated amount and timing of cost savings, including tax benefits, and related expenses and synergies expected to result from the merger (referred to in this section as the Synergies); and

performed such other financial studies and analyses and considered such other information as JPMorgan deemed appropriate for the purposes of its opinion.

In addition, JPMorgan held discussions with certain members of the management of PNC and National City with respect to certain aspects of the merger, the past and current business operations of National City and PNC, the financial condition and future prospects and operations of National City and PNC, the effects of the merger on the financial condition and future prospects of PNC, and certain other matters that JPMorgan believed necessary or appropriate to its inquiry.

In giving its opinion, JPMorgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with JPMorgan by PNC and National City or otherwise reviewed by or for JPMorgan, and JPMorgan did not independently verify (nor did JPMorgan assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. JPMorgan did not review individual credit files and it did not conduct, nor was it provided with, any independent valuation or appraisal of any assets or liabilities (including any derivative or off-balance sheet assets or liabilities), nor did it evaluate the solvency of National City or PNC under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, JPMorgan is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto and, accordingly, JPMorgan assumed, with the consent of the PNC board of directors, that such allowances for losses are in the aggregate adequate to cover such losses. In relying on financial analyses and forecasts provided to it or derived therefrom, including the Synergies, JPMorgan assumed, with the consent of the PNC board of directors, that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management of PNC as to the expected future results of operations, financial conditions and access to capital and associated capital levels of National City and PNC to which such analyses or forecasts relate. JPMorgan expressed no view as to the foregoing analyses or forecasts (including the Synergies) or the assumptions on which they were based. JPMorgan also assumed that the merger will constitute a tax-free reorganization for United States tax purposes and that the other transactions contemplated by the merger agreement will be consummated as described in the merger agreement. JPMorgan further assumed that the representations and warranties made by PNC and National City in the merger agreement are and will be true and correct, and that the conditions in the merger agreement to PNC s obligation to consummate the merger will be satisfied (and not waived), in each case in all respects material to JPMorgan s analysis. JPMorgan is not a legal, accounting, regulatory or tax expert and relied on the assessments made by the advisors to PNC with respect to such issues. JPMorgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on National City or PNC or on the contemplated benefits of the merger.

JPMorgan necessarily based its opinions on economic, market and other conditions as in effect on, and the information made available to JPMorgan as of, October 24, 2008. Subsequent developments may affect its opinion, and JPMorgan does not have any obligation to update, revise or reaffirm its opinion. JPMorgan s opinion is limited to the fairness, from a financial point of view, to PNC of the aggregate consideration to be paid by PNC in connection with the merger and JPMorgan expressed no opinion as to the fairness of the merger to the holders of any class of securities, creditors or other constituencies of PNC or as to the underlying decision by PNC or National City to engage in the merger. Furthermore, JPMorgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to the aggregate consideration to be paid in connection with the merger or with respect to the fairness of any such compensation.

Table of Contents

In accordance with customary investment banking practice, JPMorgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the presentation JPMorgan delivered to the PNC board of directors with JPMorgan s written opinion with respect to the material financial analyses that JPMorgan used in providing its opinion and does not purport to be a complete description of the analyses underlying JPMorgan s opinion. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by JPMorgan more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of JPMorgan s financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by JPMorgan.

Implied Value and Multiple Analysis. Based upon the consideration to be received by National City stockholders and certain holders of National City warrants and the $56.88 closing market price of PNC common stock on October 23, 2008, JPMorgan calculated that the implied value of the aggregate consideration was $2.39 per share of National City common stock. This implied value represents approximately a 13% discount to $2.75 (the closing price per share of National City common stock on October 23, 2008) and approximately a 20% discount to $3.00 (the closing price per share of National City common stock on October 17, 2008).

JPMorgan also determined based on I/B/E/S median estimates and PNC management estimates the multiples of the implied offer price to: estimated 2009 GAAP earnings per share (EPS) of National City (both before and after giving effect to the pre-tax Synergies, estimated by PNC management to be $1.2 billion); the tangible book value per share of National City common stock as of September 30, 2008 (both before and after giving effect to approximately $6.7 billion of after-tax mark-to-market adjustments to National City s assets and liabilities as estimated by PNC management); and the premium to core deposits (comprising domestic deposits excluding CDs with a principal amount of greater than $100,000) as of September 30, 2008 (based on publicly available information regarding the mix of domestic core deposits as a percentage of total domestic deposits as of June 30, 2008). I/B/E/S is a database owned and operated by Thomson Financial, which contains estimated and actual earnings, cash flows, dividends and other data for U.S. and foreign markets. The results of this analysis are summarized as follows:

	I/B/E/S Median Estimates		**PNC Management Case**	
	Metric	**Multiple**	**Metric**	**Multiple**
Price to 2009 GAAP EPS	$ (0.15)	NM	$ (0.06)	NM
Price to 2009 GAAP EPS (with Synergies)	$ 0.20	11.8x	$ 0.30	8.1x
Price to tangible book value per share	$ 6.08	0.4x	$ 6.08	0.4x
Price to tangible book value per share (on a mark-to-market basis)	$ 2.81	0.9x	$ 2.81	0.9x
Core deposits (in billions)	$ 75.4	NM	$ 75.4	NM

Comparable Transactions. Using publicly available information, JPMorgan examined the following post January 2006 transactions involving a U.S. bank or thrift as a target company with transaction values greater than $1.5 billion:

Announcement Date	**Acquiror**	**Target**
October 2008	Santander Bancorp	Sovereign Bancorp, Inc.
October 2008	Wells Fargo & Company	Wachovia Corporation
August 2008	Mitsubishi UFJ Financial Group, Inc.	UnionBanCal Corporation

October 2007	TD Banknorth Inc.	Commerce Bancorp, Inc.
April 2007	Bank of America Corporation	LaSalle Bank Corporation
February 2007	Banco Bilbao Vizcaya Argentaria, S.A.	Compass Bancshares, Inc.
October 2006	PNC Financial Services Group, Inc.	Mercantile Bankshares Corporation
May 2006	Wachovia Corporation	Golden West Financial Corporation
March 2006	Capital One Financial Corporation	North Fork Bancorporation, Inc.

For each of these transactions, JPMorgan examined the premium to the target company s market price five days prior to announcement, the transaction P/E ratio as a percentage of acquirer P/E ratio, the price as a multiple of estimated twelve-month forward projected GAAP EPS, cash EPS and tangible book value and the premium to core deposits based on information it obtained from SNL Financial and FactSet and from filings with the Securities and Exchange Commission. Set forth below are the observations that result from the comparison of the data related to the comparable transactions described above, based on information available as of October 23, 2008:

	Low/High Range	**Median**
Premium to target company s market price five days prior to announcement	(32)%-30%	17%
Transaction P/E ratio as a % of acquirer P/E ratio	119%-210%	140%
Price to 12-month forward GAAP EPS	14.5x-23.4x	18.6x
Price to 12-month forward cash EPS	14.5x-23.3x	18.3x
Price to tangible book value	0.6x-4.9x	3.0x
Core deposit premium	13.5%-40.0%	26.7%

National City Historical Trading Analysis. JPMorgan reviewed the share price trading history of the National City common stock for the one-year period beginning on October 23, 2007 and ending on October 23, 2008. During this period, JPMorgan noted that the National City common stock traded as low as $1.25 per share and as high as $24.83 per share, as compared to the closing price of the National City common stock on October 23, 2008 of $2.75 per share and the implied value of the merger consideration of $2.39 per share.

National City Comparable Companies Analysis. Using publicly available information, JPMorgan compared selected financial and market data of National City with similar data for the following companies:

Selected Companies

BB&T Corporation
Comerica Incorporated
Fifth Third Bancorp
KeyCorp
M&T Bank Corporation
Regions Financial Corporation
SunTrust Banks, Inc.
U.S. Bancorp

JPMorgan calculated and compared various financial multiples and ratios based on publicly available financial data as of September 30, 2008 and market data as of October 23, 2008. The multiples and ratios of National City were calculated using the closing price of National City common stock and PNC common stock as of October 23, 2008. The multiples and ratios for each of the selected companies were based on the most recent publicly available information. With respect to the selected companies, JPMorgan presented:

- price as a percentage of the selected company s 52-week high;
- multiple of price to 2009 I/B/E/S median estimated GAAP EPS;
- multiple of price to stated book value and tangible book value per share;

price as a percentage premium to core deposits; and

I/B/E/S consensus estimated long-term growth rate of GAAP EPS.

Set forth below are the observations that result from the comparison of the data related to the comparable companies described above:

	Selected Companies Median	National City	PNC
% of 52-week high	48.6%	11.1%	64.6%
Price to 2009 GAAP EPS	12.8x	NM	11.6x
Price to book value	0.75x	0.33x	1.46x
Price to tangible book value	1.20x	0.45x	4.46x
Core deposit premium (%)	13.0%	NM	18.6%
Consensus long-term growth (%)	5.5%	8.0%	7.3%

National City Dividend Discount Analysis with Synergies. JPMorgan calculated a range of values for the National City common stock implied by discounting to present values PNC management s estimates of National City s future dividend stream and taking into account PNC management s estimate of the Synergies. In performing its analysis, JPMorgan utilized the following assumptions, among others:

net income from 2009 to 2013 based on PNC management s estimates;

target capitalization to achieve a minimum 8.5% Tier 1 ratio, of which 65% would be tangible common equity; excess capital above target tangible common equity available for dividends, per PNC management;

pre-tax Synergies of $1.2 billion, phased in 50% in 2009, 75% in 2010, and 100% in 2011;

after-tax purchase accounting mark-to-market adjustments of $6.7 billion, after-tax restructuring charge of $1.7 billion and after-tax conforming loan loss provision of $1.2 billion, per PNC management;

a terminal value of National City common stock at the end of 2013 based on a price to earnings multiple range of 8.0x to 14.0x 2014 projected earnings;

discount rates from 11.0% to 15.0% to calculate present value of the dividend stream and terminal values;

a 33% marginal tax rate, and

a pre-tax cost of excess equity of 5%.

The calculations resulted in a range of fully diluted equity values of $2.05 to $4.22 per share of National City common stock, on a pro forma basis, as illustrated by the following table:

	Terminal Multiple			
Discount Rate	**8.0x**	**10.0x**	**12.0x**	**14.0x**
11.0%	$ 2.55	$ 3.11	$ 3.66	$ 4.22

13.0%	$ 2.29	$ 2.79	$ 3.30	$ 3.81
15.0%	$ 2.05	$ 2.51	$ 2.97	$ 3.44

PNC Historical Trading Analysis. JPMorgan reviewed the share price trading history of the PNC common stock for the one-year period beginning on October 23, 2007 and ending on October 23, 2008. During this period, JPMorgan noted that the PNC common stock traded as low as $49.01 per share and as high as $87.99 per share, as compared to the closing price of the PNC common stock on October 23, 2008 of $56.88 per share.

Table of Contents

PNC Comparable Companies Analysis. Using publicly available information, JPMorgan compared selected financial and market data of PNC with similar data for the following companies:

Selected Companies

BB&T Corporation
Comerica Incorporated
Fifth Third Bancorp
KeyCorp
M&T Bank Corporation
Regions Financial Corporation
SunTrust Banks, Inc.
U.S. Bancorp

JPMorgan calculated and compared various financial multiples and ratios based on publicly available financial data as of September 30, 2008 and market data as of October 23, 2008. The multiples and ratios of PNC were calculated using the closing price of PNC common stock as of October 23, 2008. The multiples and ratios for each of the selected companies were based on the most recent publicly available information. With respect to the selected companies, JPMorgan presented:

- price as a percentage of the selected company s 52-week high;
- multiple of price to 2009 I/B/E/S median estimated GAAP EPS;
- multiple of price to stated book value and tangible book value per share;
- price as a percentage premium to core deposits; and
- I/B/E/S consensus estimated long-term growth rate of GAAP EPS.

The results of this analysis are set forth below:

	Selected Companies Median	PNC
% of 52-week high	48.6%	64.6%
Price to 2009 GAAP EPS	12.8x	11.6x
Price to book value	0.75x	1.46x
Price to tangible book value	1.20x	4.46x
Core deposit premium (%)	13.0%	18.6%
Consensus long-term growth (%)	5.5%	7.3%

Based on 10.0x and 13.0x 2009 GAAP EPS of $4.92, the implied value of PNC common stock ranged from approximately $49.20 to $63.96 per share.

PNC Stand Alone Dividend Discount Analysis. JPMorgan calculated a range of values for the PNC common stock implied by discounting to present values PNC management s estimates of PNC s future dividend stream. In performing its analysis, JPMorgan utilized the following assumptions, among others:

earnings per share in 2009 based on I/B/E/S median estimated earnings per share, as adjusted by PNC management**;**

an annual earnings per share growth from and after 2010 of 8.5% per PNC management;

a targeted tangible common equity/tangible assets (TCE/TA) ratio of 4.5% per PNC management;

a terminal value of PNC common stock at the end of 2013 based on a price to earnings multiple range of 8.0x to 14.0x 2014 estimated earnings;

discount rates from 11.0% to 13.0% to calculate the present value of the dividend stream and terminal values;

a 33% marginal tax rate, and

pre-tax cost of excess equity of 5%.

The calculations resulted in a range of fully diluted values of $41.89 to $68.36 per share of PNC common stock, on a stand-alone basis, as illustrated by the following table:

	Terminal Multiple			
Discount Rate	**8.0x**	**10.0x**	**12.0x**	**14.0x**
11.0%	$ 45.32	$ 53.09	$ 60.87	$ 68.36
12.0%	$ 43.56	$ 51.00	$ 58.43	$ 65.70
13.0%	$ 41.89	$ 49.00	$ 56.11	$ 63.18

Historic Exchange Ratio Analysis. JPMorgan compared the historical share prices of National City common stock and PNC common stock during different periods between January 2005 and October 2008 and calculated the implied average and median exchange ratios that existed during various periods therein. In addition, JPMorgan determined the implied ownership percentage of PNC common stock that the holders of National City common stock would acquire in the merger based on the implied exchange ratio on October 23, 2008 and the implied average exchange ratios for the five, 30 and 90 trading days ending on October 23, 2008. The following table sets forth the implied exchange ratio of shares of PNC common stock for each outstanding share of National City common stock for the periods indicated and the resulting implied ownership percentage on October 23, 2008 and for the five, 30 and 90 trading days ending on October 23, 2008:

	Share Prices			
	National City	**PNC**	**Implied Exchange Ratio**	**Implied National City Ownership**
October 23, 2008	$ 2.75	$ 56.88	0.0483x	22.0%
5 trading days ending October 23, 2008 average	$ 2.89	$ 57.82	0.0501x	22.6%
30 trading days ending October 23, 2008 average	$ 3.36	$ 69.19	0.0485x	22.1%
90 trading days ending October 23, 2008 average	$ 4.33	$ 67.21	0.0644x	27.3%
YTD 2008 median	$ 5.67	$ 65.35	0.0867x	
FY 2007 median	$ 33.69	$ 72.16	0.4669x	
FY 2006 median	$ 36.05	$ 69.59	0.5180x	
FY 2005 median	$ 34.55	$ 55.07	0.6274x	

The foregoing summary of certain financial analyses does not purport to be a complete description of the analyses or data reviewed by JPMorgan. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and therefore, is not readily susceptible to partial analysis or summary description. JPMorgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. No single factor or analysis was determinative of JPMorgan s fairness determination, and JPMorgan did not attribute any particular weight to any analysis or factor considered by it. Rather, JPMorgan considered the totality of the factors and analyses performed in determining its opinion and made its determination as to fairness based on its professional judgment and after considering the results of all of its analyses. JPMorgan based its analyses on assumptions that it deemed reasonable, including those concerning general business, economic, market and financial conditions, industry-specific factors, and other matters. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by JPMorgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, JPMorgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed as described in the above summary is identical to National City or PNC, and none of the selected transactions reviewed was identical to the merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of JPMorgan s analysis, may be considered similar to those of PNC and National City. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of JPMorgan s analysis, may be considered similar to the merger. The analyses necessarily involve complex considerations and judgments concerning, with respect to the selected companies, differences in financial and operating characteristics of the comparable companies and other factors that could affect public trading values of such comparable companies and, with respect to the selected transactions, differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to PNC and National City and the transactions compared to the merger. Mathematical analysis (such as determining the median) is not by itself a meaningful method of using selected company or merger and acquisition transaction data.

The terms of the merger agreement were determined through negotiations between PNC and National City and were approved by the PNC board of directors. Although JPMorgan provided advice to PNC during the course of the negotiations, the decision to enter into the merger was solely that of the PNC board of directors.

As a part of its investment banking business, JPMorgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. JPMorgan and its affiliates have provided, and in the future may continue to provide, for compensation, investment banking and other services to PNC and National City. Specifically, JPMorgan acted as lead underwriter with respect to public offerings by subsidiaries of PNC of debt securities in September 2006, December 2007 and March 2008 and of preferred stock in May 2008. In addition, certain of JPMorgan s affiliates act as agent bank and are lenders under certain credit facilities of PNC and National City, respectively, act as counterparty on various derivative transactions with PNC and National City, respectively, and provide treasury and cash management services to each of PNC and National City. In the ordinary course of business, JPMorgan and its affiliates may actively trade in the debt and equity securities of PNC and National City for their own accounts or for the accounts of their customers, and accordingly, may at any time hold a long or short position in such securities. JPMorgan s opinion was approved by a fairness opinion committee of JP Morgan Securities Inc.

PNC selected JPMorgan to advise it and deliver a fairness opinion with respect to the merger on the basis of its experience and its familiarity with PNC. Pursuant to its engagement letter with JPMorgan, PNC has agreed to pay JPMorgan $10 million in fees, a significant portion of which is payable if and when the merger is completed. In addition, PNC has agreed to reimburse JPMorgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify JPMorgan against certain liabilities, including liabilities arising under federal securities laws.

PNC Board of Directors Following Completion of the Merger

Upon completion of the merger, the PNC board of directors will consist of those directors serving immediately prior to the completion of the merger and one director from among the directors of National City immediately prior to completion of the merger. Information about the current PNC directors and executive officers can be found in the documents listed under the heading PNC SEC Filings in the section entitled Where You Can Find More Information on page [ ].

Public Trading Markets

PNC common stock trades on the NYSE under the symbol PNC. National City common stock trades on the NYSE under the symbol NCC. Upon completion of the merger, National City common stock will be delisted from the NYSE and deregistered under the Securities Exchange Act of 1934, as amended. The newly issued PNC common stock issuable pursuant to the merger agreement will be listed on the NYSE.

Each outstanding share of National City 9.875% Fixed-To-Floating Rate Non-Cumulative Preferred Stock, Series F, is represented by National City Depositary Shares that are listed on the NYSE. Each depository share represents a 1/4000th interest in a share of National City Series F Preferred Stock. Following the exchange of

Table of Contents

New PNC Preferred Stock for National City Series F Preferred Stock in the merger under the Series F Deposit Agreement, these depositary shares will continue to be listed on the NYSE upon completion of the merger under a new name and will be traded under a new symbol.

National City Stockholders Do Not Have Dissenters Appraisal Rights in the Merger

Appraisal rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the DGCL.

Section 262 of the DGCL provides that stockholders have the right, in some circumstances, to dissent from certain corporate action and to instead demand payment of the fair value of their shares. Stockholders do not have appraisal rights with respect to shares of any class or series of stock if such shares of stock, or depositary receipts in respect thereof, are either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders, unless the stockholders receive in exchange for their shares anything other than shares of stock of the surviving or resulting corporation (or depositary receipts in respect thereof), or of any other corporation that is publicly listed or held by more than 2,000 holders of record, cash in lieu of fractional shares or fractional depositary receipts described above or any combination of the foregoing.

Therefore, because National City s common stock is listed on the NYSE, holders of National City common stock will not be entitled to dissenters appraisal rights in the merger with respect to their shares of National City common stock. Furthermore, because the National City Depositary Receipts for the shares of National City preferred stock that are being converted in the merger are listed on the NYSE, National City s preferred stockholders do not have dissenters appraisal rights in the merger with respect to their shares of National City preferred stock.

Regulatory Approvals Required for the Merger

Completion of the merger is subject to prior receipt of all approvals and consents required to be obtained from applicable governmental and regulatory authorities to complete the merger. PNC and National City have agreed to cooperate and use all reasonable best efforts to obtain all permits, consents, approvals and authorizations from any governmental or regulatory authority necessary to consummate the transactions contemplated by the merger agreement as promptly as practicable.

There can be no assurance that regulatory approvals will be obtained, that such approvals will be received on a timely basis, or that such approvals will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a material adverse effect on the financial condition, results of operations, assets or business of PNC or National City following completion of the merger.

Federal Reserve Approval. The Federal Reserve must approve the merger before the merger can be completed. Federal Reserve approval is required because PNC is a bank holding company proposing to acquire another bank holding company, National City. In reviewing the transactions under the applicable statues, the Federal Reserve will consider, among other factors, the competitive impact of the merger. On November 4, 2008, PNC filed the required application with the Federal Reserve Board for approval of the merger.

The Federal Reserve Board will also consider the financial and managerial resources of the companies and their subsidiary banks and the convenience and needs of the community to be served as well as the companies effectiveness in combating money-laundering activities. In connection with their review, the Federal Reserve Board will provide an opportunity for public comment on the application for the merger, and are authorized to hold a public meeting or other proceeding if they determine that would be appropriate.

Under the Community Reinvestment Act of 1977, which we refer to as the CRA, the Federal Reserve Board must take into account the record of performance of each of PNC and National City in meeting the credit needs of the entire communities, including low- and moderate-income neighborhoods, served by the companies and their subsidiaries. As of their last respective examinations, each of PNC s and National City s principal banks were rated outstanding . Applications or notifications may also be required to be filed with various other regulatory authorities in connection with the merger.

Antitrust Approval. The merger is subject to review by the DOJ or the FTC, to determine whether it complies with applicable antitrust law. Under the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, and its related rules, the merger cannot be completed until both PNC and National City file notifications of the merger with the DOJ and the FTC and the specified waiting periods have expired or been terminated. Each of PNC and National City expect to file its notification of the merger with the DOJ and the FTC before November 13, 2008.

The parties are required to submit a notification of the merger to the Canadian Bureau of Competition under the Canadian Competition Act. The parties currently contemplate submitting either a short-form filing, which requires a 14-day waiting period, or a request for an advance ruling certificate.

Other Applications and Notices. Other applications and notices are being filed with various regulatory authorities and self-regulatory organizations in connection with the merger, including applications and notices in connection with the indirect change in control, as a result of the merger, of certain subsidiaries directly or indirectly owned by National City.

PNC and National City are not aware of any governmental approvals or compliance with banking laws and regulations that are required for the merger to become effective other than those described above. PNC and National City intend to seek any other approval and to take any other action that may be required to complete the merger. There can be no assurance that any required approval or action can be obtained or taken prior to the meeting.

Litigation Related to the Merger

Several class action lawsuits are pending in the Delaware and Ohio state and federal courts relating to the merger. Seven such actions have been filed in the Delaware Chancery Court, each on behalf of a putative class of National City stockholders and each naming National City, the National City directors, and PNC as defendants. Those actions are captioned *Klein v. National City Corp.*, C.A. No. 4118-CC; *Kahn v. Raskind*, C.A. No. 4120-CC; *Anderson v. National City Corp.*, C.A. No. 4123-CC; *Sicherman v. National City Corp.*, C.A. No. 4129-CC; *Insulators & Asbestos Workers Local No. 14 v. Raskind*, C.A. No. 4131-CC; *Ebig v. National City Corp.*, C.A. No. 4132-CC; *Brabua Inv. Co., LLC v. National City Corp.*, C.A. No. 4143-CC. The complaints generally allege that the National City directors breached their fiduciary duties of loyalty, good faith, candor and due care in connection with the merger. The complaints variously allege that the directors breached fiduciary duties by: agreeing to sell National City without taking steps to ensure that the stockholders would obtain adequate consideration; engineering the proposed transaction to benefit themselves and/or PNC without regard to National City s public stockholders; agreeing to merger terms, including the option agreement, that unreasonably hinder the possibility of a superior offer; agreeing to the merger in an artificially short time period and without fully informing themselves as to whether the proposed merger provided fair and adequate value for National City s stockholders; and failing to disclose material information regarding the transaction and the value of National City. The complaints also variously allege that the directors or other National City insiders suffer from conflicts of interest, in that the top three executives allegedly could receive up to $41 million in severance payments following the sale of National City; that Corsair will be made whole on its investment in National City; and that National City s financial advisor, Goldman Sachs, had a conflict of interest in that it had acted as financial advisor to PNC in a prior transaction. In each of the actions, PNC is alleged to have aided and abetted the alleged breaches of duty by the National City directors. The complaints seek, among other things, orders preliminarily and permanently enjoining the merger transaction, rescinding or setting aside the merger if consummated, and awarding plaintiffs attorneys fees and expenses.

On November 3, 2008, the Delaware Chancery Court entered an order in the *Anderson* case providing for expedited discovery and a hearing on the plaintiff s motion for a preliminary injunction on December 15, 2008. On November 4, 2008, the plaintiffs in the *Kahn* and *Insulators & Asbestos Workers Local No. 14* actions moved to consolidate certain of the Delaware actions and that motion remains pending. On November 5, 2008, the plaintiff in the Klein action filed a notice of voluntary dismissal of that action.

Three actions relating to the merger are pending in Ohio state and federal courts, each on behalf of a putative class of National City stockholders: *McNiel v. National City Corp.*, 08 CV 67454, and *Ward v. National City Corporation*, 08 CV 674959, both pending in the Court of Common Pleas, Cuyahoga County, Ohio, and *Skelly v. National City Corp.*, 08-cv-12552-SO, pending in the United States District Court for the Northern District of Ohio. The actions name as defendants National City and the National City directors (PNC is also named as a defendant in the *McNiel* and *Ward* cases), and allege that the National City directors breached their fiduciary duties of loyalty, good faith, care, independence and candor in connection with the merger. The factual allegations and relief sought are similar to those described above as to the Delaware merger lawsuits.

A separate shareholder derivative action, captioned *Sheeler v. Barfield*, 08 CV 650642, is pending in the Court of Common Pleas, Cuyahoga County, Ohio. *Sheeler* was filed in February 2008 by a purported National City stockholder against the National City directors, seeking relief for the benefit of National City based on allegations that the National City directors breached their duties of care, loyalty, reasonable inquiry, oversight, good faith and supervision in their conduct as directors between April 2007 and February 2008. *Sheeler* was stayed by the court on October 10, 2008. On October 29, 2008, the plaintiff filed a motion to lift the stay and for expedited discovery in support of a proposed amended complaint. The proposed amended complaint, brought on behalf of a new plaintiff, asserts both the previously-asserted derivative claims and new class-action claims relating to the merger. The merger-related class claims make factual allegations and seek relief similar to those described above as to the Delaware merger lawsuits, and further assert that the National City directors agreed to sell National City in order to evade potential liability in pending derivative litigation.

A second separate shareholder derivative action, captioned *In re National City Corporation Derivative Litigation*, No. 08-CV-163, has been pending in the United States District Court for the Northern District of Ohio since January 2008. That action involves allegations similar to those in the *Sheeler* action described above, and also alleges that the National City board of directors violated Section 10(b) of the Securities Exchange Act and Rule 10b-5 by causing National City to buy back shares of National City common stock in early 2007 at prices that were allegedly artificially inflated. On November 5, 2008, the plaintiffs moved to amend their complaint to add merger-related class-action claims similar to those asserted in the Delaware merger lawsuits described above. The proposed amended complaint further asserts that the National City directors agreed to sell National City in order to evade potential liability in pending derivative litigation. The relief requested in the proposed merger-related class-action claims is similar to the relief sought in the Delaware merger lawsuits.

Upon consummation of the merger, plaintiffs who have asserted derivative claims on behalf of National City may lose standing to assert such claims on behalf of National City because they will no longer be stockholders of National City.

Interests of Certain National City Directors and Executive Officers in the Merger

National City s executive officers and directors have interests in the merger that are in addition to, and may be different from, the interests of National City stockholders generally. For purposes of the National City agreements and plans described below, the completion of the transactions contemplated by the merger agreement will generally constitute a change in control.

National City Stock Awards. Employees, including executive officers, of National City have received, from time to time, grants of stock options, shares of restricted stock, or RS, and restricted stock units, or RSUs, under National City s applicable stock incentive plans. Under the terms of these plans, upon a change of control of National City, unvested stock options, RS and RSUs generally will vest and become exercisable upon a change of control (with performance-based RSUs vesting at target performance). Messrs. Raskind and Frate each have options, RS, RSUs and performance-based RSUs. Mr. Gorney has options, RS, and RSUs. The merger agreement provides for the conversion of National City stock options into stock options to purchase PNC common stock, as adjusted by the exchange ratio. Assuming a closing date of the merger of

Table of Contents

December 31, 2008, National City s 14 executive officers in the aggregate will hold 3,238,034 unvested National City stock options at a weighted average exercise price of $13.82 per National City share, which will vest upon completion of the merger. In addition, as of such date, such executive officers will hold 1,148,814 unvested RS and RSU awards (including performance-based RSU awards at target), which will vest upon completion of the merger. Non-employee directors of National City have received National City RS awards that will vest upon a change in control of National City. As of the date of this proxy statement, National City s 11 non-employee directors held 59,000 unvested RS awards that will vest upon the completion of the merger.

National City Non-Elective Deferred Compensation Awards. Certain employees, including executive officers, of National City have received, from time to time, awards of non-elective deferred compensation under the National City Corporation 2004 Deferred Compensation Plan. Under the terms of the award agreements, awards of non-elective deferred compensation, including awards made to Messrs. Raskind, Frate and Gorney, vest upon a change in control. As of the date of this proxy statement, National City s 14 executive officers in the aggregate held approximately $9,365,000 in non-elective deferred compensation awards.

National City Incentive Awards. National City s executive officers participate in the National City Corporation Management Incentive Plan, or MIP, and Plan Cycle Awards under the Long Term Cash and Equity Incentive Plan, or LTIP. Within five days of the closing of a change in control each participant in the MIP will receive the greater of (i) the average of the participant s MIP awards in the two years preceding the change in control, or (ii) the participant s current year target award. In addition, each participant in the LTIP will receive the participant s target LTIP award prorated based upon the number of months completed in each of the three-year plan cycles. As of the date of this proxy statement, National City s executive officers, in aggregate, expected to receive approximately $5,951,250 in MIP awards (based on the average MIP awards granted in 2006 and 2007) and approximately $9,314,928 in LTIP awards.

National City Non-Qualified Retirement Plans. Certain executives, including National City s executive officers, participate in a Supplemental Executive Retirement Plan, or SERP, or a Supplemental Cash Balance Pension Plan, or SUPP. Mr. Raskind and Mr. Gorney participate in National City s SERP and Mr. Frate participates in National City s SUPP. Upon a change in control, executives become vested in their right to receive accrued benefits under the SERP and SUPP. In addition, the MIP awards discussed above are included in the calculation of the benefit and may affect the accrued balance in the SERP and SUPP. Mr. Raskind and Mr. Frate will benefit from the accelerated vesting and the inclusion of the final payment of MIP awards. Mr. Gorney is fully vested and his accrued benefit will not be affected by the final payment of MIP awards. As of the date of this proxy statement, National City s executive officers in aggregate will become vested in approximately $4,337,931 in SUPP and SERP benefits, and will receive an aggregate increase in their present value of their benefit of approximately $439,258 related to the inclusion of the final payment of MIP awards in their benefit calculation.

National City Executive Officer Severance Agreements. National City has entered into severance agreements with all of its executive officers, including Messrs. Raskind, Frate and Gorney. The severance agreements generally provide for certain severance benefits in the event of a termination of the executive s employment by National City without cause (as defined in the agreements) or by the executive for good reason (as defined in the agreements) during the three-year period following a change in control. In addition, the severance agreements permit certain executive officers, including Messrs. Raskind, Frate and Gorney to voluntarily terminate employment for any reason in the 30 days following the first anniversary of the closing of a change in control transaction. In the event of a qualifying termination as described above, the executives would be entitled to (i) an amount, payable in a lump sum, equal to three times (two times in the case of the severance agreement for one executive officer) the executive s annual base salary and the highest incentive award in the three years preceding the year of the change in control; (ii) an amount, payable in a lump sum, equal to 0.25 times the amount described in (i) above in lieu of continued welfare benefits; and (iii) a amount, payable in a lump sum, equal to 36 times (24 times for one executive officer) the executive s monthly

COBRA premium cost in effect on the executive s date of termination. Assuming that the merger is completed on December 31, 2008 and all National City executive officers who have employment agreements experience a qualifying termination of employment immediately thereafter, the 14 executive officers as a group would be entitled to receive an aggregate cash amount of approximately $49.49 million (before application of any gross-up or cut back described in the paragraph below).

In addition, in the event that any of the executive officers is subject to the golden parachute excise tax under Section 4999 of the Code, the executive officer generally will be paid an additional payment such that he will be placed in the same after tax position as if no excise tax had been imposed. For those executive officers receiving total change in control payments that are less than 110% of the threshold amount (as defined in Section 280G of the Code), a reduction of payments to such executive officer shall be made. The reduction will be the lesser of (i) the amount that would cause no such excise tax to be payable, or (ii) 20% of the lump sum payment values described in the preceding paragraph.

Pursuant to their equity and non-elective deferred compensation agreements, each of the executives is subject to ongoing confidentiality obligations and post-employment non-solicitation covenants.

Split Dollar Life Insurance. National City is party to split dollar insurance agreements with seven of its 14 executive officers, including Mr. Gorney. Mr. Raskind and Mr. Frate do not participate in this program. Following a change in control, National City cannot terminate the arrangement and will be required to continue premium payments for the original term of the arrangement regardless of the participant s employment status. Premiums paid under these agreements after 2002 or after the participant became an executive officer, if later, are not subject to recovery by National City upon termination of the split dollar agreement. Annual non-recoverable insurance premiums under these policies for the executive officers, in aggregate, are approximately $69,700. Total expected future premium payments, in aggregate, are projected to be approximately $727,800 for all of the executive officers.

PNC Board Position. When the merger is completed, one current member of National City s board of directors will be appointed to PNC s board of directors. The member of National City s board of directors who is added to PNC s board of directors will receive customary fees from PNC for being a director in accordance with PNC s current director compensation policy. As of the date of this proxy statement, PNC and National City have not identified the member of National City s board of directors who will be appointed to PNC s board of directors.

Indemnification and Insurance. The merger agreement provides that, upon completion of the merger, PNC will, to the fullest extent permitted by law, indemnify, defend and hold harmless all present and former directors, officers and employees of National City against all costs and liabilities arising out of actions or omissions occurring at or before the completion of the merger and will advance any expenses as incurred to the fullest extent permitted by law.

The merger agreement also provides that for a period of six years after the merger is completed, PNC will provide director s and officer s liability insurance for the present and former officers and directors of National City with respect to claims arising from facts or events occurring before the merger is completed. This director s and officer s liability insurance will contain at least the same coverage and amounts, and terms and conditions no less advantageous, as National City s existing coverage.

Table of Contents

THE MERGER AGREEMENT

The following describes certain aspects of the merger, including material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, attached to this document as ***Appendix A*** *and is incorporated by reference into this document. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing this merger.*

Terms of the Merger

Each of the National City board of directors and the PNC board of directors has adopted the merger agreement, which provides for the merger of National City with and into PNC. PNC will be the surviving corporation in the merger. Each share of National City common stock issued and outstanding immediately prior to the completion of the merger, except for specified shares of National City common stock held by National City and PNC, will be converted into the right to receive 0.0392 of a share of PNC common stock. If the number of shares of common stock of PNC changes before the merger is completed because of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar event, then an appropriate and proportionate adjustment will be made to the number of shares of PNC common stock into which each share of National City common stock will be converted.

PNC will not issue any fractional shares of PNC common stock in the merger. Instead, a National City stockholder who otherwise would have received a fraction of a share of PNC common stock will receive an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of PNC common stock to which the holder would otherwise be entitled by the average of the closing sale prices of PNC common stock on the NYSE for the five trading days immediately prior to the date on which the merger is completed.

PNC s amended and restated articles of incorporation and bylaws in effect immediately prior to the effective time will be the articles of incorporation and bylaws, respectively, of the surviving corporation after completion of the merger until thereafter amended in accordance with their respective terms and applicable law. The merger agreement provides that, subject to National City s consent (not to be unreasonably withheld or delayed), PNC may change the structure of the merger provided that no such change will alter the amount or kind of merger consideration to be provided under the merger agreement, adversely affect the tax consequences of the merger to shareholders or the tax treatment of either party, or impede or materially delay completion of the merger.

Treatment of National City Stock Options, Restricted Shares, Deferred Shares and Other Equity-Based Awards

Subject to applicable law, at the time of the merger, each option to purchase National City common stock that is then outstanding and unexercised will vest and be converted automatically into an option to buy PNC common stock, and PNC will assume each option to purchase National City common stock subject to its terms except:

- the number of PNC shares purchasable upon exercise of each National City option will equal the number of National City shares subject to the National City option multiplied by the exchange ratio, rounded down to the nearest whole share; and

- the per share exercise price of the converted PNC option will equal the per share exercise price of the National City option divided by the exchange ratio, rounded up to the nearest cent.

At the time of the merger, each outstanding restricted share of National City common stock will vest and become free of restrictions and be converted into the right to receive the merger consideration and each outstanding deferred share of National City common stock will vest and be converted into the right to receive the merger consideration.

Table of Contents

At the time of the merger, other stock-based awards of National City will be converted into a similar award of PNC with respect to PNC common stock generally on the same terms that applied to the National City award except the number of shares of PNC common stock subject to the new PNC award will equal the number of shares of National City common stock subject to the award multiplied by the exchange ratio, rounded up to the nearest whole share.

Treatment of National City Preferred Stock and Warrants

Upon completion of the merger, each share of National City preferred stock issued and outstanding immediately prior to completion of the merger will be automatically converted into a share of PNC preferred stock having terms substantially identical to the terms of the relevant series of National City preferred stock. We sometimes refer to the new PNC preferred stock to be issued or reserved for in the merger as the New PNC Preferred Stock.

Each outstanding share of National City 9.875% Fixed-To-Floating Rate Non-Cumulative Preferred Stock, Series F, is represented by depositary shares that are listed on the NYSE. Each depositary share represents a 1/4000th interest in a share of National City Series F Preferred Stock. Upon completion of the merger, PNC will assume the obligations of National City under the Deposit Agreement, dated as of January 30, 2008, between National City, Wilmington Trust Company as depositary, National City Bank as transfer agent and register and the holders from time to time of depositary shares. PNC will instruct Wilmington Trust Company as depositary under the deposit agreement referred to as the Series F Deposit Agreement, to treat the shares of New PNC Preferred Stock received by it in exchange for shares of National City Series F Preferred Stock as newly deposited securities under the Series F Deposit Agreement. In accordance with the terms of the Series F Deposit Agreement, the National City depositary shares will thereafter represent shares of PNC Preferred Stock. Such depositary shares will continue to be listed on the NYSE upon completion of the merger under a new name and traded under a new symbol.

Holders of shares of National City preferred stock and holders of depositary shares representing National City preferred stock are not entitled to vote on the adoption of the merger agreement or otherwise at the special meeting.

Certain investors that acquired shares of National City common stock and warrants to purchase shares of National City common stock in a private placement in April 2008 will receive additional shares of National City common stock and cash payments in connection with the completion of the merger. Assuming the trading price per share of National City common stock on the trading day immediately prior to the completion of the merger is equal to or greater than $2.07, the closing price of National City common stock on October 24, 2008, these investors will be issued an aggregate of approximately 328 million additional shares of National City common stock immediately prior to the completion of the merger under the terms of their investment agreements, and will receive in exchange for their warrants an aggregate cash payment of approximately $384 million, in each case contingent upon the completion of the merger. If the trading price per share of National City common stock on the trading day immediately prior to the completion of the merger is less than $2.07, these investors will receive additional shares of National City common stock under the terms of their investment agreements. Holders of National City warrants, as such, are not entitled to vote on the adoption of the merger agreement or otherwise at the special meeting. These investors will receive 0.0392 of a share of PNC common stock for each share of National City common stock held at the time of completion of the merger.

Closing and Effective Time of the Merger

The merger will be completed only if all of the following occur:

- the merger agreement is approved and adopted by the requisite vote of National City stockholders and the issuance of PNC common stock in connection with the merger is approved by the requisite vote of PNC shareholders;

National City and PNC obtain required regulatory approvals from the Federal Reserve, under the HSR Act and any other required regulatory approvals the failure of which to obtain would reasonably be expected to have a material adverse effect on either National City or PNC; and all other conditions to the merger discussed in this document and the merger agreement are either satisfied or waived.

The merger will become effective as of the time specified in the articles of merger filed with the Department of State of the Commonwealth of Pennsylvania. National City is also required to file a certificate of merger with the Secretary of State of the State of Delaware. In the merger agreement, the parties have agreed to cause the completion of the merger to occur no later than the third business day following the satisfaction or waiver (subject to applicable law) of the last to occur of the conditions specified in the merger agreement, or on another mutually agreed date. The parties may agree to a different time for completion of the merger and specify that time in the certificate of merger and articles of merger in accordance with Delaware and Pennsylvania law. The parties agree, subject to satisfaction of the closing conditions, that the transaction will close on December 31, 2008.

Conversion of Shares; Exchange of Certificates

The conversion of National City common stock into the right to receive merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after completion of the merger, the exchange agent will exchange certificates or direct registration statements representing or evidencing shares of National City common stock for the merger consideration to be received pursuant to the terms of the merger agreement. Computershare will be the exchange agent.

Letter of Transmittal. As soon as reasonably practicable after the completion of the merger, the exchange agent will mail a letter of transmittal to each record holder of National City common stock certificates at the effective time of the merger. This mailing will contain instructions on how to surrender National City common stock certificates in exchange for direct registration shares of book-entry ownership of PNC common stock and a check in the amount of cash to be paid instead of fractional shares. When you deliver your National City stock certificates to the exchange agent along with a properly executed letter of transmittal and any other required documents, your National City stock certificates will be cancelled and you will receive a direct registration statement indicating book-entry ownership of PNC common stock representing the number of full shares of PNC common stock to which you are entitled under the merger agreement. You also will receive a cash payment for any fractional shares of PNC common stock that would have been otherwise issuable to you as a result of the merger.

Holders of National City common stock should not submit their National City stock certificates for exchange until they receive the transmittal instructions and a letter of transmittal form from the exchange agent.

If a certificate for National City common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of appropriate evidence as to that loss, theft or destruction and will require the posting of a bond indemnifying PNC and the exchange agent for any claim that may be made against PNC as a result of the lost, stolen or destroyed certificates. After completion of the merger, there will be no further transfers on the stock transfer books of National City, except as required to settle trades executed prior to the completion of the merger.

Withholding. The exchange agent will be entitled to deduct and withhold from the cash in lieu of fractional shares payable to any National City stockholder the amounts the exchange agent is required to deduct and withhold under any applicable federal, state, local or foreign tax law. If the exchange agent withholds any amounts, these amounts will be treated for all purposes of the merger as having been paid to the stockholders from whom they were withheld.

Dividends and Distributions. Until National City common stock certificates are surrendered for exchange, any dividends or other distributions having a record date after the effective time of the merger with respect to the whole shares of PNC common stock into which shares of National City common stock may have been converted will accrue but will not be paid. PNC will pay to former National City stockholders any unpaid dividends or other distributions, without interest, only after they have duly surrendered their National City stock certificates. For example, if the merger is completed before a January record date for a dividend

Table of Contents

declared on PNC common stock, National City s stockholders would be entitled to receive this dividend on shares of PNC common stock they receive in respect of their shares of National City common stock and hold on the dividend record date, but would only receive this amount after they have surrendered their National City stock certificates in accordance with the exchange instructions they will receive.

Prior to the effective time of the merger, National City and its subsidiaries may not, except with PNC s prior written consent (not to be unreasonably withheld or delayed), declare or pay any dividend or distribution on its capital stock or repurchase any shares of its capital stock, other than:

- dividends paid by any wholly owned subsidiaries of National City to National City or to any of National City s other wholly owned subsidiaries;
- regular quarterly dividends on National City s common stock at a rate no greater than the rate paid by National City during the quarter ended September 30, 2008;
- required dividends on National City s or its subsidiaries preferred stock; or
- required dividends on the common stock of any subsidiary that is a real estate investment trust.

Representations and Warranties

The merger agreement contains representations and warranties of National City and PNC relating to their respective businesses. The representations and warranties in the merger agreement do not survive the effective time of the merger.

Each of PNC and National City has made representations and warranties to the other regarding, among other things:

- corporate matters, including due organization and qualification;
- capitalization;
- authority relative to execution and delivery of the merger agreement and, in the case of National City, the stock option agreement and the absence of conflicts with, violations of, or breach under organizational documents, applicable law or other obligations as a result of the merger or entry into the merger agreement or, in the case of National City, the stock option agreement;
- required governmental and other regulatory filings and consents;
- the timely filing of reports with governmental entities;
- financial statements, internal controls and accountants;