

**PNC  
CORPORATE  
RESPONSIBILITY  
2010**

Updated as of October 25, 2010



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## A MESSAGE FROM JIM ROHR

PNC has a long history of strengthening and enriching communities in which we live and conduct business. For decades, PNC has provided resources to seed ideas, foster development and encourage leadership among our employees and throughout our market. In the pages of this report, you will find examples of PNC's ongoing commitment to corporate social responsibility:

- PNC has devoted significant resources to assisting customers struggling from the impact of the financial crisis.
- We work to integrate our day-to-day business practices with environmental responsibility. Our nationally recognized commitment to green building practices has helped us lower costs, increase efficiency and productivity as well as enhance communities where people live, work and play.
- PNC's philanthropic priority is to collaborate with community-based nonprofit organizations in the markets we serve. We employ a thoughtful, strategic approach to grant-making, with an emphasis on innovation and impact.
- Investments in human capital increase the ability of individuals and communities to have a greater role in their well-being. PNC provides financial education and services for low- and moderate-income communities. We also enhance the ability of underserved children to succeed in school and life through quality early childhood education.
- We understand the value our employees provide when they share their expertise with nonprofit organizations. We encourage their volunteerism as a means to strengthen the communities where they live.
- Supporting the multicultural needs of our many employees and customers helps to create an inclusive environment that leverages differences to positively impact businesses.

In many ways, PNC expresses our commitment to quality of life issues that affect the workplace, the customer experience and the ability of underserved children and families to succeed. Together with our communities, we're helping to create an environment in which we all have an opportunity to realize our potential.

Sincerely,



**James E. Rohr**

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

## LENDING IN SUPPORT OF ECONOMIC GROWTH

PNC is committed to lending in support of economic growth. Loans and commitments originated and renewed totaled approximately \$110 billion for 2009. Included were \$4 billion of small business loans originated and renewed, and PNC has enhanced its second-look programs for small business loan applications.

### First Mortgage

PNC was not a major first mortgage provider in the period leading up to the recent financial crisis. PNC did not offer loan products that have been linked to predatory lending or the financial crisis, such as subprime, high cost option ARM or Alt-A loans.

On December 31, 2008, PNC acquired National City Corporation, which had a larger presence in the national mortgage market. Since then, PNC has worked to integrate National City Mortgage operations, so that they conform to PNC's standards, credit and risk management policies, and approved products set. Changes were made to the mortgage company's operation and leadership, including changing the name to PNC Mortgage.

In its first year as part of PNC, the mortgage business originated approximately \$19.2 billion of first mortgages. Prudently underwritten fixed-rate mortgages now account for approximately 95 percent of the company's new first mortgage originations.

In support of America's economic recovery, PNC Mortgage's servicing unit participates in U.S. sponsored programs to help eligible, responsible borrowers remain in their homes. These programs include the Home Affordable Modification Program (HAMP) and the Home Affordable Refinance Program (HARP).

HAMP provides eligible homeowners the opportunity to modify their mortgages to make them more affordable. As of December 31, 2009, PNC had mailed more than 70,000 HAMP solicitations to eligible homeowners. More than 19,413 HAMP trial plan offers had been extended, and 13,237 borrowers were active in trial modifications.

HARP gives eligible homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to refinance into more affordable monthly payments. As of December 31, 2009, PNC had funded approximately 2,100 refinances totaling more than \$425 million through HARP.

PNC also participates in the *Hope Now* program, an alliance between counselors, banks, mortgage companies and investors to create and coordinate a unified plan to keep distressed homeowners in their homes. Across the country, homeowners can attend *Hope Now* events where financial counselors, including those from PNC, give one-on-one advice and provide information about assistance from local housing task forces and state programs. In the last year, PNC hosted 61 events, reaching 2,057 borrowers.

PNC also maintains and uses a palette of proprietary loss mitigation and modification options for borrowers who do not qualify for federally sponsored programs. Throughout 2009 and into 2010, PNC continued to help customers modify a variety of loans to make their payments more affordable—from mortgages and credit cards to education and auto loans. By offering eligible customers reduced rates, extending payback terms, temporarily suspending payments and arranging payment plans, PNC continues to help borrowers weather the current financial crisis.

### Consumer Lending and U.S. Credit Cards

PNC offers a broad array of consumer lending products through multiple channels, including its branch network, telephone banking system and online. These options include home equity loans and lines of credit, education loans, and credit cards.

PNC engages in branch training, customer mailings and Internet advertising efforts to help qualifying customers access credit.

### **Business Banking**

PNC has a longstanding tradition of offering small businesses financial advice and solutions, including a wide range of credit solutions including conventional loans such as Choice Credits<sup>SM</sup> for Business term loans or lines of credit, the PNC Capital Access Program, U.S. Small Business Administration (SBA) guaranteed loans and other government-sponsored programs.

PNC repeatedly has been recognized by the SBA as a Preferred Lender for its ongoing capabilities in processing SBA-guaranteed loans. PNC Bank is consistently ranked as a leading small business lender in the various states and local market areas we serve.

In 2005, PNC Bank set a five-year goal to lend at least \$4 billion to qualifying women-owned businesses. The former National City Bank, now part of PNC, made a similar commitment to support the growth of this business segment. Combined, our \$7.5 billion loan goal is designed to help provide women entrepreneurs with increased access to capital and financial services to expand their growth and strengthen their contributions to our nation's economic health.

Since these goals were established, and despite the challenging economy, approximately \$6 billion has been provided to women-owned companies across PNC's retail banking region of 15 states and Washington, D.C.

### **Community Development Lending**

PNC offers specialized financing to developers and not-for-profit organizations whose purpose is affordable for-sale or rental housing, economic development, community service or neighborhood revitalization.

### **Corporate & Institutional**

PNC remains keenly focused on providing credit to qualified corporate and institutional borrowers. During 2009, the bank led more than 120 syndicated financing transactions, totaling more than \$6.3 billion, for middle market companies located across the country.

The bank is highly focused on generating new sales across PNC's entire product and service set. In fact, 2009 sales results for most of PNC's commercial banking businesses in the legacy PNC markets were substantially ahead of 2008 sales results. And the bank expects similar sales strength in the legacy National City markets as all of those markets have converted to PNC platforms.

At the same time, PNC's relationship managers continue to hear from many C&I clients and prospects that they remain very cautious in their own planning, choosing to protect their existing capital and maintain existing credit facilities in order to limit the new realities of today's market pricing and structure requirements. Other borrowers continued to pay down bank credit with debt and equity issuances, which rose toward the end of 2009 as issuers sought to price deals before the end of the year. Loan utilization rates have remained at historically low levels as clients' working capital needs remained low in this economy.

### **Commercial Real Estate**

PNC is committed to commercial real estate lending. The bank is working with credit-worthy borrowers to restructure and modify their loans. PNC is also active in real estate lending to multifamily owners and operators for whom the bank is leveraging strong relationships with agency lenders such as Fannie Mae and Freddie Mac.

## **Environmental Considerations in Lending** Updated as of October 25, 2010

The PNC Financial Services Group is committed to advancing sustainable economic development. This commitment takes account of environmental considerations in all aspects of our operations, including how we lend to business.

### **Environmental Due Diligence**

PNC's credit review process includes due diligence that takes into consideration a prospective borrower's environmental performance. This practice is fundamental to our risk management practice and the long term protection of our investors.

We expect to make practical updates to our risk management policies as appropriate, with significant consideration given to the banking industry's best practices for environmental sustainability.

### **Green Lending**

PNC Energy Capital LLC is a PNC subsidiary overseen by PNC's Equipment Finance Group. The business finances or provides equity investments in energy efficiency projects. PNC also provides financing to companies that sell products or services to customers engaged in renewable energy and energy efficient projects. These types of investments are critical to promoting cost-effective, clean energy solutions to our nation.

### **Lending to Fuel Producers and Power Generators**

PNC is committed to supporting renewable sources of energy by funding wind and solar power activities with the expectation that one day these will become meaningful contributors to our power supply.

PNC also provides funding to coal and natural gas-based businesses. Due to the highly regulated nature of mining and drilling industries, PNC will apply additional due diligence when considering credit to these businesses.

This additional due diligence will apply to businesses engaged in all forms of mining and drilling, as well as to the use of fossil fuels for power generation, metals manufacturing and chemical feedstock.

Of special note, this practice applies to new applications for credit by coal producers engaged in mountain top removal mining (MTR).

MTR is the subject of increasing regulatory and legislative scrutiny, with a focus on the permitting of MTR mines. While this extraction method is permitted, PNC will not provide funding to individual MTR projects, nor will PNC provide credit to coal producers whose primary extraction method is MTR. PNC will continue to monitor this industry while various regulatory issues are addressed through legislation and public policy.

The demand for power, jobs and other community impacts associated with coal mining will continue to weigh heavily in PNC's lending decisions. PNC also recognizes the significant investment coal producers have made in their MTR operations, and acknowledges that these were entered into in good faith and in accordance with all applicable laws and regulations.

### **Other environmentally sensitive activities**

From time to time, PNC or its stakeholders may identify other businesses engaged in environmentally sensitive activities. As necessary, PNC will review the prospective borrowers' environmental record and apply additional due diligence when considering credit to such businesses.

## SERVING OUR NEIGHBORS THROUGH PHILANTHROPY

PNC has a long history of strengthening and enriching the lives of neighbors in the community. The company provides grants directly to the communities that it serves and is the principal source of funding for the PNC Foundation, which provides support to organizations that further the foundation's aims. For decades, PNC has provided resources to seed ideas, foster development initiatives and encourage leadership in nonprofit organizations.

PNC collaborates with community-based nonprofit organizations to enhance educational opportunities for children, particularly through its signature program, PNC Grow Up Great®. In 2009, PNC provided more than \$38 million in grants. Here are some of the highlighted programs:

### Grow Up Great

PNC developed the 10-year, \$100 million PNC Grow Up Great initiative to help improve the school readiness of millions of children from birth to age five. As part of this initiative, PNC provides grants to nonprofit organizations that give support to one of its key areas of focus: science and math, arts and culture, teacher development, or family involvement.

More than \$25 million in grants have been distributed to organizations, including Sesame Workshop, Family Communications and Head Start. Funding through PNC Grow Up Great over the last six years has established innovative school readiness programs for preschoolers in math, science and the arts, including:

- **North Philadelphia Head Start Program:** Along with the Administration for Children and Families and the Internal Revenue Service, PNC launched the collaborative program “Add It Up For Families” in October 2007. Building on a math curriculum funded by PNC since 2004, the program has been enhanced to include free tax preparation, Individual Development Accounts, and free financial education for children and families served by Head Start.
- **Grow Up Great with Science:** This initiative provides funding to 14 regional science centers to help improve the quality of science education for underserved preschool children in seven states and the District of Columbia. Grants totaling \$6 million over three years enable the centers to provide professional development for teachers, enhance children's science activities and learning environments, introduce families to science exhibits through free visits, and provide volunteerism opportunities for employees.
- **Our Kids and the Arts – A Great Early Start:** This program provides \$2 million in grants over three years to four Cleveland, Ohio arts and cultural institutions and establishes new arts education programs for preschool children in lower-income communities. The grants also enable collaboration on a series of professional development days, sharing of best practices, and opportunities for PNC employees to volunteer.
- **White House Effort on STEM Education:** In November 2009, Sesame Workshop and PNC joined the White House effort on Science, Technology, Engineering and Math (STEM) education. PNC and Sesame Workshop are working together to create *Math is Everywhere* to help break through the math and science achievement gap among international peers.
- **Mobile Learning Adventure:** The traveling exhibit provides an opportunity for parents and caregivers to learn about the importance of early childhood education while they engage in fun activities with their children, such as interactive kiosks, a photo station and craft center.
- **Growing Up Together Under One Big Sky:** A mobile planetarium features an inflatable dome that introduces children to the night sky while forging cross-cultural connections.

- **Pre-K Summer School in Science and the Arts:** PNC supported Detroit's first-ever pre-K summer school programs by providing funding to support enhanced science and arts programming. The science programming will continue throughout the school year.

PNC encourages employee involvement in Grow Up Great through a progressive policy that permits 40 hours a year of paid time off for volunteerism. The Grants for Great Hours Program allows PNC employees who volunteer at least 40 hours within a 12-month period at a qualified nonprofit early education program to secure a \$1,000 grant that is donated to the preschool where the employee volunteers. Groups of employees may also volunteer as a team and apply for a grant of up to \$3,000.

**PNC employees volunteered 37,000 hours through Grow Up Great in 2009.**

In the last five years, more than 12,000 PNC employees have volunteered, logging more than 143,000 volunteer hours at early childhood education centers. In addition, employees donated more than 125,000 items for underserved preschool children and their classrooms.

PNC Grow Up Great has an ongoing campaign to communicate the importance of school readiness. These efforts have garnered more than 1 billion media impressions since the program's inception. Recently, PNC and Sesame Workshop created the bilingual Happy, Healthy, Ready for School: Learning is Everywhere kit, which is available at no cost at PNC branches. More than 650,000 kits have been distributed to provide helpful tips and fun activities for children and families to turn everyday moments into learning opportunities.

In 2009, Grow Up Great was launched in five former National City markets, and PNC plans to introduce the program to 18 more markets by January 2011.

Grow Up Great and PNC employees have received significant recognition and awards through the years:

- Distinguished Daughters of Pennsylvania to Eva Blum (2009)
- Trustee Leadership Award, Committee for Economic Development (2009)
- Sesame Workshop Corporate Honoree, along with former First Lady Laura Bush (2007)
- National Corporate Friends of Children Award, Child Welfare League of America (2007)

### **PNC Arts Alive**

In a year when 35 percent of nonprofit organizations surveyed by the Greater Philadelphia Cultural Alliance experienced a decrease in corporate contributions, The PNC Foundation provided \$1 million in grants to help residents in the Greater Philadelphia and Southern New Jersey Region gain access to the arts. This contribution is part of PNC Arts Alive—a five-year, \$5 million effort to help make visual and performing arts more accessible.

### **Foundation of University of Medicine and Dentistry of New Jersey**

PNC supported the New Jersey Dental School's 2010 Give Kids a Smile Day, which provided dental exams and treatments to 1,000 uninsured and underserved children through four statewide locations.

### **Volunteers of America**

PNC supported a computer center in Pittsburgh that provides low- to moderate-income (LMI) youth with training and Internet access for homework and improved academics.

### **Free Store Food Bank**

A grant from PNC supported the efforts of the food bank in Cincinnati.

**The Cathedral Soup Kitchen**

A PNC contribution allowed for a Culinary Skills Training Program and workforce development for up to 60 LMI individuals in Camden, N.J.

**Fund for Philadelphia, Inc.**

This grant supported the Save Your Home Philly Hotline, which is a critical resource for Philadelphia homeowners facing the threat of foreclosure. It brings together borrowers, counselors, pro bono attorneys and lenders to explore and negotiate alternatives to foreclosure. It is expected that about 8,500 LMI Philadelphia residents will be served through the project.

## SUPPORTING STRONG COMMUNITIES

PNC is helping to build strong communities and create financial opportunities for individuals, families and businesses through executive leadership, strategic investments and employee volunteerism. In 2009, PNC spent more than \$50 million in communities across 13 states and the District of Columbia to encourage home ownership, economic development and partnerships with community-based organizations.

### Community Development Banking

PNC's Community Development Banking group helps boost the quality of life in lower-income neighborhoods through affordable housing, economic revitalization and customized financial solutions. The company historically has been a leader in community development. In fact, PNC Bank, N.A. has received an "Outstanding" rating under the Community Reinvestment Act in each of its performance evaluations.

Flexible loans, public-private partnerships and financial education classes help to revitalize communities in need. This work is supplemented by PNC's Tax Credit Investment group, which provides expertise and financing through federal tax credit programs. The company came together to provide the following in 2009:

- Approximately \$117 million of community development loans,
- Total committed low income housing tax credits of more than \$30 million, and
- More than \$7 million of total committed New Markets Tax Credits.

Some of PNC's community development relationships included:

• **Jubilee Housing, Washington D.C.:** Jubilee Housing is a nonprofit organization whose mission is to provide affordable housing and supportive services for very low-income residents of the Adams-Morgan neighborhood of Washington, D.C. Jubilee and affiliates own and operate eight apartment buildings with 234 units housing 850 people. It is committed to maintaining rent at levels well below market rate for the area and giving residents access to a broad network of social services that support personal growth and empowerment.

PNC inherited the Jubilee relationship from Riggs National Bank, and has embraced that commitment. PNC has provided the organization with funding and financial literacy programs for residents, and hosted a community festival. One special project for Jubilee was a leveraged New Markets Tax Credit structure to renovate 27 units and build a new 24-hour child care center on the ground floor of the apartment building. It helps meet the unique need for a population that must often work evenings and weekends.

• **Indianapolis Neighborhood Housing Partnership, Indianapolis, IN:** Increases safe, affordable housing opportunities that foster healthy, viable neighborhoods. Funding allowed for direct lending to LMI families who completed their home-buyer education classes and successfully repaired their credit histories.

• **Brand New Day, Irvington, NJ:** Acquires, develops and operates properties for LMI families. Funding to be used for the construction of at least 12 single-family homes.

• **Arts Quest – SteelStacks, South Bethlehem, PA:** A performing arts center that will provide artistic enrichment for at-risk children. Funding contributes to the creation of a facility.

- **Cincinnati Equity Fund II, Cincinnati, OH:** Allows for below market-rate subordinate loans to commercial, residential and mixed-use real estate projects that contribute to neighborhood revitalization. The fund intends to make loans and investments to help support the revitalization of two communities at the core of the Greater Cincinnati Region—the Central Business District and Over-the-Rhine.
- **Community First Fund, Central PA:** Provides loans, business training and one-on-one counseling to entrepreneurs, affordable housing and commercial real estate developers, and community groups in underserved communities in central Pennsylvania. Funding allowed for expanding lending activities, particularly after the banking/credit crisis.

### Financial Education

PNC understands the importance of helping people acquire the knowledge and skills necessary to take control of their finances, and in turn, improve their quality of life and future stability.

PNC offers these useful, dependable and unbiased financial education programs to those who oftentimes need it most:

- **The PNC School Bank Program:** Engages schools and community partners to develop “hands on” banking experience, financial education and career exploration for elementary school students. Under the supervision of school staff, PNC helps children learn money-management and savings skills through School Bank Days, where student-tellers handle small cash and check deposits from other students and follow standard bank procedures. Since the program’s inception through December 2009, 36 School Bank programs were established throughout the PNC legacy regions—21 of which were located in LMI communities and schools.
- **Foundations Checking Program:** Offers a second chance to people with minor infractions listed in the ChexSystems database, who are not eligible for banking accounts. The account is a free checking account with no balance requirement and with ATM accessibility, with lower daily point of sale and ATM limits. A key element of Foundations is the financial education component, Foundations of Money Management, which teaches the basics of money management. Successful customers can graduate to a standard checking account after six months.
- **Bank On and CFAP:** Eight pilot communities across the country have been selected to participate in the U.S. Department of the Treasury’s Community Financial Access Pilot (CFAP), commonly known as “Bank On.” It combines outreach, advocacy, education and financial services into a single model to maximize impact among LMI individuals and communities. PNC is an active participant in the national pilot helping to promote the initiative, attract qualified participants, and provide needed services. As part of this relationship, PNC offers Foundations Checking and other account products. At the end of 2009, PNC had two operating *Bank On* programs—one in Philadelphia, Pa., and the other in Newark, N.J.—with additional locations anticipated.
- **Individual Development Account Programs:** Assets for Independence (AFI) is a federal grant program that enables community-based nonprofit organizations, state, local and tribal government agencies to implement an asset-based approach for helping to provide low-income families a path out of poverty. The program’s main initiative assists participants in saving earned income in special matched savings accounts called Individual Development Accounts (IDAs). PNC facilitates IDA programs throughout our footprint with logistical support, account services for the agencies and their clients, and operational grants. Between December 2007 and December 2009, PNC increased its commitment to IDA programs significantly, nearly doubling the number of accounts.

*Visit the PNC Mortgage Center to find valuable information and resources for homeowners, particularly those who are finding it difficult to make their payments. [www.pncmortgage.com](http://www.pncmortgage.com)*

• **Financial Education Courses:** PNC offers classes to consumers, small businesses and nonprofit organizations through our community outreach and branch educational activities. PNC maintains its own set of 15 proprietary workshops on a variety of topics for adult education, taught by bank employees. Many are available in Spanish as well as English. In addition, PNC works with the American Bankers Association to deliver its *Teach Children to Save* education series, which is tailored for children from kindergarten through the 12th grade.

• **PNC Homebuyers' Club:** PNC works with many nonprofit housing counseling agencies to help provide first-time home buyers with instruction and assistance in overcoming financial challenges. In 2009, PNC provided grant funding to approximately 15 nonprofit organizations, which educated more than 1,000 LMI individuals.

### Board Service

PNC provides leadership and expertise to nonprofit organizations that provide much needed services to the community. Company executives and staff offer financial, managerial, and fundraising expertise to nonprofits involved in projects such as economic development and revitalization of distressed areas, community services benefitting LMI families, affordable housing developments, training for minority- and women-owned businesses, micro-loan funds, job creation and training, and technical assistance for small businesses and nonprofits.

### Addressing the Housing and Credit Crisis

Of the 25 top participants in the Home Affordable Modification Program (HAMP)—the national foreclosure relief program—only four firms, including PNC, did not qualify as a servicer or originator specializing in subprime loans.

Throughout 2009, PNC has been helping customers modify a variety of loans to make their payments more affordable—from mortgages and credit cards to education and auto loans. By offering eligible customers reduced rates, extending payback terms, temporarily suspending payments and arranging payment plans, PNC was able to help people weather the distressed borrowers crisis.

### Renewable Energy and Giving to Green

Because a nationally recognized commitment to green business practices has enabled PNC to lower costs, increase efficiency and enhance communities, it recognizes the importance of also encouraging others to integrate environmental responsibilities into their lives and workplace. PNC's green lending practices have included:

- A \$3.3 million solar project financing deal related to photovoltaic units on a Harvard University building. The units will produce more than 600 megawatt-hours (MWh) of renewable energy annually.
- In 2009, PNC Equipment Finance made significant investments in renewable energy and other green practices, such as providing financing for Arizona State University's purchase of solar panels and Baltimore-based Canusa Corp. purchase of waste-recycling equipment.
- PNC's *Small Business Green Lending Program* provides 50 percent off initiation fees and 0.5 percent rate reduction for \$500,000 (or less) energy-efficiency project loans.
- PNC's Consumer Lending team offered a spring promotion in 2010 that incorporated responsible lending with responsible living. For each home equity line of credit opened (minimum \$25,000), customers received \$200 deposited into their new or existing checking accounts. Each new auto loan (minimum \$10,000) earned consumers \$100. Lending team members offered customers information, advice and tips about how to make smart and environmentally friendly decisions.

### The PNC Legacy Project Current Installations

#### National City Bank

PNC Center  
Atrium  
1900 E. 9th Street  
Cleveland, OH 44114

#### Riggs National Bank

PNC Bank, NA  
Corcoran Branch  
1503 Pennsylvania Avenue, NW  
Washington, DC 20005

#### The National Bank of Fredericksburg

PNC Bank, NA  
Princess Anne Branch  
900 Princess Anne Street  
Fredericksburg, VA 22401

#### Annapolis Bank and Trust

PNC Bank, NA  
Annapolis Main Office  
Main Street and Church Circle  
Annapolis, MD 21401

#### Mercantile-Safe Deposit and Trust Company

PNC Bank, NA  
Hopkins Plaza Branch  
Two Hopkins Plaza  
Baltimore, MD 21201

#### The PNC Legacy Collection: Pittsburgh's Art & Industry

Fairmont Hotel  
Three PNC Plaza  
510 Market Street  
Pittsburgh, PA 15222

### **The PNC Legacy Project**

The PNC Legacy Project is an initiative designed to honor, document, and preserve the history of PNC's predecessor banks, the employees and officers who guided them, and the communities they serve. The stories of these banks are told through displays showcasing distinctive artifacts, graphic images, and oral histories. Access to these historic documents is enhanced through the Project's Web site.

Banks stand at the center of commerce of local communities, helping to build businesses, schools, places of worship, and town centers. As our world has changed, banks have evolved as well, offering new products and services and new technologies to make banking easier and more convenient. What has not changed is the vital role of local banks and the importance of trust between bank, customer, and community.

Historic artifacts presented in Legacy Project displays provide insight into bank operations of the past and reveal the intrinsic relationship between the banks and the local community. Revolutionary and Civil War currency, antique check canceling devices, vintage ledgers, and compelling photographs breathe life into local history, giving meaning to the people and businesses that shaped it.

The Project has taped and archived the voices and experiences of many long-time employees, customers and community leaders, recognizing the place of individual documentation as an important element in the historic record. Their knowledge and perspective on what it means to be associated with their local bank enriches each display.

PNC Bank is committed to upholding the enduring trust that has been placed in these banks by their communities.

*For more information, go to [www.pnclegacyproject.com](http://www.pnclegacyproject.com).*

## BUILDING TOWARD SUSTAINABILITY

With more newly constructed LEED™- (Leadership in Energy and Environmental Design) certified buildings than any company on Earth, PNC owns the trademark for “Green Branch” locations.

### Building Green

PNC supports the environment through its building program. From finding creative ways to use recycled materials, to conserving energy at our branches, to developing smarter ways to bank—these have enabled PNC to lower costs, increase efficiency and productivity, and enhance the communities where people live, work and play.

A few highlights from a building program that positions PNC as a “green” leader:

- PNC Firstside Center opened in 2000 as the nation’s largest corporate building to earn a LEED-certification from the United States Green Building Council (USGBC).
- In 2002, PNC became the first major U.S. bank to apply green building standards to all newly constructed or renovated retail branch offices.
- PNC has more newly constructed, LEED-certified buildings—81 as of June 30, 2010—than any other company in the world. Overall, PNC has 84 LEED-certified projects. By the 10-year anniversary of PNC Firstside Center in Fall of 2010, PNC expects to have at least 100 LEED-certified projects.
- Three PNC Plaza in Pittsburgh is among the nation’s largest green, mixed-use buildings, featuring 23 floors, office space, the Fairmont Pittsburgh hotel with 28 condominiums, a restaurant, retail space, an underground parking garage, and a pet-friendly public park.
- PNC Place is designed to be one of the largest LEED-Platinum certified office buildings in Washington, D.C., and features a 15,000 square foot green roof.

**Being green is good for employees. Employees in Green Branch® locations are more comfortable and productive thanks to improved heating and cooling systems, better natural lighting, and greater use of fresh, outdoor air.**

It’s also good for business. Building with sustainable materials and design has reduced the operating costs of PNC’s LEED-certified buildings by 35 percent or more.

Since 2002, more than 90 PNC Green Branch® locations have opened with more to come. Here is what makes these branches so green:

- Glass in the windows is three times more efficient than conventional glass
- Natural “daylighting” in all occupied areas of the building
- Fresh air used as much as possible. During moderate weather, some buildings can be cooled and ventilated with 100 percent outside air.
- Reduced water usage—4,000 gallons per year, per branch—through low-flow faucets and other plumbing innovations
- Heating and air conditioning systems use 35 percent less energy
- Lighting fixtures and day-lighting controls reduce electricity use
- Highly reflective roofing material reduces heat retention and is supported by trusses and plywood that come from managed forests, which plant multiple trees for each one cut down
- Most building components from recycled material—from the steel structure to the carpet
- Pre-manufactured exterior panels reduce construction waste

## Environmental Achievements and Practices

- More newly constructed buildings certified by the USGBC than any other company in the world
- More than 90 Green Branch® locations
- Employee cafeteria services with locally grown food products, all compostable containers and cutlery, and processing of kitchen waste oil into biodiesel
- Housekeeping products that are Green Seal-certified
- Redevelopment of “brownfield sites” for bank facilities
- Featured in the Harvard Business Review as a national leader in “Building the Green Way”

- Roof projections are designed to shade the building interior from direct sunlight
- Solar shades for windows block direct sunlight without eliminating daylight
- Construction paints, adhesives and caulking do not contribute to volatile organic compounds
- Drought-resistant landscaping requires little irrigation
- Use of green housekeeping procedures and green cleaning products

PNC also has incorporated green principles at its older branches and other facilities by installing energy-efficient lighting, heating and cooling systems. Across the nearly 1,400 National City branches that recently converted to PNC Bank, approximately 210 tons of metal were recycled, along with paper/cardboard-based merchandising signs and stands.

## Being Green

With more than 50,000 employees, PNC strives to reduce its impact on natural resources. Innovative sustainability practices and projects include:

- **Carbon Management:** PNC calculated its 2009 Scope 1 and 2 green house gas emissions at 376,000 tons of carbon dioxide equivalent. About 90 percent of these emissions were associated with purchased electricity for our facilities. In 2010, PNC plans to participate in the Carbon Disclosure Project and reduce its energy consumption by 3 percent.
- **Waste Management:** Work to reduce the amount of trash sent to landfills by recycling internal documents, remanufacturing and recycling old electronic equipment, and deconstructing existing buildings on sites of all new major construction. PNC also is testing a food-waste composting program at Firstside Center in Pittsburgh.
- **Housekeeping:** Include a Green Housekeeping policy in all janitorial vendor contracts, requiring the use of Green Seal-certified products that are safer for humans and the environment.
- **Dining Services:** Implemented sustainability practices in 17 cafeteria locations, such as sourcing locally grown food products, using only compostable containers and cutlery, and processing kitchen waste oil into biodiesel.
- **Supply Chain:** Action to green the procurement process. For example: switching from Styrofoam to compostable coffee cups, purchasing only Energy Star-certified laptops, computers and multi-functional devices, and using printing companies that are certified by the Forest Stewardship Council.
- **Employee Education/Engagement:** Once or twice a month, PNC publishes internal news stories that feature green topics. In 2010, PNC also plans to launch an internal online Green Community, geared to help engage employees in green efforts.
- **Paper Reduction:** Started an educational campaign to teach employees how to be smarter about printing with the goal of reducing paper consumption by 10 percent in 2010. PNC currently uses more than 680 million sheets of office paper each year, or a per capita use of almost 12,000 sheets.

The company also has affiliations with organizations to exchange ideas and solutions to benefit customers, employees and shareholders, including:

- Environmental Bankers Association
- U.S. Green Building Council

*To learn about being green at PNC, visit [www.pnc.com/green](http://www.pnc.com/green)*

## Banking Green

PNC has invested many resources to create a system of banking that saves money, makes processes easier for customers and is much kinder to the environment than conventional banking. Conventional banking requires checks, ATM receipts, statements, envelopes, postage—all produced in factories, printed with ink, sent via plane, train or truck to arrive in customers' mailboxes. PNC is instead helping more customers achieve their goals through free online banking and statements and paperless transactions, as well as financing projects that promote sustainability, such as:

- **PNC Virtual Wallet®:** The award-winning online solution is an easy and naturally intuitive way of managing, moving and saving customers' money. This product, along with PNC's other online banking tools, allows customers to save trips to the bank, gas and paper waste.
- **Free ATMs:** PNC has helped to reduce the amount of gas wasted while customers are searching for their own bank's ATMs. In 2006, PNC became the first major bank to offer its customers free access to ATMs worldwide—including those of other banks. As a feature of performance checking accounts, PNC rebates both its fee for using another provider's cash machine and the surcharge levied by the machine's owner.
- **Green Lending:** PNC's Small Business green lending program provides 50 percent off initiation fees and 0.5 percent rate reduction for \$500,000 (or less) energy-efficiency project loans. Projects include the purchase of low-emission fleet vehicles, Energy Star appliances, water efficient fixtures, solar hot water systems, energy efficient roofs, and efficiency upgrades to existing systems.
- **Renewable Energy:** PNC's Equipment Leasing group is one of the leading providers of renewable energy financing solutions, especially for solar. In 2009, the group financed major deals for Arizona State and Harvard University, among many others.
- **Brownfield Redevelopment:** PNC advises and supports real estate developers in determining the potential for breathing new life into contaminated "brownfield" sites. These investments can help generate jobs, expand business districts, enhance the tax base and prompt environmental land improvements. They can also help prevent the destruction of green space and support the building of the necessary services to support new development, such as more roads, sewers and utility lines.

## Recognized for Green

A commitment to helping the planet has garnered the attention of news and environmental organizations over the years, including:

- **Leadership Award:** The USGBC recognized Gary Saulson, director of corporate real estate, for exceptional vision, leadership and commitment to green building design and construction.
- **Sustainable Cities Award:** Awarded by the Urban Land Institute, recognizing PNC among nine winners worldwide for leading positive change in sustainable land use.
- **Environmental Excellence Award:** The New Jersey Department of Environmental Protection recognized PNC for its commitment to green construction.
- **Exemplary Corporate Citizen Award:** The Allegheny Chapter of the Sierra Club recognized PNC for its commitment to green buildings.
- **E-3 Award:** Presented by Emerald Asset Management to CEO James E. Rohr in the "Green Company Executive" category for PNC's environmentally responsible business practices and leadership.

*For control of your money while promoting a paperless way of banking, visit PNC Virtual Wallet. [www.pncvirtualwallet.com](http://www.pncvirtualwallet.com)*

## 2009 ENVIRONMENTAL INDICATORS

### Internal Paper Use (Thousands)

8.5x11 Sheets .....	680,000
Sheets per Employee .....	12

### Facilities

Major Buildings .....	700
Branches .....	2,513
Square Feet (Thousands) .....	30,000
Square Feet / Employee .....	538
LEED Certified Projects .....	68
New Construction.....	66
Commercial Interiors.....	2
Gold.....	9
Silver .....	54
Certified .....	5
Square Feet LEED-Certified (Thousands).....	1,016
Square Feet Awaiting LEED Certification (Thousands) .....	1,556

### Emissions (Metric Tons CO2-e)

Direct Emissions (Scope 1).....	16,669
Indirect Emissions (Scope 2) .....	360,533
<i>Purchased Electricity</i> .....	356,578
<i>Purchased Steam</i> .....	3,975
Other Emissions (Scope 3).....	112,980
<i>Commuting</i> .....	71,949
<i>Business Air Travel</i> .....	9,876
<i>Rental Cars</i> .....	2,290
<i>Other sources</i> .....	28,865
Total Emissions .....	493,460

### Energy Consumption (MWh)

Jet Fuel.....	613,606
Purchased Electricity .....	554,114
Purchased Steam.....	5,148
Natural Gas .....	1,420
Heating Oil.....	259
Propane .....	20
Total .....	1,174,567

### Water Consumption (gallons, thousands)

Purchased Water.....	22,000
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## ENCOURAGING DIVERSITY

Diversity is one of seven core values at PNC. The company recognizes the critical value of differences and the collective strength of a diverse workforce that serves an increasingly diverse marketplace.

PNC's commitment begins with Chairman and Chief Executive Officer James E. Rohr, who chairs the Corporate Diversity Council, and expands to mentoring programs, skill-building training and Employee Affinity Groups, which offer individuals a voice in creating change in the corporate culture. For customers, it means communicating in the language that makes them most comfortable, whether in the branch, on the phone, or at the ATM. And in the community, it means sponsoring multicultural events and activities, a strong tradition of volunteerism, and a commitment to supplier diversity.

**“Creating and maintaining an inclusive environment is central to attracting, developing and retaining a talented workforce. It also helps us better serve our diverse clients, suppliers and communities in the markets where our employees work and live.”**

**Marsha Jones, Chief Diversity Officer**

### Workforce

PNC is dedicated to building an inclusive and diverse team of employees that contributes to an inclusive and enthusiastic work environment through positive attitudes and confident decision-making. The company's commitment to diversity and inclusion focuses on creating opportunities within the workplace and community designed to ensure that everyone can contribute and fulfill their potential without barriers.

PNC strives to maintain a culturally diverse workforce that offers a competitive advantage in the marketplace. The company implements programs to actively recruit, hire, promote and provide career opportunities for qualified individuals without regard to—among other characteristics—race, religion, color, national origin, sex, sexual orientation, age, ancestry, gender identity, genetic information, disability, veteran status or any other perceived bias.

Some of the strategies and programs PNC has implemented to further build and sustain a talented, diverse workforce include:

- In 2009, PNC named a chief diversity officer to lead its diversity and inclusion initiatives and create a more engaged workforce.
- PNC's Corporate Diversity Council exists to champion and be accountable for the integration of diversity into all business practices. The Council fosters open dialogue about diversity and its impact on PNC's ability to win in the marketplace. It consists of a diverse group of individuals representing key constituencies within PNC.
- Each PNC line of business has developed customized Diversity Action plans that are focused on enhancing the recruitment, retention, development and promotion of employees within the various businesses. The plans have measureable goals that are reviewed on a quarterly basis by the Corporate Diversity Council.
- Members of PNC's Management Committee, a group of approximately 40 top leaders from across the company, focus on enhancing PNC's ability to leverage the firm's diverse resources to be more effective as a business and to increase stakeholder engagement.
- The Midland Women's Network (MWN) at PNC subsidiary Midland Loan Services continued to develop women leaders by providing education, networking and leadership opportunities within the company and community. A 2009 survey of Midland women revealed that 81 percent thought the MWN had a positive impact on their professional development.

**PNC's well-planned efforts to create opportunities for individuals with a significant range of backgrounds have earned recognition:**

- 100 Best Companies for Working Mothers, *Working Mother*, six consecutive years
- Top 50 Companies for Executive Women, National Association for Female Executives (2010)
- “25 Noteworthy Companies,” *DiversityInc* magazine (2007, 2008)

- PNC recognizes the importance of celebrating the heritage of its employees. Throughout the year, history and heritage events enable employees to better understand the cultural backgrounds of their colleagues and gain a greater appreciation of their contributions to society.

In 2009, PNC piloted a manager-training program, called *Creating a Culture of Inclusion*. This instructor-led training delivers role-specific sessions for executives, senior leaders and managers to address diversity, inclusion and employee engagement. Managers learn to communicate the business rationale for establishing and supporting an inclusive environment and how to use specific management strategies to increase employee performance and engagement. The program's success in its inaugural year led to the expansion of the program in 2010.

## Conversations in Courage Speaker Series

PNC hosts the annual "A Conversation in Courage" speaker series to celebrate Black History Month. Speakers in 2010 included Julian Bond, civil rights activist, state legislator and chairman of the board of the NAACP; Renee Powell, golf pro and daughter of the late William Powell, founder of Clearview Golf Course, the first black-owned and operated golf course in the United States; and the Rev. Billy Kyles, longtime participant of the civil rights movement. The 2010 Conversation in Courage events were held in Baltimore, Chicago, Cleveland, Detroit, Philadelphia, Pittsburgh, St. Louis and Washington, D.C.

## Customers and Communities

As PNC's markets become more ethnically diverse, the company is tailoring efforts to reach multicultural customers.

PNC is actively recruiting and training bilingual staff, expanding development of bilingual marketing materials that communicate products and services, and providing culturally sensitive advertisements, not just translations of English-language ads. In addition, PNC is expanding print, radio and television advertisements.

PNC also has initiatives and programs to embrace a diverse customer base and communities:

- Customer service number to address customer concerns in 140 languages
- Web site (pnc.com) includes Spanish- and Polish-language content
- Many of the more than 6,000 PNC ATM's feature eight or more languages, including Spanish, French, German, Italian, and Korean
- Spanish-language seminars on financial planning, small business flow and first-time home buying advice
- Seven-time sponsor of the "Return to the Roots of Civil Rights" Bus Tour
- Advancement of Hispanic Task Forces, an Asian Think Tank, and Women's Business Advocate groups to drive targeted customer outreach efforts.

To help strengthen the company's relationship with women entrepreneurs, PNC devotes significant resources to several initiatives including ongoing collaboration with ATHENA International and its program ATHENAPowerLink®, which mentors women entrepreneurs in 18 cities across PNC's footprint. As part of this program, PNC employees serve on panels that provide resources to female entrepreneurs to help them increase their companies' growth and profitability. According to ATHENA International, women business owners who participate in this program have experienced an increase in sales, business income and personal income.

PNC has also developed a growing network of Women's Business Advocates—bankers located corporate-wide—who understand the opportunities and challenges for women in business. Supporting the achievement and growth of women-owned businesses, in particular, is essential to an expanding economy nationwide and in the communities we serve. Women are majority owners of 1.7 million companies in PNC's primary footprint, yet despite the significance of this volume, women-owned businesses generally are half as likely as their male counterparts to become employers or hurdle the coveted \$1 million sales threshold. By engaging women in business and proactively offering financial products, services and resources, PNC can help women close this gap. PNC also supports many organizations on the national and local levels that support business women, including the Women Presidents' Organization and the Committee of 200.

## Suppliers

PNC contracts with a select and diverse group of suppliers. These strategic vendors help the company achieve “best in class” status in all aspects of our business by providing high-quality, low-cost products and services. PNC fulfills its overall commitment to strengthening the communities and businesses in each region it serves through a Supplier Diversity Program, which expands vendor opportunities to qualified minority, women-owned, veteran, and disadvantaged businesses.

In 2009, PNC spent more than \$142.6 million with these diverse business owners. The services provided by 1,700 businesses included printing, construction, facility management, technology consulting, hardware and staffing, and marketing and telecommunications.

PNC collaborates with business, civic and trade organizations across its footprint to strengthen Supplier Diversity Program efforts and provide innovative methods that promote growth and excellence among these groups. Highlighted initiatives include:

- An online registration form that enables Supplier Diversity Program staff to track and find qualified suppliers while introducing suppliers’ products and achievements to purchasing decision makers.
- Working with community organizations to present complimentary educational workshops to local women-, minority- and veteran-owned, and disadvantaged businesses to help develop their business strategies and advance their growth and operational/financial stability.
- Strategic alliances with the following organizations to support outreach, networking, mentoring and development with diverse suppliers:
  - National Minority Supplier Development Council
  - Women’s Business Enterprise National Council
  - National Women’s Business Owner Corporation
  - Consortium of African American Organizations

*PNC seeks suppliers who can provide high-quality, low-cost products and services.*

*If you are interested in becoming a supplier or learning more about our program, visit [www.pnc.com/supplierdiversity](http://www.pnc.com/supplierdiversity)*

## Supplier Diversity and Development Awards

- 2008 Stephanie Tubbs Jones Economic Empowerment Award from Consortium of African American Organizations (CAAO)
- 2008 Western Pennsylvania Minority Supplier Development Council (NMSD Regional Affiliate) Volunteer of the Year
- 2008 Northern Ohio Minority Supplier Development Council (NMSDC Regional Affiliate) Corporation of the Year
- 2008 Northern Ohio Minority Supplier Development Council (NMSDC Regional Affiliate)
- 2009 Northern Ohio Minority Supplier Development Council (NMSDC Regional Affiliate) Volunteer of the Year
- 2009 Olive Tree Publishing “Best of the Best” in Workforce and Supplier Diversity

## CREATING A BETTER WORKPLACE

PNC is committed to creating a workplace where employees receive respect, support and opportunities for development. PNC's benefits program for full-time employees includes health care, life insurance, disability coverage, comprehensive retirement benefits, and many work/life benefits such as an employee assistance-program, adoption assistance and educational assistance. Part-time employees also are offered significant benefits including health care, life insurance and educational assistance. Domestic partners—both same sex and opposite sex—may be covered as dependents under

**PNC University strategically aligns training initiatives with business objectives to achieve results. A commitment to developing employees and helping them establish career paths contributes significantly to a high retention rate and employee satisfaction.**

the medical, prescription drug, dental, vision, life insurance and personal accident insurance plans.

Last year was a time of transition for PNC. After the acquisition of National City in late 2008, much of 2009 was spent preparing for employee transfers and the first of four waves of customer conversions over 18 months. In aligning the two organizations,

nearly every system, process, policy and product was evaluated. And with the addition of almost 30,000 legacy National City employees, PNC's workforce more than doubled. The business escalated in rank to the nation's fifth-largest bank based on branches.

The integration of the two companies resulted in change for all employees, including an updated organizational structure and modifications to technology systems and policies. This, combined with the impact of an economy in recession, has led to increased stress and challenges for employees. PNC recognized a need to build upon its existing work/life benefits to help employees manage change. Some highlights included:

- Greatly increased number of employee surveys to monitor the impact of the integration on employee engagement. Pulse surveys conducted once a month and reviewed by the highest levels of integration managers and executives identified areas in which additional focus was necessary. The average response rate for the last four months of 2009 was 71 percent.
- Expanded PNC Just in Case Care, the back-up child, adult and elder care program, to former National City employees. It was made available earlier to those employees who might have dependent care needs during the very busy weeks of the conversion.
- Enhanced redeployment efforts. PNC's Internal Recruitment Placement (IPR) team was charged with redeploying as many displaced employees as possible. One of the IPR team's early successes was finding new positions for an entire call center of more than 100 employees. Results-oriented efforts have earned PNC's IPR team the 2010 Recruiting Excellence Awards for Best Retention Program/Practices from ERE Recruiting.
- Acclimated employees to their new positions through the PNC Partners Program, which matched newly acquired employees with a legacy PNC partner, based on position, experience and strengths. Mentees received on-site training from their mentors for two or three days prior to, and up to three weeks after, the conversion.

### Flexible Work Arrangements

PNC recognizes the importance of a healthy balance between business and personal life and supports employees' commitment to their families and communities. Some careers at PNC allow employees to set up flexible work schedules, telecommute, and even co-share positions. That flexibility and support has made PNC an eight-time recipient of the *Working Mother* magazine's "100 Best Companies" award.

PNC noted a rise in flexible work requests in 2009, as changes in the economy and challenges associated with the integration led employees—and their managers—to consider arrangements they might not have previously explored. Some employees were able to avoid relocation by telecommuting from home or another work location. As more managers were assigned direct reports in remote markets and more employees began to effectively work from home, many managers reported a higher comfort level with this type of flexibility.

### Training and Development

PNC University, the official name for the training function at PNC, continued its commitment to helping employees achieve success through a host of programs, courses and resources that enhance skills and increase knowledge. This division of PNC focuses on areas such as career counseling, certifications, executive coaching, customer service, employee orientation, leadership development, mentoring and sales training. We also offer employees tuition reimbursement to advance their education and management-training programs to grow their careers.

One of PNC University's initiatives—*Learning Management System (LMS)*—supports distribution and tracking of instructor-led, virtual classroom, and Web-based training, along with knowledge resources for all employees. Working with PNC's Human Resources system, newly hired or transferred employees are assigned job-appropriate learning resources, including courses and certifications. Managers provide employees with a "prescription" for development that outlines the path to advancing through a particular "job family" or track. Our Knowledge Base helps ensure employees make progress by furnishing tutorials, informational Web sites, role playing and audio casts.

*Training Magazine* named PNC as one of its "Top 125" companies in 2010 because of its exemplary training program.

PNC's *Educational Assistance Program* reimburses up to \$5,250 yearly, depending on employee status and program type. This benefit is available to employees who have a performance rating of "Achieves" or higher and completed job- or business-related graduate and undergraduate programs with specific grade requirements. In 2009, more than 2,500 PNC employees participated in this program to which PNC allotted more than \$8 million in tuition reimbursement.

Employees enrolling in a graduate degree program receive educational counseling to ensure that both the employee and PNC receive value from this significant investment. PNC's recent study of the *Educational Assistance Program* showed that employee participants in graduate programs are 10 percent more likely to be retained, 30 percent more likely to be promoted, and 30 percent more likely to receive top performance ratings compared to non-participants.

### Managing and Improving Overall Wellness

The company recently launched PNC Living Well, an initiative that provides employees with programs and resources to improve their overall wellness. Comprehensive and flexible, Living Well offers engaging tools across the three areas of physical, financial and personal health. From health-risk assessments and weight management, to elder care support and New Mothers' Rooms for nursing mothers—it's all an effort to both unite and empower employees to become resilient, productive and feel in control of their lives.

### Annual Per-employee Hours of Training

Production/Line: 71

Supervisory: 57

Administration/Support staff: 25

Professional: 61

Sales/Account management: 42

Technical/IT staff: 48

Management: 54

Senior management: 38

Total training budget: \$58 million

## DEMONSTRATING EFFECTIVE GOVERNANCE

### Board of Directors

PNC has found success in establishing robust and dynamic corporate governance that still very much supports transparency and flexibility. PNC's governance structure assists the Board of Directors in fulfilling its duty to oversee management. Each director is committed to exercising good-faith judgment when making decisions on behalf of the organization.

To help convey PNC's corporate governance philosophy, the Board has adopted guidelines that include the following:

**"Now more than ever, building a great company requires an unwavering commitment to the highest ethical standards:**

- Living our values
- Executing on our brand promise of ease, confidence, and achievement
- Embracing our Code of Business Conduct and Ethics

**Each of us is accountable to do the right thing."**

**James E. Rohr, Chairman and Chief Executive Officer**

- In uncontested elections, a director who does not receive a majority of the votes cast should submit his or her resignation.
- A substantial majority of directors should be independent from PNC.
- Directors should meet regularly without management present
- The board should appoint a lead independent director who has specific duties.
- The directors should have full and free access to officers and employees.

- Shareholders should understand how they can communicate with our board.
- All board committees should follow a written charter of responsibilities.
- The board should annually evaluate its performance.
- Directors and executives should be subject to stock ownership guidelines.

### Committee Charters

The Board currently has five standing committee charters, four of which—Audit; Nominating and Governance; Personnel and Compensation; and Risk—meet on a regular basis. The Executive Committee meets as needed and may act on behalf of the board in between board meetings. During 2009, PNC held 14 board meetings, and each director attended at least 75 percent of the combined total number of meetings and all committees on which the director served.

### Executive Compensation Philosophy

To succeed in highly competitive environments, PNC must attract, motivate, retain and reward employees who are crucial to the success of our business. PNC has designed an effective and blended compensation program that we believe is balanced, well-managed and aligned with our risk-management standards. PNC's executive compensation philosophy is based on a few core principles:

- Compensation should be fair, competitive and reasonable in light of the executive officer's responsibilities, experience and performance.
- PNC should be able to compete for and retain talented executive officers who can help to increase shareholder value.
- Executive officers should identify their financial best interests with the long-term best interests of shareholders.
- The limited perquisites and personal benefits that may be offered should not be in material dollar amounts.

- The Board's Personnel and Compensation Committee should maintain its independence from management when evaluating the executive compensation program and making decisions affecting the compensation of executive officers.
- Public disclosure of the compensation of the executive officers of PNC should be clear and understandable.

### **Code of Ethics**

PNC has long demonstrated a commitment to performance and integrity. This obligation has not diminished as the company has grown to become one of the leading financial services companies in the country.

PNC's employees created the company's Values, which reflect PNC's culture and help to ground the organization by guiding its day-to-day actions with customers and colleagues. The Seven Values—Performance, Customer Focus, Respect, Integrity, Diversity, Teamwork, and Quality of Life—have served as guides to conducting business with the highest ethical standards.

Similarly, the Code of Business Conduct and Ethics and related policies provide important guidance to conduct daily affairs—from compliance with laws and managing and reporting conflicts of interest to fair dealing and protecting confidential information. As a team, PNC's employees have worked very hard to build a successful and well-respected company. The company cannot—and will not—tolerate unethical or inappropriate behavior.

*Detailed information about PNC's corporate governance policies and procedures and other documents, including the Code of Business Conduct and Ethics, can be found at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).*

### **PNC's Values**

Performance  
Customer Focus  
Respect  
Integrity  
Diversity  
Teamwork  
Quality of Life

## AWARDS

Each year, PNC sets ambitious goals and develops new strategies and solutions that inspire employees to give their best. PNC is an organization that embraces challenges, continually progresses, and produces opportunities at every turn—for customers, employees and communities. The company is proud that this commitment to excellence has been recognized by a host of respected organizations.

### High-performance

- *Fortune* 500 company: No. 123 (2010)
- No. 135 on *Forbes'* Global 2000 (2010)

### Franchise

- Most-Admired Companies, *Fortune* magazine (2004-2010)
- “*BusinessWeek* 50” top performing companies (2006-2009)
- One of America’s Most Shareholder-friendly Companies, *Institutional Investor* magazine (2009)
- Harris Williams named Middle Market Investment Bank of the Year, *IDD* magazine (2008)
- Small Business Lender of the Year, Export-Import Bank of the United States (2008)

### Employer of Choice

- 100 Best Companies for Working Mothers, *Working Mother* (2001, 2003-2009)
- Top 50 Companies for Executive Women, National Association for Female Executives (2010)
- Top 125 Companies for Employee Training, *Training Magazine* (2010)
- *BusinessWeek* Best Places to Launch a Career (2008)

### Technology Leader

- *CIO* 100 for Technology Excellence, *CIO* magazine (2003-2010)
- Technology Innovator in Financial Services, *InformationWeek* magazine (2008)

### Community

- Committee for Economic Development (CED) Trustee Leadership Award to James E. Rohr for PNC’s Grow Up Great Early Education Initiative (2009)
- Sustainable Cities Award to PNC for eco-friendly business practices, Urban Land Institute and *Financial Times* (2008)
- Committee Encouraging Corporate Philanthropy (CECP) Large Company Excellence Award to James E. Rohr and PNC (2007)
- Sesame Workshop Corporate Honoree – James E. Rohr, along with co-honoree former First Lady Laura Bush, for PNC’s Grow Up Great Early Education Initiative (2007)

## COMPANY DESCRIPTION

With roots in banking dating to before the Civil War, PNC has grown into one of the leading financial services organizations in the country, with more than \$265 billion in assets (as of March 31, 2010).

PNC provides consumer and small business banking primarily in 13 states and the District of Columbia, with residential mortgage banking and corporate and institutional banking offices across the continental United States. PNC advisers bring financial savvy, local knowledge and truly personal service to all of their banking relationships. Whether the client is an individual or an institution, PNC can help them bank intelligently and bank easily through these lines of business:

### **Retail Banking:** Consumer and small-business banking

- One of the largest banks headquartered in the United States, based on deposits and branches
- Ranked among top small-business lenders

### **Corporate & Institutional Banking:** Financial services for mid-size companies, government agencies and non-profit entities

- One of the largest U.S. treasury management businesses
- Top 5 arranger of traditional middle-market loan syndications
- Harris Williams, a leading M&A advisory firm for middle market

### **Residential Mortgage Banking:** Originator of first lien residential mortgage loans nationwide

- Among the nation's top 10 retail lenders and servicers

### **Asset Management Group:** Individual wealth and institutional investment management

- One of the top 10 bank wealth managers, according to Barron's

### **BlackRock:** Publicly traded investment management firm (approximately one quarter ownership stake)

- One of the world's largest publicly traded investment managers

### **Employees**

More than 50,000

### **Customers**

Approximately 5 million checking-account customers

### **Locations**

Branches: More than 2,400 in 15 states and the District of Columbia

Brokerage Offices: 41 in 12 states and the District of Columbia

### **ATMS**

Approximately 6,500 machines

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