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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District Office  
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New York, New York 10173

Licensing Division  
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October 27, 2009

**Conditional Approval #928  
November 2009**

James S. Keller  
Chief Regulatory Counsel  
The PNC Financial Services Group, Inc.  
249 Fifth Avenue  
One PNC Plaza, 21<sup>st</sup> Floor  
Pittsburgh, Pennsylvania 15222-2707

Re: Application to merge National City Bank, Cleveland, Ohio, with and into PNC Bank, National Association, Wilmington, Delaware under the charter and title of the latter  
Control No: 2009 NE 02 0017 Charter No: 1316

Dear Mr. Keller:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the application to merge National City Bank, Cleveland, Ohio (“NCB”) with and into PNC Bank, National Association, Wilmington, Delaware (“PNC Bank”)<sup>1</sup> for the reasons and subject to the conditions and requirements set forth herein. This conditional approval is granted after a thorough evaluation of the application, other materials you have supplied and other information available to the OCC, including representations made in the application and by PNC Bank’s representatives during the application process.

**The Proposal**

PNC Bank and NCB<sup>2</sup> are all wholly-owned subsidiaries of The PNC Financial Services Group, Inc. (“PNC”).<sup>3</sup> PNC Bank is a national bank with its main office located in Wilmington, DE

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<sup>1</sup> PNC Bank applied and received approval from the OCC to relocate its main office from Pittsburgh, PA to Wilmington, DE, effective August 21, 2009.

<sup>2</sup> The parent of NCB, National City Corporation, was acquired by The PNC Financial Services Group, Inc. on December 31, 2008. Therefore, NCB is a subsidiary of The PNC Financial Services Group, Inc.

<sup>3</sup> PNC is a financial holding company.

and has branches in District of Columbia, Florida, Indiana, Kentucky, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia. NCB is a national bank with its main office located in Cleveland, Ohio and has branches in Florida, Illinois, Indiana, Kentucky, Maryland, Michigan, Missouri, Ohio, Pennsylvania, and Wisconsin. PNC Bank will not retain NCB's main office in Cleveland, Ohio as a branch of the resulting bank. However, PNC Bank will operate the branches of NCB as branches of the resulting bank.

### **Legal Authority for the Merger**

PNC Bank has applied to the OCC for approval to merge with NCB under the charter and title of PNC Bank, pursuant to 12 U.S.C. §§ 215a-1, 1828(c) and 1831u. The home state of PNC Bank is Delaware and the home state of the target bank is Ohio, and so in this transaction two affiliated banks with different home states, under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Riegle-Neal"), will merge. The OCC may not approve an interstate merger if the transaction involves a bank whose home state has enacted a law between September 29, 1994, and May 31, 1997, that expressly prohibits all mergers with all out-of-state banks. Both states have laws permitting interstate mergers.

The business combination of PNC Bank and NCB is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 USC 215a-1 and 1831u(a), and the resulting bank is authorized to retain and operate offices of both banks under 12 USC 36(d) and 1831u(d)(1). In this regard, the OCC has determined that, with respect to the merger, the Act's age requirements applicable to the target bank, filing requirements, and requirements as to the capital adequacy of the banks involved in the merger, and management capabilities of the resulting bank are satisfied.<sup>4</sup>

### **Bank Merger Act**

The OCC reviewed the proposed merger transactions under the criteria of the Bank Merger Act,<sup>5</sup> and applicable OCC regulations and policies. Among other matters, we found that the proposed transactions would not have any anticompetitive effects.<sup>6</sup> The OCC also considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of

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<sup>4</sup> 12 U.S.C. § 1831u(a)(5), (b)(1) and (b)(4). The Act's concentration limits and expanded CRA requirements are not applicable to these transactions because they are among affiliated banks. As will be subsequently discussed, approval of the mergers is also consistent with the factors set forth in the Bank Merger Act and with the records of compliance of the parties with the Community Reinvestment Act.

<sup>5</sup> 12 U.S.C. § 1828(c).

<sup>6</sup> As previously noted, PNC Bank and NCB became affiliates on December 31, 2008.

the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “. . . the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities . . .”<sup>7</sup> The OCC considered these factors and found them to be consistent with approval under the statutory provision.

### **Community Reinvestment Act**

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the records of the institutions proposing to engage in a conversion or a merger in helping to meet the credit needs of the community, including low- and moderate-income (“LMI”) neighborhoods, when evaluating conversion and merger applications.<sup>8</sup> The OCC considers the CRA Performance Evaluation of each institution involved in the transaction. A review of the records of these applicants, and other information available to the OCC as a result of its regulatory responsibilities, revealed no evidence indicating that the applicants’ records of helping to meet the credit needs of their communities, including LMI neighborhoods, are less than satisfactory.

### **Condition of the Approval**

This approval is subject to the following condition:

Following consummation and for a period of two years, PNC Bank is permitted to retain its investment in EFS Services Corporation. This investment must be terminated within the two-year period unless, within that time period, the OCC determines that this investment is permissible.

This condition of approval is a condition “imposed in writing by a Federal Banking Agency in connection with any action on any application, notice or other request” within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

### **Consummation Requirements**

This conditional approval is granted based on our understanding that other applicable regulatory approvals, non-objections or waivers with respect to the proposed transaction will have been received prior to the merger.

As a reminder, the Northeastern District Licensing unit must be advised in writing 10 days in advance of the desired effective date for the conversion and merger so that the OCC may issue the necessary conversion authorization and merger certification letters.

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<sup>7</sup> 12 U.S.C. § 1828(c)(11).

<sup>8</sup> 12 U.S.C. §§ 2903(a)(2) and 2902(3)(A) and (E); 12 C.F.R. § 25.29(a)(3) and (4).

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PNC Financial Services Group Inc.  
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If the merger transaction has not been consummated within twelve months from the approval date, the approval will automatically terminate unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions regarding this letter, please contact me or Senior Licensing Analyst Sandya Reddy at (212) 790-4055. Please reference the application control number in any correspondence.

Sincerely,

*signed*

J. Greg Parvin  
Director for District Licensing