2011 Windy City Summit
PNC Bank, N.A. Presentation

May 18, 2011

Today's Presenters

PNC Bank, N.A.

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Introduction

- PNC Bank, N.A. ("PNC") is pleased to have the opportunity to present to the Windy City Summit.

- Our agenda today will be as follows:

  I. Provide an informational overview of PNC as an organization;

  II. Present the state of today's bank loan market; and

  III. Discuss the general themes that have enabled companies to successfully maintain access to the debt capital markets in recent years.

Section I.

PNC Overview

PNC Corporate Profile

Employees:
Approximately 50,000 in the U.S. and abroad

Size by Deposits:
6th largest U.S. bank by deposits

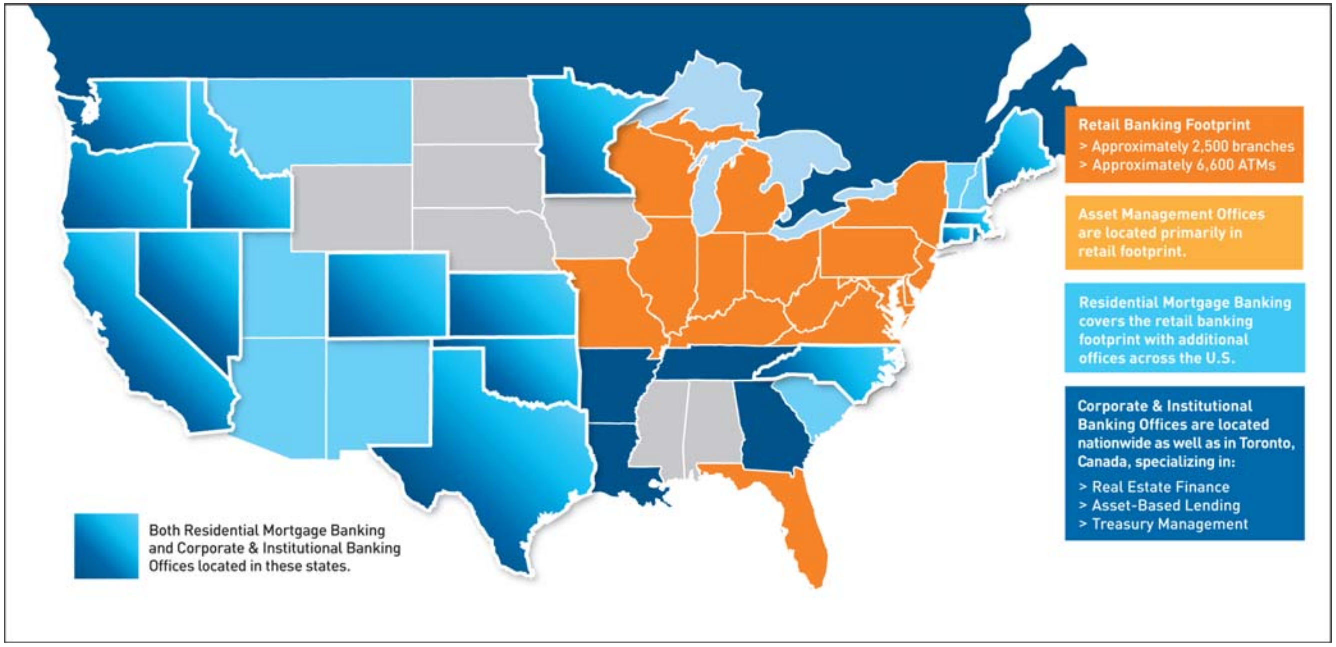
Customers:
Approximately 5 million checking account customers

Locations:
Branches – Approximately 2,500 in 14 states and the District of Columbia

Brokerage Offices – 40 offices in 12 states and the District of Columbia

ATMs:
Approximately 6,700 machines

Internet Address:
www.pnc.com



Financial Highlights	
Assets	$259 billion
Deposits	$182 billion
Shareholder Equity	$31 billion
Assets Under Mgmt.	$110 billion

As of March 31, 2011

A Stable and Solid Financial Institution

Financial Summary	1Q2011
Net Income	$832 Million
Assets	$259 Billion
Assets Under Management	$110 Billion
Deposits	$182 Billion
Shareholder Equity	$31 Billion

Approximately 2,500 branches in 14 states and D.C

6,600 ATM machines

Approximately 50,000 employees in the U.S. and abroad

As of March 31, 2011

PNC

PNC Corporate Profile

PNC CREDIT RATINGS*

	Moody's	Standard & Poor's	Fitch
The PNC Financial Services Group, Inc.			
Senior Debt	A3	A	A+
Subordinated Debt	Baa1	A-	A
Preferred Stock	Baa3	BBB	A
PNC Bank, N.A. and National City Bank of Cleveland			
Subordinated Debt	A3	A	A
Long-term Deposits	A2	A+	AA-
Short-term Deposits	P-1	A-1	F1+

*Current as of April 20, 2011. Ratings are subject to change depending on financial and other factors. Other subsidiaries and banks in The PNC Financial Services Group, Inc. may have different ratings. This is not a complete list.

Retail Banking *Consumer and small business banking*	**Asset Management Group** *Individual wealth and institutional investment management*	**Corporate & Institutional Banking** *Financial services for companies and government agencies*	**Residential Mortgage Banking** *Originator of first lien residential mortgage loans nationwide*	**BlackRock** *Publicly traded asset management firm (one-quarter ownership stake)*
• One of the largest banks in the United States based on deposits and branches • Ranked among top small business lenders • PNC was the first major U.S. bank to design and build bank branches based on U.S. Green Building Council Standards	• One of the top 10 bank wealth managers according to *Barron's*	• One of the top treasury management providers in the country • Top 5 arranger of traditional middle market loan syndications • Harris Williams, leading M&A advisory firm for middle market	• Among the nation's top 10 retail lenders and servicers	• The world's largest publicly traded asset management firms

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Largest U.S. Based Banks & Thrifts

Rank	Name	Ticker	Total Assets ($ in Billions)
1	BANK OF AMERICA CORP	BAC	$2,264.9
2	JPMORGAN CHASE & CO	JPM	$2,117.6
3	CITIGROUP INC	C	$1,913.9
4	WELLS FARGO & CO	WFC	$1,258.1
5	US BANCORP	USB	$307.8
6	**PNC Financial Services Group, Inc.**	**PNC**	**$264.3**
7	BANK OF NEW YORK MELLON CORP	BK	$247.3
8	CAPITAL ONE FINANCIAL CORP	COF	$197.5
9	SUNTRUST BANKS INC	STI	$172.9
10	STATE STREET CORP	STT	$160.5
11	BB&T CORP	BBT	$157.1
12	REGIONS FINANCIAL CORP	RF	$132.4
13	FIFTH THIRD BANCORP	FITB	$111.0
14	KEYCORP	KEY	$91.8
15	NORTHERN TRUST CORP	NTRS	$83.8
16	M & T BANK CORP	MTB	$68.0
17	HUDSON CITY BANCORP INC	HCBK	$61.2
18	HUNTINGTON BANCSHARES INC	HBAN	$53.8
19	COMERICA INC	CMA	$53.7
20	ZIONS BANCORP	ZION	$51.0

Rank	Name	Ticker	Total Deposits ($ in Billions)
1	BANK OF AMERICA CORP	BAC	$1,010.4
2	JPMORGAN CHASE & CO	JPM	$930.4
3	WELLS FARGO & CO	WFC	$847.9
4	CITIGROUP INC	C	$845.0
5	US BANCORP	USB	$204.3
6	**PNC Financial Services Group, Inc.**	**PNC**	**$183.4**
7	BANK OF NEW YORK MELLON CORP	BK	$145.3
8	SUNTRUST BANKS INC	STI	$123.0
9	CAPITAL ONE FINANCIAL CORP	COF	$122.2
10	BB&T CORP	BBT	$107.2
11	STATE STREET CORP	STT	$98.3
12	REGIONS FINANCIAL GROUP	RF	$94.6
13	FIFTH THIRD BANCORP	FITB	$81.6
14	NORTHERN TRUST CORP	NTRS	$64.2
15	KEYCORP	KEY	$60.6
16	M & T BANK CORP	MTB	$49.8
17	HUNTINGTON BANCSHARES INC	HBAN	$41.9
18	ZIONS BANCORP	ZION	$40.9
19	COMERICA INC	CMA	$40.5
20	MARSHALL & ILSLEY CORP	MI	$38.3

Source: SNL Financial - U.S. GAAP reporting. As of 12/31/2010
Morgan Stanley ($807.7B) & Goldman Sachs ($911.0B) were approved as BHCs; however, total assets are not included given current business models.

PNC Capital Markets Capabilities

- PNC has consistently ranked as one of the premier Lead Arrangers and Administrative Agents in the U.S. loan market.
  - #1 U.S. Lead Arranger for Traditional Middle Market deals in 2H10 by both deals and volume.
  - #5 U.S. Lead Arranger for all syndicated transaction in 2010.
- PNC has the capability to provide its clients with a full range of financial products and services, including:

Capital Raising Activities

– Asset Backed Securities

– Loan Syndications

– Equipment Finance

– Traditional Private Placements

– Junior Capital Placements

– High Grade / High Yield / Municipal Bonds

– Industrial Revenue Bonds

– Equity Underwriting

Exposure Management

– Credit Derivatives

– Derivative Trading

– Foreign Exchange

Other

– Mergers & Acquisition (H&W)

– Liability Management

– Public Finance

- PNC has significant transaction experience leading acquisition financings, LBOs, dividend recapitalizations and public to private deals.
- PNC has ongoing relationships with investors including banks, CLO’s, mutual funds, insurance companies, hedge funds, mezzanine funds and business development companies.

PNC's Leading Syndication Market Position

- PNC Loan Syndications has a demonstrated ability to deliver our clients the most flexible pricing and structure due to our well established investor base and market knowledge that supports our leadership position.
- PNC Loan Syndications has consistently ranked in the top tier of Lead Arrangers in the U.S. primary loan market.
  - Deal team staffed with senior transactors with expertise in leading deals for private and public companies.
  - Well established investor base, successful track record and demonstrated execution capabilities.
- PNC Agency Services manages the loan activity for over 550 clients totaling $53.1 billion in commitments.
- PNC has a broad and established base of investors with over 150 participants across our agented transactions.
- Our consistent new and recurring deal flow gives PNC significant knowledge and leverage with our investors, which allows for the best market execution.

2H2010 U.S. Bookrunner
Traditional Middle Market

Rank	Bank Holding Company	# of Deals
1	**PNC**	**69**
2	Bank of America Merrill Lynch	55
3	Wells Fargo & Company	43
4	General Electric Capital Corporation	41
5	U.S. Bancorp	31
6	Madison Capital Funding LLC	28
7	SunTrust Bank	16
8	JP Morgan	17
9	KeyBank	9
10	Regions Bank	9

Source: Loan Pricing Corporation 12/31/2010

2010 U.S. Bookrunner
Overall Market

Rank	Bank Holding Company	# of Deals
1	Bank of America Merrill Lynch	891
2	JP Morgan	580
3	Wells Fargo & Company	516
4	Citi	206
5	**PNC**	**202**
6	General Electric Capital Corporation	182
7	U.S. Bancorp	156
8	Barclays Bank Plc	148
9	SunTrust Bank	143
10	BNP Paribas SA	133

Source: Loan Pricing Corporation 12/31/2010

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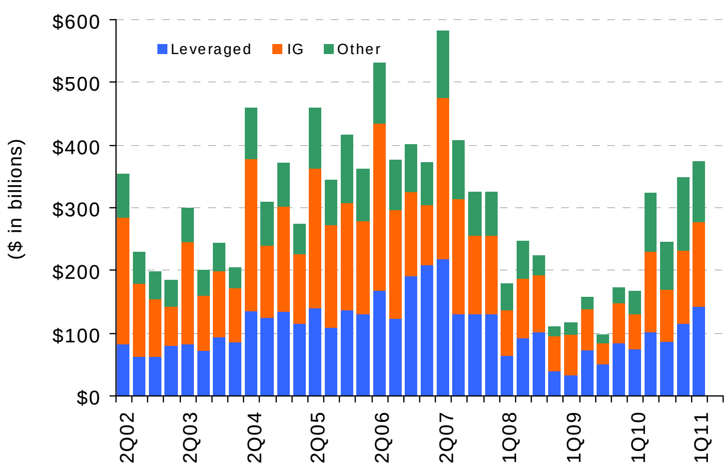
Section II.

State of the Bank Loan Market

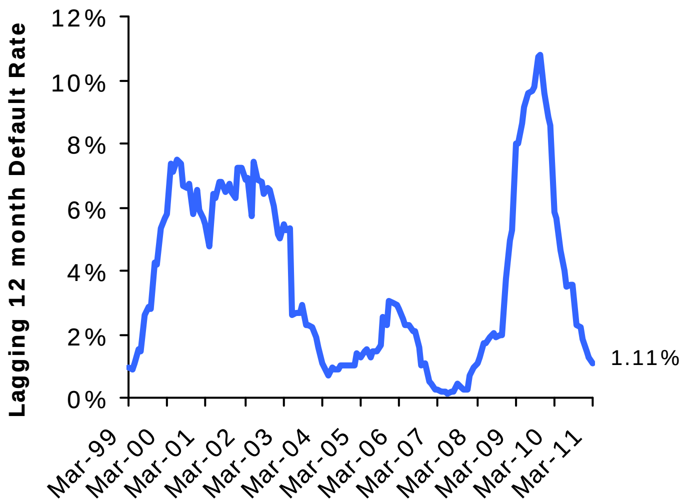
Syndicated Loan Market Overview

- For 1Q11, syndicated loan volume climbed to $375.0 billion, the most since the 3Q07. At $102.0 billion, 1Q11 new money deal flow represented 27% of total issuance in the quarter.
- Loan outstandings have decreased and fund flows to loan funds have increased, leaving lenders anxious to put capital to work in new, funded deals. This has led to a competitive loan market, as demonstrated by tighter spreads, longer tenors and looser covenants.
- Credit quality continues to improve as companies have implemented several cost cutting measures which have led to healthier margins and stronger performance.

Overall U.S. Syndicated Loan Issuance



Improving Credit Quality



Source: Loan Pricing Corporation

Improving Loan Volume

U.S. Issuance Snapshot (2009 v. 2010) and (1Q10 v. 1Q11)

($ in billions)	2009	2010	Year Over Year Change	1Q10	1Q11	Percentage Change
U.S. Total Issuance						
Overall***	$ 547.1	$ 1,085.7	98.4%	$ 168.2	$ 374.7	122.8%
Investment Grade	229.0	385.7	68.5%	56.5	135.4	139.8%
Leveraged***	239.2	376.0	57.2%	74.0	142.0	91.9%
Institutional***	56.3	206.6	266.7%	38.2	103.8	171.8%
LBO*	6.7	43.3	544.2%	4.1	14.0	238.4%
HY Bonds	146.5	259.3	77.0%	62.8	77.9	24.1%
Investment Grade Bonds	719.0	728.3	1.3%	225.0	259.9	15.5%
U.S. New Money Issuance**						
Overall (new money)***	$ 164.9	$ 351.8	113.4%	$ 58.0	$ 102.3	76.4%
Investment Grade (new money)	60.8	85.1	40.0%	26.5	40.1	51.3%
Leveraged (new money)***	79.8	179.2	124.6%	23.6	44.3	87.8%
Institutional (new money)***	24.3	104.3	328.8%	12.6	31.9	153.7%

* Excludes bridge loans

** Includes only new financings, such as M&A, LBO, dividend payments, and incremental fund raising

*** Excludes secondary institutional selldowns

Source: LPC Goldsheets 4/4/11

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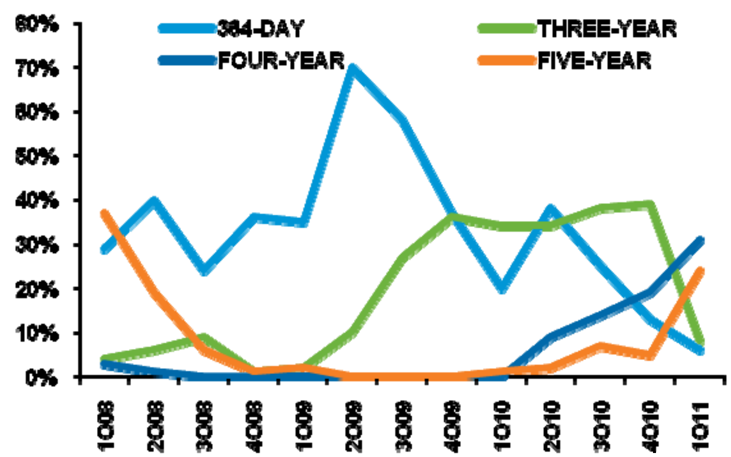
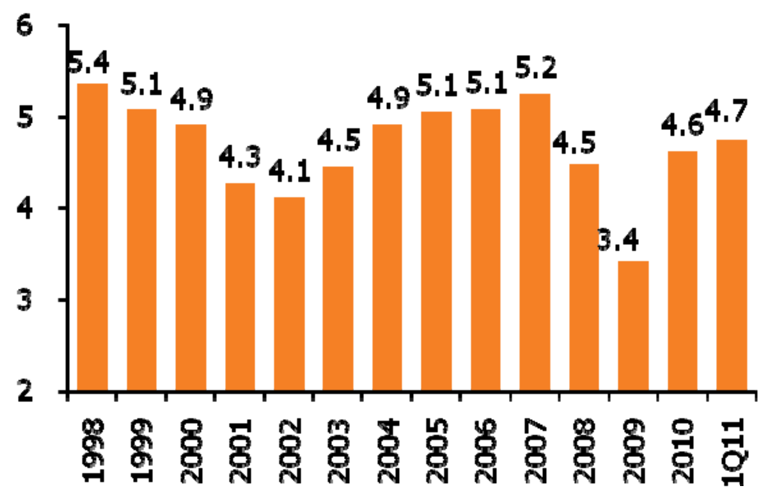
Market Tenors Continue to Lengthen

- For the first time since the second quarter of 2008, five-year revolving credits accounted for a greater market share than three-year deals. In the first quarter of 2011, the share of four and five-year revolvers in the Investment Grade market grew to 31 percent and 24 percent, respectively. The pricing premium between a five versus a four year transaction continues to narrow and companies are increasingly focused on locking in longer tenors.
- In the leveraged market, tenors have shifted to primarily four and five year deals with little to no pricing premium between the two options.
- Longer tenors are expected to continue to prevail moving into the second quarter. However, lenders are keeping an eye on the potential impacts of Basel III and other regulatory reforms.

Investment Grade Revolver Tenor



Average Tenor of Leveraged Pro Rata Loans

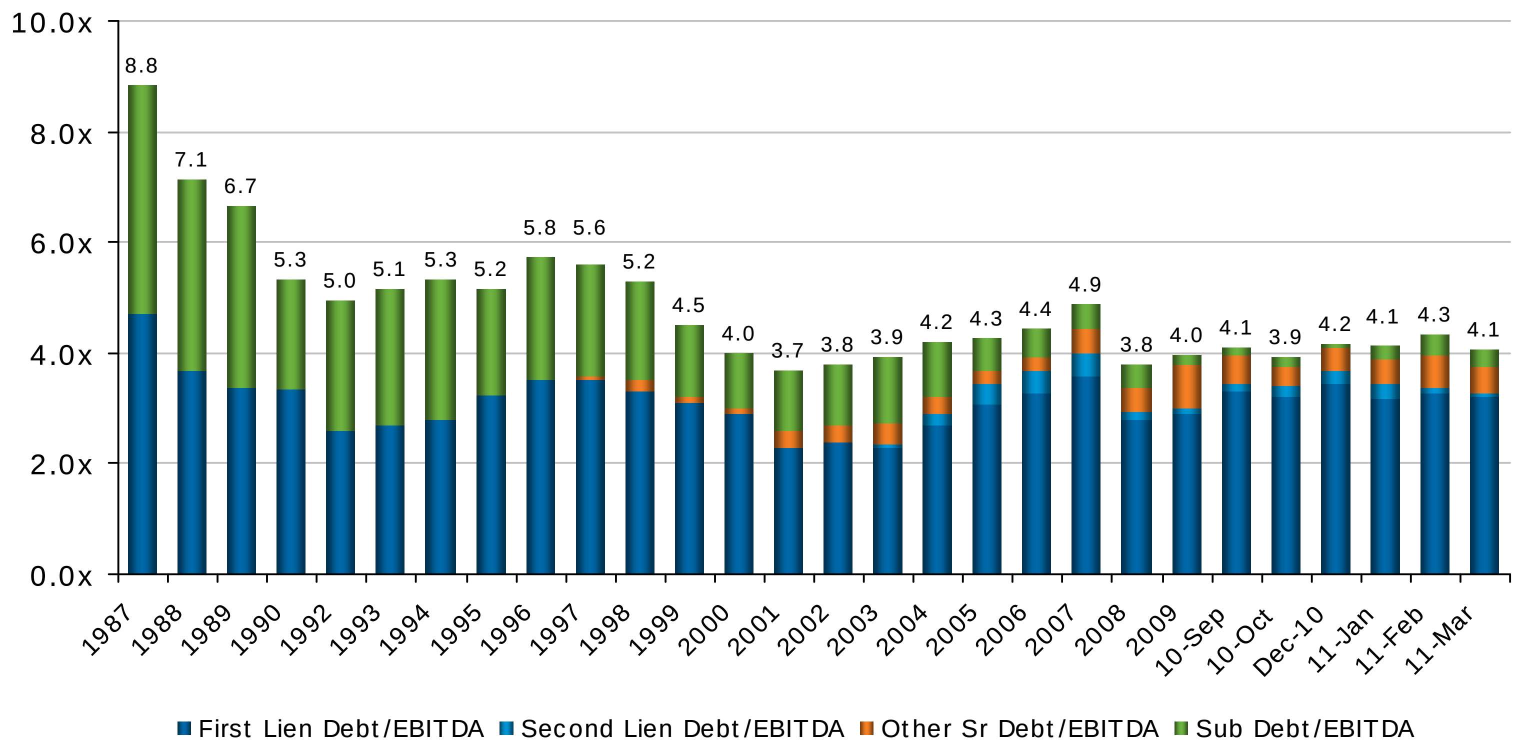


Source: Thomson Reuters LPC and Standard and Poor's LCD

Corporate Bank Loan Market Leverage

Average Loan Market Leverage

Criteria: Pre-1996: L+250 and Higher; 1996 to Date: L+225 and Higher; Media Loans Excluded; There were too few deals in 1991 to form a meaningful sample



Source: Standard and Poor's LCD

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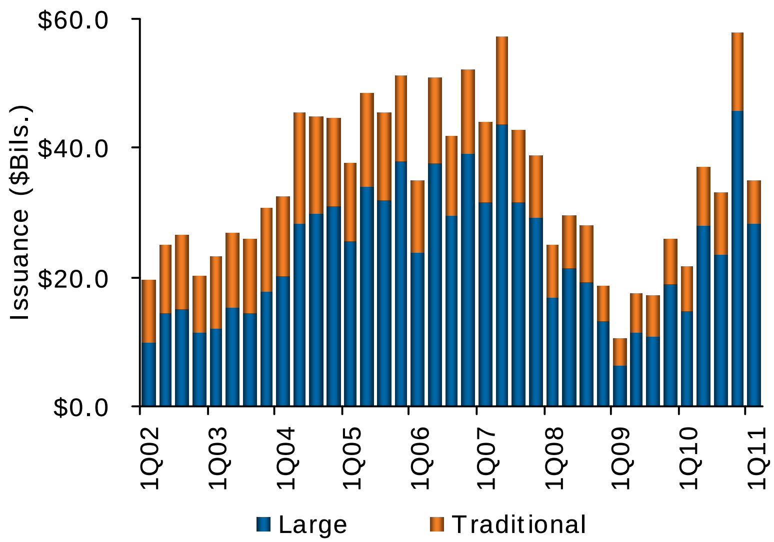
Middle Market Loan Volume

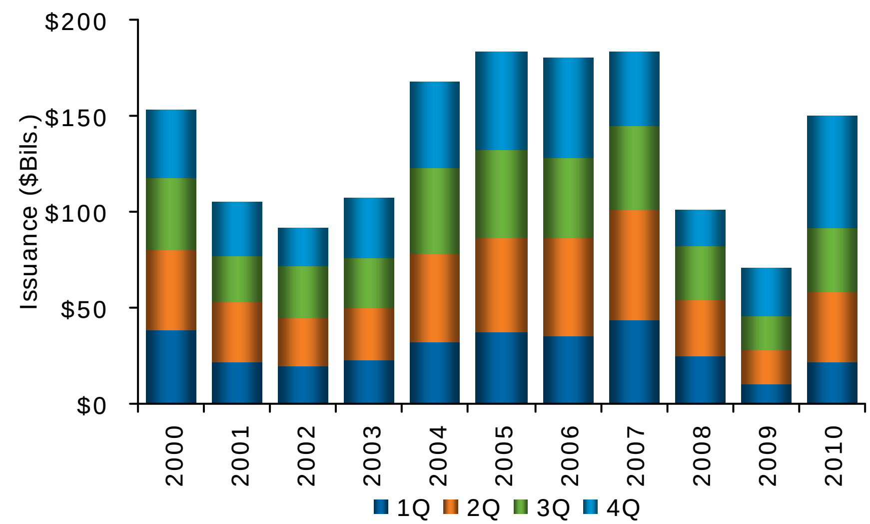
- Middle market loan issuance of $35 billion in 1Q11 was up 61% from 1Q10, and represents the highest issuance since 1Q07. This was comprised of $28.4 billion volume in the large middle market and $6.6 billion volume in the traditional middle market.
- Refinancings accounted for $15 billion, or 75% of non-sponsored lending volume in 1Q11.

Quarterly Middle Market Loan Issuance



Traditional MM – Deal size < $100M
Large MM - Deal size $100M-$500M

Annual Middle Market Loan Issuance

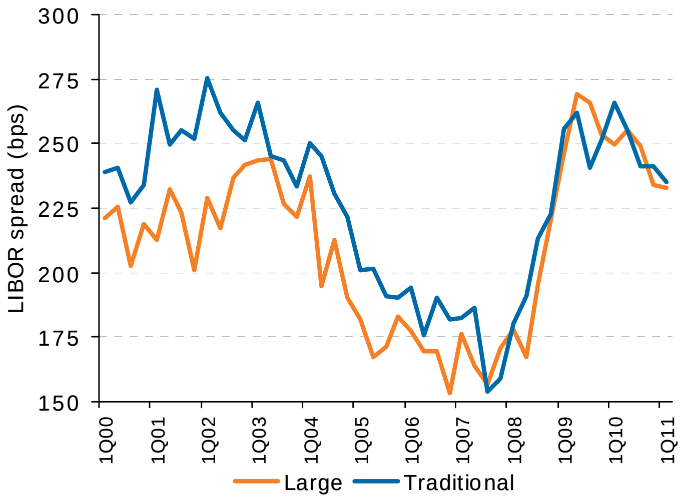


Source: Thomson Reuters LPC

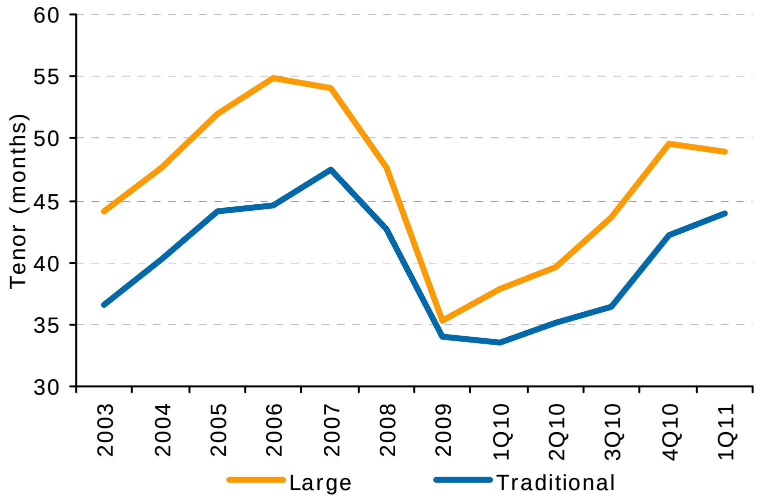
Middle Market Non-Sponsored Spreads & Tenors

- Demand for middle market paper has been robust, due to the lack of supply from new money volume and M&A issuance.
- The competitive loan market has led to tighter spreads and longer tenors. Average tenors for large and traditional non-sponsored middle market borrowers in 1Q11 were 4.1 years and 3.7 years, respectively.
- Average spreads for large and traditional non-sponsored middle market borrowers trended downward in 1Q11 to 233 bps and 235 bps, respectively.

Non-Sponsored Middle Market Spreads



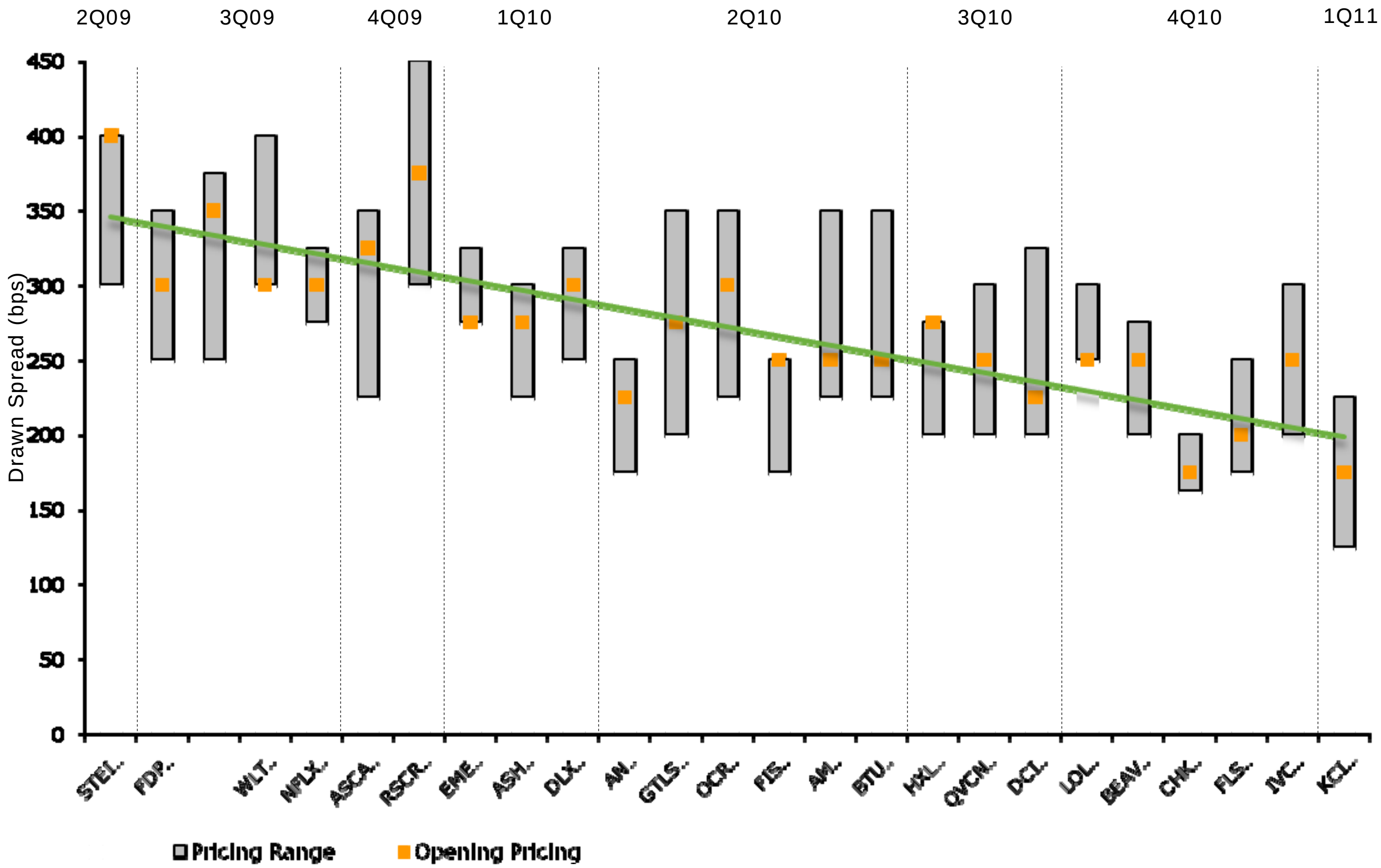
Non-Sponsored Revolver Tenors



Source: Thomson Reuters LPC

Improving Drawn Pricing Trends

BB Multi-Year Revolver Pricing Comparables

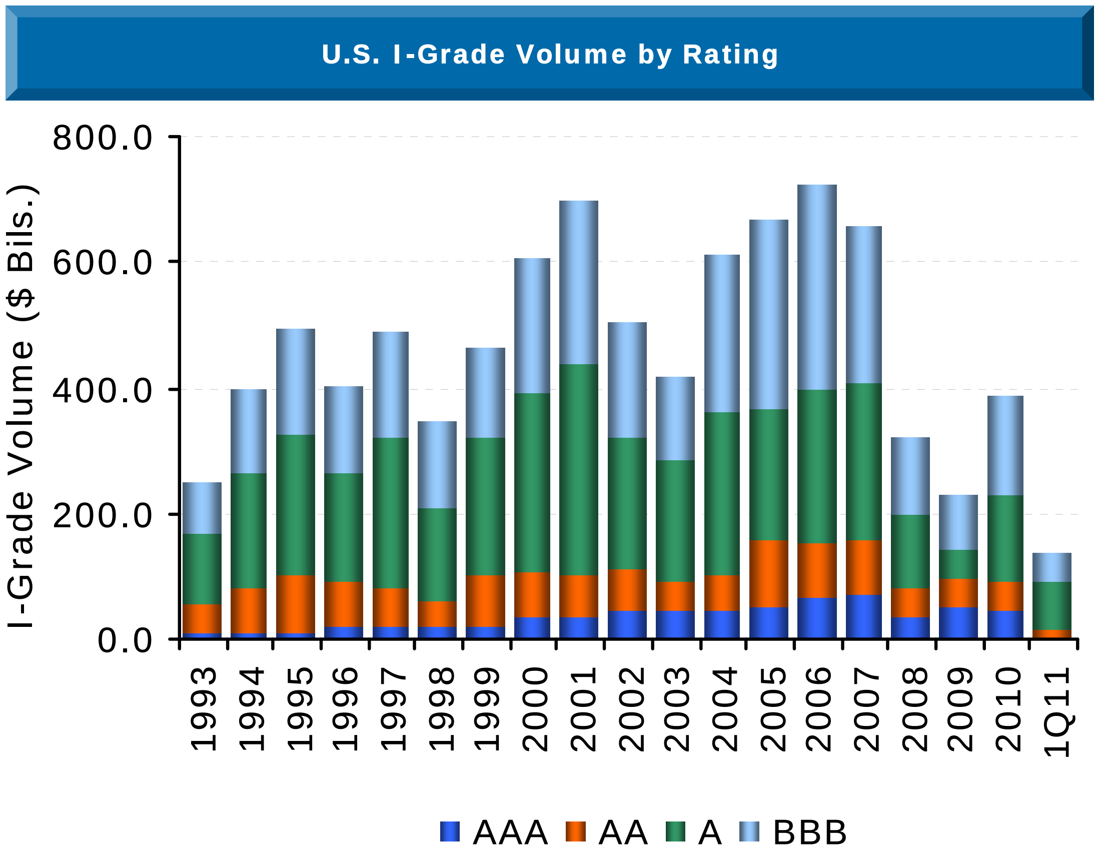


STEI	-	Stewart Enterprises
FDP	-	Fresh Del Monte Produce
TRK	-	Speedway Motorsports
NFLX	-	Netflix Inc
ASCA	-	Ameristar Casinos
RSCR	-	ResCare Inc
EME	-	Emcor Group Inc
ASH	-	Ashland Inc
DLX	-	Deluxe Corp
AN	-	Autonation
GTLS	-	Chart Industries Inc
OCR	-	Omnicare Inc
FIS	-	Fidelity Natl Info Services
AM	-	American Greetings
BTU	-	Peabody Energy
HXL	-	Hexcel Corp
QVCN	-	QVC Inc
DCI	-	Drummond Co Inc
LOL	-	Land O'Lakes Inc
BEAV	-	BE Aerospace Inc
CHK	-	Chesapeake Energy
FLS	-	Flowserve Corp
IVC	-	Invacare Corp
KCI	-	Kinetic Concepts

Note: Sampling based upon BB multi-year revolvers with leveraged based grids.

Investment Grade Market

- Investment grade issuance reached $135.4 billion in 1Q 2011, increasing 140 percent from the year ago period. For the full year 2010, investment grade issuance totaled $385.7 billion, up 68 percent relative to 2009.

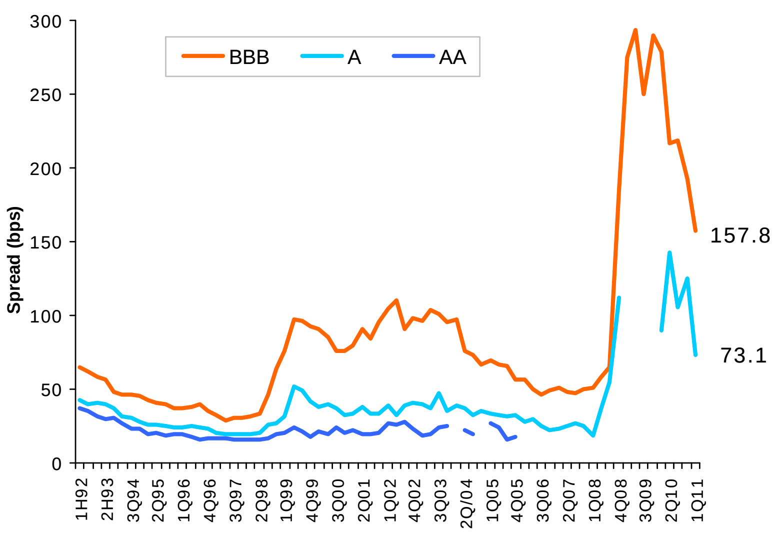


Source: Thomson Reuters LPC and Standard and Poor's LCD

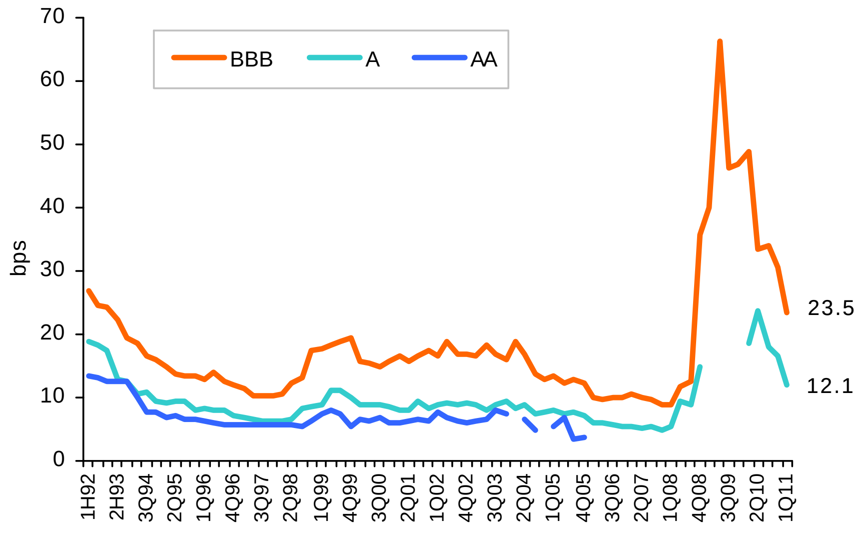
Spreads Continue to Narrow

- Supported by improved market sentiment, drawn spreads for high-grade borrowers continued to stabilize in 1Q11.
- Pricing in investment grade market is approaching close to the pre-crisis level.
  - Average drawn spreads for A rated credits dropped to 73.1 bps, but the range was still maintained in the 60-100 bps area. Average undrawn spreads were at 12 bps, down from 20 bps at the beginning of the year.
  - At 158 bps, the average drawn spread for BBB-rated multi-year revolvers continued their downward trend, while undrawn spreads continued to tighten toward the low 25 bps level.

U.S. Average Quarterly Investment Grade
Drawn Pricing 1Q94-1Q11



U.S. Average Quarterly Investment Grade
Undrawn Pricing 1Q94-1Q11



Source: Thomson Reuters LPC

Section III.

Themes for Success in Securing Bank Debt

Common Themes for Success in the Bank Loan Market

- As the bank loan market leaves behind the financial crisis of 2008 and 2009, PNC has observed a string of common themes that has enabled companies to emerge with their banking relationships intact while retaining maximum access to the debt capital markets.
  - Reacting quickly during a downturn
  - Choosing a banking relationship wisely
  - Investing in a bank relationship

Reacting Quickly During a Downturn: the real life stress test

- Companies that take timely action during down cycles and control what they are able to control will be able to retain their banking relationships more consistently.
  - Respond immediately to lack of orders or revenues
    - Manage the business for cash.
    - Reduce labor cost.
    - Rationalize manufacturing capacity.
    - Work to cover fixed charges on a trailing 12 month basis
  - Working capital liquidation used to reduce debt.
  - Communicate its strategy with its banking relationships.
  - Proactively amend debt agreements to remain in compliance with covenants.
  - Create the necessary liquidity to bridge the cycle.
  - New concept of shareholder friendly balance sheet
- Bank Credit Officers respond: I really like how this Company managed the downturn!

Choosing a Banking Relationship Wisely

- Companies should understand and consider the following key issues banks are facing today and how they could impact a relationship:

  - How is the bank prepared to deal with the ever-changing regulatory environment?
    - Financial Reform Bill passed in July 2010
    - Compliance with Basel Accords

  - Bank capitalization and liquidity
    - What is the Tier 1 Capital ratio?
    - How is the bank funded (i.e. loan/deposit ratio)?
    - Have dividends been restored?

- Internal pressure for banks to balance credit based business with other types of ancillary business
    - All lenders have return thresholds
    - Multi-faceted banking relationships are critical

- Consolidation of financial institutions

- Other items a company should consider in choosing its lead lender include:
  - Bank's credit philosophy should complement company's strategy throughout its life cycle.
  - Bank should be a trusted partner that looks out for the company's best interests and consistently provides value added advice.
  - Company should be considered important and high profile to the lead bank.
  - Historically positive working relationship.

Investing in a Bank Relationship

- Investing time and resources to maintaining bank relationships is a critical component of a company having consistent access to debt capital. Each company should take the following key steps as part this process:
  - Ensure the bank has a thorough understanding of its strategic plan.
  - Be certain that it knows the key decision makers at a bank (i.e. line of business and credit).
  - Have regular meetings with its bankers to review performance and provide any updates to its strategic plan.
  - Understand the profitability of the relationship to the bank.
  - Be aware of the various non-credit services available from its banks.

Loan Market Observations

- Traditional Banks are aggressively looking for funded assets.
- Terms and conditions are becoming more aggressive.
  - Willing to tolerate higher opening leverage multiples
  - Covenants widening
  - Downward pressure on pricing
- Defaults remain near historic lows.
- Ancillary business is still important but more players are willing to participate in deals on a transactional basis only.
- Banks tolerant of dividends and recapitalizations provided opening leverage is reasonable and the company has the ability to de-lever.
- Tenors have lengthened to 4 to 5 years.
- LIBOR Floors are no longer required for traditional bank only executions.

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