

PNC FINANCIAL SERVICES GROUP, INC.

Form POSASR

September 06, 2012

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As filed with the Securities and Exchange Commission on September 6, 2012

Registration Nos. 333-164364

333-164364-01

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Post-Effective Amendment No. 1 to**  
**FORM S-3**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**THE PNC FINANCIAL**  
**SERVICES GROUP, INC.**

**PNC FUNDING CORP**

(Exact name of each registrant as specified in its articles of incorporation)

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**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)  
25-1435979  
(I.R.S. Employer Identification Number)  
One PNC Plaza  
249 Fifth Avenue  
Pittsburgh, Pennsylvania 15222-2707  
(412) 762-2000  
(Address, including zip code, and telephone number  
including code, of registrant s principal executive offices)

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)  
25-1234372  
(I.R.S. Employer Identification Number)  
One PNC Plaza  
249 Fifth Avenue  
Pittsburgh, Pennsylvania 15222-2707  
(412) 762-2000  
(Address, including zip code, and telephone number  
including code, of registrant s principal executive offices)

**Richard J. Johnson**

**Chief Financial Officer**

**The PNC Financial Services Group, Inc.**

**One PNC Plaza**

**249 Fifth Avenue**

**Pittsburgh, Pennsylvania 15222-2707**

**(412) 762-2000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copy to:*

**Edward Rosenthal**

**The PNC Financial Services Group, Inc.**

**One PNC Plaza**

**249 Fifth Avenue**

**Pittsburgh, Pennsylvania 15222-2707**

**(412) 762-2000**

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**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Proposed Maximum Aggregate Offering Price(1)(2)</b>	<b>Amount of Registration Fee(1)(2)</b>
Debt Securities to be issued by PNC Funding Corp		
Senior Debt Securities to be issued by The PNC Financial Services Group, Inc.		
Common Stock to be issued by The PNC Financial Services Group, Inc.		
Preferred Stock to be issued by The PNC Financial Services Group, Inc.		
Depository Shares to be issued by The PNC Financial Services Group, Inc.(3)		
Purchase Contracts(4)		
Units(5)		
Warrants to purchase Common Stock, Preferred Stock or Depository Shares to be issued by The PNC Financial Services Group, Inc.		
Warrants to purchase Debt Securities to be issued by PNC Funding Corp		
Guarantees constituting guarantees of the Debt Securities by The PNC Financial Services Group, Inc.(6)		

- (1) An indeterminate aggregate initial offering price or number of the securities of each identified class is being registered as may from time to time be offered at indeterminate prices by the registrants and/or one or more selling security holders. Separate consideration may or may not be received for securities that are issuable on exercise, conversion, or exchange of other securities or that are issued in units or represented by depository shares. In accordance with Rules 456(b) and 457(r) under the Securities Act, the Registrant is deferring payment of all of the registration fee and will update the fee table in connection with an offering of securities.
- (2) This registration statement also covers an indeterminate amount of registered securities that may be reoffered and resold on an ongoing basis after their initial sale in market-making transactions by affiliates of the registrants. Pursuant to Rule 457(q) under the Securities Act, no filing fee is required for the registration of an indeterminate amount of securities to be offered in such market-making transactions.
- (3) Each depository share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of preferred stock, and will be evidenced by a depository receipt.
- (4) Each purchase contract is a contract under which upon settlement the holder either will purchase or sell a fixed or variable number of shares of common stock, preferred stock, or depository shares of The PNC Financial Services Group, Inc., debt securities of PNC Funding Corp, or securities of third parties.
- (5) Each unit will be issued under a unit agreement, indenture or other agreement and will represent a unit comprised of a combination of any of the other securities registered under the registration statement.
- (6) The PNC Financial Services Group, Inc. is registering the guarantees of the Debt Securities of PNC Funding Corp. Pursuant Rule 457(n) under the Securities Act, no additional registration fee is due for the guarantees.

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**EXPLANATORY NOTE**

This Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 of The PNC Financial Services Group, Inc. (File No. 333-164364) and PNC Funding Corp (File No. 333-164364-01) filed on January 15, 2010 (the Original Registration Statement ) registers senior debt securities of The PNC Financial Services Group, Inc. in addition to the classes of securities of PNC Funding Corp and The PNC Financial Services Group, Inc. registered on the Original Registration Statement. This Post-Effective Amendment No. 1 contains a prospectus which updates the form of prospectus included in the Original Registration Statement by adding a description of the senior debt securities of The PNC Services Group, Inc. and makes certain changes to the original prospectus related to the passage of time since January 2010. Other than the changes described in the preceding sentence, no changes or additions are being made hereby to the prospectus included in the Original Registration Statement. This Post-Effective Amendment No. 1 shall become effective immediately upon filing with the Securities and Exchange Commission.

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**THE PNC FINANCIAL SERVICES GROUP, INC.**

**Senior Debt Securities**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

**Purchase Contracts**

**Units**

**Warrants**

**Guarantees**

**PNC FUNDING CORP**

**Debt Securities**

**Warrants**

We may offer and sell the securities listed above from time to time in one or more offerings. We may also issue common stock, preferred stock, or debt securities upon the conversion, exchange or exercise of certain of the securities listed above. One or more selling security holders to be identified in the future may also offer and sell the securities listed above from time to time. This prospectus describes the general terms of these securities and the general manner in which these securities may be offered. When we decide to sell a particular series of securities, we will provide the specific terms of the securities to be offered in supplements to this prospectus. The prospectus supplements will also describe the specific manner in which these securities will be offered and may also supplement, update or amend information in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

In addition, PNC Capital Markets LLC and other affiliates of ours may use this prospectus in reoffers and resales in market-making transactions in any of these securities after their initial sale.

The common stock of The PNC Financial Services Group, Inc. is listed on the New York Stock Exchange under the symbol PNC.

PNC's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, PA 15222-2707, and its telephone number is 412-762-2000.

*Investing in these securities involves certain risks. For a discussion of certain risks that you should consider in connection with an investment in our securities, see **Risk Factors** in PNC's Annual Report on Form 10-K for the year ended December 31, 2011, as amended by Amendment No. 1 on Form 10-K/A, and all subsequent filings under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. See also the section called **Risk Factors** on page 3 of this prospectus.*

These securities are not savings or deposit accounts or other obligations of any bank, and they are not insured by the Federal Deposit Insurance Corporation or any other insurer or governmental agency.

Neither the Securities and Exchange Commission, any state securities commission, nor any other regulatory body has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 6, 2012.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, using a shelf registration process. Under this shelf registration process, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings. We may sell these securities either separately or in units. We also may issue common stock, preferred stock, or debt securities upon the conversion, exchange or exercise of certain of the securities described in this prospectus.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update, or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading **Where You Can Find More Information**.

The registration statement that contains this prospectus, including the exhibits to the registration statement and the information incorporated by reference, contains additional information about the securities offered under this prospectus. That registration statement can be read at the SEC web site or at the SEC office mentioned below under the heading **Where You Can Find More Information**.

Following the initial distribution of an offering of securities, PNC Capital Markets LLC and other affiliates of ours may offer and sell those securities in secondary market transactions. PNC Capital Markets LLC and other affiliates of ours may act as a principal or agent in these transactions. This prospectus and the applicable prospectus supplement will also be used in connection with these transactions. Sales in any of these transactions will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus or the applicable prospectus supplement, and, if given or made, such information or representation must not be relied upon as having been authorized. This prospectus and the applicable prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in the applicable prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful.

Neither the delivery of this prospectus or the applicable prospectus supplement, nor any sale made hereunder and thereunder, shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained or incorporated by reference in this prospectus or the applicable prospectus supplement is correct as of any time subsequent to the date of such information.

In this prospectus, we use **PNC** to refer to The PNC Financial Services Group, Inc. specifically, **PNC Funding** to refer to PNC Funding Corp specifically; and **we** or **us** to refer collectively to PNC and PNC Funding, unless the context requires otherwise. References to The PNC Financial Services Group, Inc. and its subsidiaries, on a consolidated basis, are specifically made where applicable.

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**WHERE YOU CAN FIND MORE INFORMATION**

PNC files annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its Public Reference Room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. The reports and other information filed by PNC with the SEC are also available at our Internet website, [www.pnc.com](http://www.pnc.com). We have included the web addresses of the SEC and PNC as inactive textual references only. Except as specifically incorporated by reference into this document, information on those websites is not part of this document.

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered part of this prospectus, and because we incorporate by reference future filings with the SEC later information that we file will automatically update and supersede this information.

This prospectus incorporates by reference the documents listed below that PNC previously filed with the SEC and any future filings that PNC makes with the SEC under Section 13(a), 13(c), 14, and 15(d) of the Securities Exchange Act of 1934 (in each case other than those documents or portions of those documents not deemed to have been filed in accordance with SEC rules) between the date of this prospectus and the termination of the offering of the securities to be issued under the registration statement, or if later until the date on which any of our affiliates cease offering and selling these securities:

<b>Company SEC Filings</b>	<b>Period or Date Filed</b>
Annual Report on Form 10-K, as amended by Amendment No. 1 on Form 10-K/A	Year ended December 31, 2011
Quarterly Reports on Form 10-Q	Quarter ended March 31, 2012
	Quarter ended June 30, 2012
Current Reports on Form 8-K	Filed with the SEC on January 6, 2012, February 13, 2012, February 17, 2012, March 5, 2012, March 8, 2012 (with respect to Items 8.01 and 9.01) March 22, 2012, April 10, 2012, April 24, 2012 (with respect to Items 3.03, 5.03, 8.01 and 9.01 (other than exhibit 99.1)), April 25, 2012, April 27, 2012, June 21, 2012 and June 28, 2012

Description of Common Stock on Form 8-A (including any amendment or report filed with the SEC for the purpose of updating this description)

September 24, 1987

Documents incorporated by reference are available from PNC without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this document. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone at the following address:

The PNC Financial Services Group, Inc.

One PNC Plaza

249 Fifth Avenue

Pittsburgh, Pennsylvania 15222-2707

Attention: Shareholder Services

Telephone: (800) 982-7652

Email: [www.computershare.com/contactus](http://www.computershare.com/contactus)



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**RISK FACTORS**

We are subject to a number of risks potentially impacting our business, financial condition, results of operations and cash flows. For a detailed description of the potential risks, see Part I, Item 1A of PNC's Annual Report on Form 10-K for the year ended December 31, 2011, as amended by Amendment No. 1 on Form 10-K/A, which report is incorporated by reference in this prospectus. You should also review the risk factors that will be set forth in other documents that we file with the SEC after the date of this prospectus. See [Where You Can Find More Information](#). Additional risk factors may also be set forth in any applicable prospectus supplement.

**FORWARD-LOOKING STATEMENTS**

This prospectus and any accompanying prospectus supplement, including information incorporated in them by reference, have statements regarding our outlook for earnings, revenues, expenses, capital levels and ratios, liquidity levels, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as believe, plan, expect, anticipate, see, look, intend, outlook, project, forecast, estimate, goal, will, should and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

We provide greater detail regarding these as well as other factors in our 2011 Form 10-K, as amended by Amendment No. 1 thereto, in our first and second quarter 2012 Form 10-Qs, filed with the SEC and available on the SEC's website at [www.sec.gov](http://www.sec.gov), including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments and Guarantees Notes of the Notes to Consolidated Financial Statements in those reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those discussed elsewhere in this prospectus and any accompanying prospectus supplement or in our other filings with the SEC.

Our forward-looking statements are subject to the following principal risks and uncertainties.

Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following:

Changes in interest rates and valuations in debt, equity and other financial markets.

Disruptions in the liquidity and other functioning of U.S. and global financial markets.

The impact on financial markets and the economy of any changes in the credit ratings of U.S. Treasury obligations and other U.S. government-backed debt, as well as issues surrounding the level of U.S. and European government debt and concerns regarding the creditworthiness of certain sovereign governments, supranationals and financial institutions in Europe.

Actions by Federal Reserve, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.

Changes in customers', suppliers' and other counterparties' performance and creditworthiness.

Slowing or failure of the current moderate economic expansion.

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Continued effects of aftermath of recessionary conditions and uneven spread of positive impacts of recovery on the economy and our counterparties, including adverse impacts on levels of

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unemployment, loan utilization rates, delinquencies, defaults and counterparty ability to meet credit and other obligations.

Changes in customer preferences and behavior, whether due to changing business and economic conditions, legislative and regulatory initiatives, or other factors.

Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than we are currently expecting. These statements are based on our current view that the moderate economic expansion will persist in 2012 and interest rates will remain very low.

Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:

Changes resulting from legislative and regulatory reforms, including major reform of the regulatory oversight structure of the financial services industry and changes to laws and regulations involving tax, pension, bankruptcy, consumer protection, and other industry aspects, and changes in accounting policies and principles. We will be impacted by extensive reforms provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act ) and otherwise growing out of the recent financial crisis, the precise nature, extent and timing of which, and their impact on us, remains uncertain.

Changes to regulations governing bank capital and liquidity standards, including due to the Dodd-Frank Act and to Basel-related initiatives.

Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. In addition to matters relating to PNC's business and activities, such matters may include proceedings, claims, investigations, or inquiries relating to pre-acquisition business and activities of acquired companies, such as National City. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices, and in additional expenses and collateral costs, and may cause reputational harm to PNC.

Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.

Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.

Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital standards. In particular, our results currently depend on our ability to manage elevated levels of impaired assets.

Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.

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Our acquisition of RBC Bank (USA) presents us with risks and uncertainties related to the integration of the acquired businesses into PNC, including:

Anticipated benefits of the transaction, including cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.

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Our ability to achieve anticipated results from this transaction is dependent also on the extent of credit losses in the acquired loan portfolios and the extent of deposit attrition, in part related to the state of economic and financial markets. Also, litigation and regulatory and other governmental investigations that may be filed or commenced relating to the pre-acquisition business and activities of RBC Bank (USA) could impact the timing or realization of anticipated benefits to PNC.

Integration of RBC Bank (USA) s business and operations into PNC may take longer than anticipated or be substantially more costly than anticipated or have unanticipated adverse results relating to RBC Bank (USA) s or PNC s existing businesses. PNC s ability to integrate RBC Bank (USA) successfully may be adversely affected by the fact that this transaction results in PNC entering several geographic markets where PNC did not previously have any meaningful retail presence.

In addition to the RBC Bank (USA) transaction, we grow our business in part by acquiring from time to time other financial services companies, financial services assets and related deposits and other liabilities. These other acquisitions often present risks and uncertainties analogous to those presented by the RBC Bank (USA) transaction. Acquisition risks include those presented by the nature of the business acquired as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.

Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Industry restructuring in the current environment could also impact our business and financial performance through changes in counterparty creditworthiness and performance and in the competitive and regulatory landscape. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.

Business and operating results can also be affected by widespread disasters, dislocations, terrorist activities or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.



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**THE PNC FINANCIAL SERVICES GROUP, INC.**

PNC is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC has businesses engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking, providing many of its products and services nationally and others in PNC's primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Alabama, Delaware, Georgia, Virginia, Missouri, Wisconsin, and South Carolina. PNC also provides certain products and services internationally. As of June 30, 2012, PNC had total consolidated assets of approximately \$299.6 billion, total consolidated deposits of approximately \$206.9 billion and total consolidated shareholders' equity of approximately \$37.0 billion.

PNC was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, we have diversified our geographical presence, business mix and product capabilities through internal growth, strategic bank and non-bank acquisitions and equity investments, and the formation of various non-banking subsidiaries.

PNC common stock is listed on the New York Stock Exchange under the symbol PNC.

PNC is a holding company and services its obligations primarily with dividends and advances that it receives from subsidiaries. PNC's subsidiaries that operate in the banking and securities businesses can pay dividends only if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities and securities regulators. PNC's subsidiaries may be party to credit or other agreements that also may restrict their ability to pay dividends. PNC currently believes that none of these regulatory or contractual restrictions on the ability of its subsidiaries to pay dividends will affect PNC's ability to service its own debt or pay dividends on its preferred stock. PNC must also maintain the required capital levels of a bank holding company before it may pay dividends on its stock.

Under the regulations of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require PNC to commit resources to its subsidiary banks, even when doing so is not otherwise in the interests of PNC or its shareholders or creditors.

PNC's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is 412-762-2000.

**PNC FUNDING CORP**

PNC Funding is a wholly owned indirect subsidiary of PNC. PNC Funding was incorporated under Pennsylvania law in 1972 and is engaged in financing the activities of PNC and its subsidiaries through the issuance of commercial paper and other debt guaranteed by PNC.

PNC Funding's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is 412-762-2000.

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The following unaudited table presents the consolidated ratio of earnings to fixed charges as defined in Item 503(d) of Regulation S-K for The PNC Financial Services Group, Inc. and subsidiaries. You should read these ratios in conjunction with exhibit 12.1 and the other information in our Quarterly Report on Form 10-Q for the period ended June 30, 2012, which report is incorporated by reference in this prospectus.

	Six months ended		Year Ended December 31			
	June 30, 2012	2011	2010	2009	2008	2007
<b>Ratio of earnings to fixed charges</b>						
Excluding interest on deposits	4.25x	5.03x	4.39x	3.28x	1.96x	2.35x
Including interest on deposits	3.31	3.37	2.80	2.01	1.39	1.50

**CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND****PREFERRED STOCK DIVIDENDS**

The following unaudited table presents the consolidated ratio of earnings to fixed charges and preferred stock dividends as defined in Item 503(d) of Regulation S-K for The PNC Financial Services Group, Inc. and subsidiaries. You should read these ratios in conjunction with exhibit 12.2 and the other information in our Quarterly Report on Form 10-Q for the period ended June 30, 2012, which report is incorporated by reference in this prospectus.

	Six months ended		Year Ended December 31			
	June 30, 2012	2011	2010	2009	2008	2007
<b>Ratio of earnings to fixed charges and preferred stock dividends</b>						
Excluding interest on deposits	3.51x	4.61x	3.64x	2.29x	1.90x	2.35x
Including interest on deposits	2.88	3.20	2.52	1.69	1.37	1.50

**USE OF PROCEEDS**

Unless otherwise provided in the applicable prospectus supplement, we will apply the net proceeds from the sale of the securities for general corporate purposes, which may include:

advances to PNC (in the case of PNC Funding) and its subsidiaries to finance their activities,

financing of possible future acquisitions,

repayment or redemption of outstanding indebtedness,

redemption of trust preferred securities;

redemption of outstanding warrants, and

repurchases of issued and outstanding shares of common and/or preferred stock.

Until we use the net proceeds for these purposes, we will use the net proceeds to reduce our short term indebtedness or for temporary investments. We expect that we may from time to time engage in additional financings of a character and in amounts to be determined. We will

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not receive any of the proceeds from the sale of securities covered by this prospectus that are sold by any selling security holders.

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**DESCRIPTION OF SENIOR DEBT SECURITIES OF THE PNC FINANCIAL SERVICES GROUP, INC.**

This section describes the general terms and provisions of the debt securities that PNC may offer.

The senior debt securities will be issued under an indenture between PNC and The Bank of New York Mellon as trustee, dated as of September 6, 2012. A form of the indenture is attached as an exhibit to this registration statement. The indenture does not limit the aggregate principal amount of debt securities that may be issued thereunder. The debt securities may be issued from time to time in one or more series. Unless otherwise indicated in the prospectus supplement relating thereto, the debt securities will be unsecured senior debt of PNC and will rank pari passu with all other existing and future unsecured and unsubordinated indebtedness of PNC. The debt securities may also be convertible into common stock of PNC.

The prospectus supplement will describe the specific terms of the senior debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those senior debt securities.

For each series of senior debt securities, a supplemental indenture may be entered into between PNC and the trustee or such other trustee as may be named in the prospectus supplement relating to that series of senior debt securities.

We have summarized the material terms and provisions of the September 6, 2012 indenture in this section. We encourage you to read the indenture for additional information before you buy any senior debt securities issued by PNC. The summary that follows includes references to section numbers of the indenture so that you can more easily locate these provisions.

**PNC Senior Debt Securities in General**

The senior debt securities will be direct unsecured obligations of PNC. The indenture does not limit the amount of senior debt securities that PNC may issue from time to time in one or more series. (Section 3.01) The indenture provides that senior debt securities may be issued up to the principal amount authorized by PNC from time to time. (Section 3.01) Unless otherwise specified in the prospectus supplement for a particular series of senior debt securities, PNC may reopen a previous issue of a series of senior debt securities and issue additional senior debt securities of that series.

PNC will specify in the prospectus supplement relating to a particular series of senior debt securities being offered the terms relating to the offering. The terms may include:

the title of the senior debt securities,

the aggregate principal amount of the senior debt securities,

the date or dates on which the principal of and premium on the senior debt securities will be payable,

if the senior debt securities will be interest bearing:

the interest rate on the senior debt securities or the method by which the interest rate may be determined,

the date from which interest will accrue,

the record and interest payment dates for the senior debt securities,

the first interest payment date,

the place or places where the principal of, and premium and interest on, the senior debt securities will be payable,

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any optional redemption provisions that would permit us or the holders of senior debt securities to redeem the senior debt securities before their final maturity,

any sinking fund provisions that would obligate us to redeem the senior debt securities before their final maturity,

the denominations in which the senior debt securities shall be issued, if issued in denominations other than \$1,000 and any integral multiple thereof,

if other than the entire principal amount, the portion of the principal amount of the senior debt securities that will be payable upon an acceleration of the maturity of the senior debt securities,

any events of default which will apply to the senior debt securities that differ from those contained in the indenture,

the currency or currencies in which the senior debt securities will be denominated, payable, redeemable or repurchaseable,

whether the senior debt securities are convertible and the terms and conditions applicable to conversion, including the conversion price or rate at which shares of PNC common stock will be delivered, the circumstances in which such price or rate will be adjusted, the conversion period, and other conversion terms and provisions,

whether the senior debt securities of such series will be issued as a global security and, if so, the identity of the depository for such series,

whether the senior debt securities of such series will be defeasible,

any trustees, paying agents, transfer agents or registrars for the senior debt securities, and

any other terms of such senior debt securities.

If any of the senior debt securities are sold for, or if the principal of or any interest on any series of senior debt securities is payable in, foreign currencies or foreign currency units, the relevant restrictions, elections, tax consequences, specific terms and other information will be set forth in the prospectus supplement relating to that series of senior debt securities.

The indenture provides that we will issue senior debt securities in fully registered form. The principal of, and premium and interest on, fully registered securities will be payable at the place of payment designated for such securities and stated in the prospectus supplement. PNC also has the right to make interest payments by check mailed to the holder at the holder's registered address. The principal of, and premium, if any, and interest on any senior debt securities in other forms will be payable in the manner and at the place or places as may be designated by PNC and specified in the prospectus supplement. (Sections 3.01 and 10.01)

You may exchange or transfer the senior debt securities at the corporate trust office of the trustee for the series of senior debt securities or at any other office or agency maintained by us for those purposes. We will not require payment of a service charge for any transfer or exchange of the senior debt securities, but PNC may require payment of a sum sufficient to cover any applicable tax or other governmental charge. (Section 3.05)

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Unless the prospectus supplement provides otherwise, each series of the senior debt securities will be issued only in denominations of \$1,000 or any integral multiple thereof and payable in U.S. dollars. (Section 3.02) Under the indenture, however, senior debt securities may be issued in any denomination and payable in a foreign currency or currency unit. (Section 3.01)

We may issue senior debt securities with original issue discount. Original issue discount senior debt securities bear no interest or bear interest at below-market rates and will be sold below their stated principal amount. The applicable prospectus supplement will describe any special federal income tax consequences and other special considerations applicable to any securities issued with original issue discount.

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PNC is a holding company that conducts substantially all its operations through subsidiaries. As a result, claims of the holders of our senior debt securities to participate in the assets of any PNC subsidiary upon its liquidation or recapitalization will generally have a junior position to claims of creditors of PNC's subsidiaries (including, in the case of any bank subsidiary, its depositors), except to the extent that PNC may itself be a creditor with recognized claims against the subsidiary. In addition, as a holding company PNC is dependant on dividends from its subsidiaries to fund payments related to its senior debt securities. There are certain regulatory and other limitations on the payment of dividends and on loans and other transfers of funds to PNC by its bank subsidiaries.

The senior debt securities will rank equally with all unsecured senior indebtedness of PNC, including PNC's guarantees of senior debt securities issued by PNC Funding described under Description of Debt Securities of PNC Funding and Guarantees Guarantees of Senior Debt Securities . There is no limitation on PNC creating, incurring or issuing additional senior indebtedness.

## **Certain Covenants**

The indenture contains certain covenants that impose various restrictions on PNC and, as a result, afford the holders of its senior debt securities certain protections. The section below provides a description of the covenants. You should review the full text of the covenants to evaluate the covenants.

### ***Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank***

The covenant described below is designed to ensure that, for so long as any senior debt securities are issued and outstanding, PNC will continue directly or indirectly to own and thus serve as the holding company for its principal subsidiary banks. When we use the term principal subsidiary banks, we mean each of:

PNC Bank, National Association ( PNC Bank ),

any other subsidiary bank the consolidated assets of which constitute 20% or more of the consolidated assets of PNC and its subsidiaries,

any other subsidiary bank designated as a principal subsidiary bank by the board of directors of PNC, or

any subsidiary that owns any voting shares or certain rights to acquire voting shares of any principal subsidiary bank, and their respective successors, provided any such successor is a subsidiary bank or a subsidiary, as appropriate.

As of the date hereof, PNC's only principal subsidiary banks are PNC Bank and its parent, PNC Bancorp, Inc.

The indenture prohibits PNC, unless consent is obtained from the holders of a majority in principal amount of any series of senior debt securities, from:

selling or otherwise disposing of, and permitting a principal subsidiary bank to issue, voting shares or certain rights to acquire voting shares of a principal subsidiary bank,

permitting the merger or consolidation of a principal subsidiary bank with or into any other corporation, or

permitting the sale or other disposition of all or substantially all the assets of any principal subsidiary bank,



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if, after giving effect to any one of the transactions above and the issuance of the maximum number of voting shares issuable upon the exercise of all such rights to acquire voting shares of a principal subsidiary bank, PNC would own directly or indirectly less than 80% of the voting shares of such principal subsidiary bank.

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These restrictions do not apply to:

transactions required by any law, or any regulation or order of any governmental authority,

transactions required as a condition imposed by any law, or any regulation or order of any governmental authority, to the acquisition by PNC, directly or indirectly, or any other corporation or entity if thereafter,

PNC would own at least 80% of the voting shares of the other corporation or entity,

the consolidated banking assets of PNC would be at least equal to those prior thereto, and

the board of directors of PNC shall have designated the other corporation or entity a principal subsidiary bank,

transactions that do not reduce the percentage of voting shares of such principal subsidiary bank owned directly or indirectly by PNC, and

transactions where the proceeds are invested within 180 days after such transaction in any one or more subsidiary banks.

The indenture does permit the following:

the merger of a principal subsidiary bank with and into a principal subsidiary bank or PNC,

the consolidation of principal subsidiary banks into a principal subsidiary bank or PNC, or

the sale or other disposition of all or substantially all of the assets of any principal subsidiary bank to another principal subsidiary bank or PNC. (Section 10.06)

***Restriction on Liens***

The purpose of the restriction on liens covenant is to preserve PNC's direct or indirect interest in voting shares of principal subsidiary banks free of security interests of other creditors. The covenant permits certain specified liens and liens where the senior debt securities are equally secured. The indenture prohibits PNC and its subsidiaries from creating or permitting any liens (other than certain tax and judgment liens) upon voting shares of any principal subsidiary bank to secure indebtedness for borrowed money unless the senior debt securities are equally and ratably secured. Notwithstanding this prohibition, PNC may create or permit the following:

purchase money liens and liens on voting shares of any principal subsidiary bank existing at the time such voting shares are acquired or created within 120 days thereafter,

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the acquisition of any voting shares of any principal subsidiary bank subject to liens at the time of acquisition or the assumption of obligations secured by a lien on such voting shares,

under certain circumstances, renewals, extensions or refunding of the liens described in the two preceding bullets, and

liens to secure loans or other extensions of credit under Section 23A of the Federal Reserve Act or any successor or similar federal law or regulation. (Section 10.07)

### ***Consolidation or Merger***

The covenant described below protects the holders of senior debt securities upon certain transactions involving PNC by requiring any successor to PNC to assume the predecessor's obligations under the indenture. In addition, the covenant prohibits such transactions if they would result in an event of default, a default or an event which could become an event of default or a default under the indenture. PNC may consolidate with, merge into, or transfer substantially all of its properties to, any other corporation organized under the laws of any domestic jurisdiction, if:

the successor corporation assumes all obligations of PNC under the senior debt securities and under the indenture and for convertible senior debt securities provides for conversion rights in accordance with the terms of the indenture,

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immediately after the transaction, no event of default or default, and no event which, after notice or lapse of time, would become an event of default or default, exists, and

certain other conditions are met. (Sections 8.01 and 8.02)

The indenture does not limit our ability to enter into a highly leveraged transaction or provide you with any special protection in the event of such a transaction.

## **Modification and Waiver**

PNC and the trustee may modify the indenture with the consent of the holders of the majority in aggregate principal amount of outstanding senior debt securities of each series affected by the modification. The following modifications and amendments, however, will not be effective against any holder without the consent of the holder of each security:

change in the stated maturity of any payment of principal or interest,

reduction of the principal amount of, or the premium, if any, or the interest on such senior debt security,

reduction of the portion of the principal amount of an original issue discount senior debt security, payable upon acceleration of the maturity of that senior debt security,

change in the place or places where, or the currency in which, any senior debt security or any premium or interest is payable,

impairment of the right of the holder to institute suit for the enforcement of any payment on or with respect to any senior debt security, or

reduction of the percentage in principal amount of senior debt securities necessary to modify the indenture or the percentage in principal amount of outstanding senior debt securities necessary to waive compliance with conditions and defaults under the indenture. (Section 9.02)

PNC and the trustee may modify and amend the indenture without the consent of any holder of senior debt securities for any of the following purposes:

to evidence the succession of another corporation to PNC,

to provide for the acceptance of appointment of a successor trustee,

to add to the covenants of PNC for the benefit of the holders of senior debt securities,

to cure any ambiguity, defect or inconsistency in the indenture, if such action does not adversely affect the holders of senior debt securities in any material respect,

to secure the senior debt securities under applicable provisions of the indenture,

to establish conversion rights of holders,

to establish the form or terms of senior debt securities,

to change or eliminate provisions of the indenture that apply only to a new series of senior debt securities,

to add events of default,

to eliminate or modify events of default or in connection with establishing a series of senior debt securities,

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to add, change or eliminate any provision as shall be necessary or desirable in accordance with any amendment to the Trust Indenture Act of 1939 (the Trust Indenture Act ),

to permit the payment in the United States of principal, premium or interest on unregistered securities, or

to provide for the issuance of uncertificated senior debt securities in place of certificated senior debt securities. (Section 9.01)

In addition, the holders of a majority in principal amount of outstanding senior debt securities of any series may, on behalf of all holders of that series, waive compliance with certain covenants, including those described under the captions above entitled Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank and Restriction on Liens. (Section 10.08) Covenants concerning the payment of principal, premium, if any, and interest on the senior debt securities, compliance with the terms of the indenture, maintenance of an agency, and certain monies held in trust may only be waived pursuant to a supplemental indenture executed with the consent of each affected holder of senior debt securities as described above.

## **Events of Default and Waivers of Default**

The indenture defines an event of default with respect to any series of senior debt securities as being any one of the following events unless such event is specifically deleted or modified in connection with the establishment of the senior debt securities of a particular series:

failure to pay interest on such series for 30 days after the payment is due,

failure to pay the principal of or premium, if any, on such series when due,

failure to deposit any sinking fund payment with respect to such series when due,

failure to perform any other covenant or warranty in the indenture that applies to such series for 90 days after PNC has received written notice of the failure to perform in the manner specified in the indenture,

the occurrence of certain events relating to bankruptcy, insolvency or reorganization of either PNC or any principal subsidiary bank, or

any other event of default provided with respect to such senior debt securities. (Section 5.01)

If an event of default occurs and is continuing with respect to any series of debt securities, either the trustee or the holders of at least 25% in principal amount of outstanding senior debt securities of that series may declare the principal of such series (or if senior debt securities of that series are original issue discount securities, a specified amount of the principal) to be due and payable immediately. Subject to certain conditions, the holders of a majority in principal amount of the outstanding senior debt securities of such series may rescind such declaration and waive certain defaults. (Section 5.02) Prior to any declaration of acceleration, the holders of a majority in principal amount of the outstanding senior debt securities of the applicable series may waive any past default, except a payment default, or a past default in respect of a covenant or provision of the indenture which cannot be modified without the consent of the holder of each outstanding senior debt security affected. Upon this waiver the default will cease to exist and any event of default arising there from will be deemed cured. (Section 5.13)

Other than its duties in the case of an event of default, the trustee is not obligated to exercise any of the rights or powers in the indenture at the request or direction of holders of senior debt securities unless such holders offer the trustee security or indemnity satisfactory to the trustee. If such indemnification is provided, then, subject to the other rights of the trustee, the holders of a majority in principal amount of the outstanding senior debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to senior debt securities of such series. (Sections 6.03 and 5.12)



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The indenture provides that if default is made on payment of interest and continues for a 30 day period or if default is made on payment of principal of any senior debt security of any series, PNC will, upon demand of the trustee, pay to it, for the benefit of the holder of any such senior debt security, the whole amount then due and payable on such senior debt security for principal, premium, if any, and interest. The indenture further provides that if PNC fails to pay such amount immediately upon such demand, the trustee may, among other things, institute a judicial proceeding for its collection. (Section 5.03)

The indenture requires us to furnish annually to the trustee certificates as to the absence of any default under the indenture. (Section 10.04) The trustee may withhold notice to the holders of senior debt securities of any default (except in payment of principal, premium, if any, interest or sinking fund installment) if the trustee determines that the withholding of the notice is in the interest of those holders. (Section 6.02)

The holder of any senior debt security of any series may institute any proceeding with respect to the indenture or for any remedy thereunder if:

a holder previously has given the trustee written notice of a continuing event of default with respect to senior debt securities of that series,

the holders of at least 25% in principal amount of the outstanding senior debt securities of that series have made a written request, and offered indemnity satisfactory to the trustee, to the trustee to institute such proceeding,

the trustee has not received directions inconsistent with such request from the holders of a majority in principal amount of the outstanding senior debt securities of that series, and

the trustee has not started such proceeding within 60 days after receiving the request. (Section 5.07)

The holder of any senior debt security will have, however, an absolute right to receive payment of the principal of, and premium, if any, and interest on such senior debt security when due, to convert such senior debt security, if applicable, and to institute suit to enforce any such payment. (Section 5.08)

## **Convertibility**

The senior debt securities may be designated as convertible at the option of the holder into common stock of PNC in accordance with the term of such series. (Sections 3.01 and 14.01) You should refer to the applicable prospectus supplement for a description of the specific conversion provisions and terms of any series of convertible senior debt securities that we may offer by that prospectus supplement. These terms and provisions may include:

the title and specific designation of the convertible senior debt securities;

the terms and conditions upon which conversion of the convertible senior debt securities may be effected, including the conversion price or rate, the conversion period and other conversion provisions;

any circumstances in which the conversion price or rate will be adjusted;

the terms and conditions on which we may, or may be required to, redeem the convertible senior debt securities;



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the place or places where we must pay the convertible senior debt securities and where any convertible senior debt securities issued in registered form may be sent for transfer, conversion or exchange; and

any other terms of the convertible senior debt securities and any other deletions from or modifications or additions to the indenture in respect of the convertible senior debt securities.

### **Defeasance**

We may choose to defease the senior debt securities in one of two ways as follows. If we have the ability to do so, we will state that in the prospectus supplement. (Sections 13.01-13.06)

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### ***Full Defeasance***

We may terminate or defease our obligations under the indenture of any series of senior debt securities, provided that certain conditions are met, including:

we must irrevocably deposit in trust for the benefit of all holders, a combination of U.S. dollars or U.S. government obligations, specified in the applicable prospectus supplement, that will generate enough cash to make interest, principal and any other payments on the senior debt securities on their applicable due dates;

there must be a change in current federal tax law or an Internal Revenue Service ( IRS ) ruling that lets us make the above deposit without causing you to be taxed on your security any differently than if we did not make the deposit and just repaid the security. Under current tax law you could recognize gain or loss; and

an opinion of independent counsel shall have been delivered to the trustee to the effect that the holders of the senior debt securities of such series will have no federal income tax consequences as a result of such deposit and termination and that if the securities are listed on the New York Stock Exchange ( NYSE ) they will not be delisted.

If we ever fully defease your senior debt security, you will have to rely solely on the trust deposit for payments on your senior debt security. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. Your right to convert your senior debt security remains after defeasance.

### ***Covenant Defeasance***

Under current federal tax law, we can make the same type of deposit described above and be released from some of the restrictive covenants relating to your senior debt security. This is called covenant defeasance. In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay your senior debt security. In order to achieve covenant defeasance, we must do the following:

deposit in trust for the benefit of the holders of the senior debt securities a combination of U.S. dollars and U.S. government obligations specified in the applicable prospectus supplement, that will generate enough cash to make interest, principal and any other payments on the senior debt securities on their applicable due dates; and

deliver to the trustee a legal opinion of our counsel confirming that under current federal income tax law we may make the above deposit without causing you to be taxed on your senior debt security any differently than if we did not make the deposit and just repaid the senior debt security ourselves.

### **Governing Law**

The indenture provides that the senior debt securities will be governed by, and construed, in accordance with, the laws of the Commonwealth of Pennsylvania, except that the rights, immunities, duties and liabilities of the trustee will be governed by New York law. (Section 1.12).

### **Regarding the Trustee**

In the ordinary course of business, PNC may maintain lines of credit with one or more trustees for a series of senior debt securities and the principal subsidiary banks and other subsidiary banks may maintain deposit accounts and conduct other banking transactions with one or more trustees for a series of senior debt securities.



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**Trustee's Duty to Resign Under Certain Circumstances**

The trustee serves as trustee on several debt indentures to which PNC is a party, including the indentures described in Description of Debt Securities of PNC Funding and Guarantees . Because one of these indentures provides for the issuance of subordinated debt securities by PNC Funding and guarantees by PNC of subordinated securities of PNC Funding that will rank junior in right of payment to the senior debt securities, the occurrence of a default under one of the indentures could create a conflicting interest under the Trust Indenture Act, as amended, with respect to any trustee who serves as trustee for both senior and subordinated debt securities. In addition, upon the occurrence of a default under the indenture with respect to any series of debt securities the trustee of which maintains banking relationships with PNC, such trustee would have a conflicting interest under the Trust Indenture Act as a result of such business relationships. If a default has not been cured or waived within 90 days after the trustee has or acquires a conflicting interest, the trustee generally is required by the Trust Indenture Act to eliminate such conflicting interest or resign as trustee with respect to the appropriate debt securities.

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### **DESCRIPTION OF DEBT SECURITIES OF PNC FUNDING AND GUARANTEES**

This section describes the general terms and provisions of the debt securities that PNC Funding may offer, and the guarantees of those debt securities by PNC. The debt securities may be either senior debt securities, subordinated debt securities or convertible senior debt securities. The prospectus supplement will describe the specific terms of the debt securities and guarantees offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities and guarantees.

The debt securities will be issued under:

an indenture, dated as of December 1, 1991, as supplemented by a supplemental indenture dated as of February 15, 1993, a second supplemental indenture dated as of February 15, 2000, a third supplemental indenture dated as of December 19, 2008, a fourth supplemental indenture dated as of December 19, 2008 and a fifth supplemental indenture dated as of March 31, 2009, a copy of which has been filed with the SEC. The Bank of New York Mellon, formerly known as The Bank of New York, successor to JPMorgan Chase Bank, N.A., successor to The Chase Manhattan Bank, formerly known as Chemical Bank, successor by merger to the Manufacturers Hanover Trust Company, is the trustee under the indenture, unless a different trustee for a series of debt securities is named in the prospectus supplement; or

in the case of convertible senior debt securities, an indenture, dated as of June 30, 2005, with The Bank of New York Mellon, formerly known as The Bank of New York, successor to JPMorgan Chase Bank, N.A., as trustee, for convertible senior debt securities.

For each series of debt securities, a supplemental indenture may be entered into among PNC Funding, PNC and the trustee or such other trustee as may be named in the prospectus supplement relating to that series of debt securities.

We have summarized the material terms and provisions of the indentures in this section. We encourage you to read the indentures for additional information before you buy any debt securities issued by PNC Funding and guaranteed by PNC. The summary that follows includes references to section numbers of the indentures so that you can more easily locate these provisions. If the section reference to each indenture is the same, you will see one parenthetical reference. If the section references differ, the second parenthetical refers to the June 30, 2005 indenture under which the convertible senior debt securities can be issued. Differences between the indentures are also discussed, where applicable. Because the convertible debt securities will be senior debt securities, the indenture under which the senior convertible debt securities may be issued does not include sections discussing subordination and the related definitions.

#### **PNC Funding Debt Securities in General**

The debt securities will be unsecured obligations of PNC Funding. The indenture does not limit the amount of debt securities that we may issue from time to time in one or more series. (Section 3.01) The indenture provides that debt securities may be issued up to the principal amount authorized by us from time to time. (Section 3.01) Unless otherwise specified in the prospectus supplement for a particular series of debt securities, we may reopen a previous issue of a series of debt securities and issue additional debt securities of that series.

We will specify in the prospectus supplement relating to a particular series of debt securities being offered the terms relating to the offering. The terms may include:

the title and type of the debt securities,

the aggregate principal amount of the debt securities,

the purchase price of the debt securities,

the date or dates on which debt securities may be issued,

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the date or dates on which the principal of and premium on the debt securities will be payable,

if the debt securities will be interest bearing:

the interest rate on the debt securities or the method by which the interest rate may be determined,

the date from which interest will accrue,

the record and interest payment dates for the debt securities,

the first interest payment date,

any circumstances under which we may defer interest payments,

the place or places where the principal of, and premium and interest on, the debt securities will be payable,

any optional redemption provisions that would permit us or the holders of debt securities to redeem the debt securities before their final maturity,

any sinking fund provisions that would obligate us to redeem the debt securities before their final maturity,

the denominations in which the debt securities shall be issued, if issued in denominations other than \$1,000 and any integral multiple thereof,

the portion of the principal amount of the debt securities that will be payable upon an acceleration of the maturity of the debt securities,

whether payment of the principal of, premium, and interest on, the debt securities will be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by holders,

any events of default which will apply to the debt securities that differ from those contained in the indenture,

whether the debt securities will be issued in registered form or in bearer form, or in both registered form and bearer form,

the currency or currencies in which the debt securities will be denominated, payable, redeemable or repurchaseable,

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whether the debt securities are convertible and the terms and conditions applicable to conversion, including the conversion price or rate at which shares of PNC common stock will be delivered, the circumstances in which such price or rate will be adjusted, the conversion period, and other conversion terms and provisions,

whether the debt securities of such series will be issued as a global security and, if so, the identity of the depositary for such series,

any trustees, paying agents, transfer agents or registrars for the debt securities,

any special federal income tax considerations applicable to the debt securities, and

any other terms of such debt securities.

If any of the debt securities are sold for, or if the principal of or any interest on any series of debt securities is payable in, foreign currencies or foreign currency units, the relevant restrictions, elections, tax consequences, specific terms and other information will be set forth in the prospectus supplement.

Although the indenture provides that we may issue debt securities in registered form, with or without coupons, or in bearer form, each series of debt securities will be issued in fully registered form unless the prospectus supplement provides otherwise. Debt securities that are not registered as to interest will have coupons



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attached, unless issued as original issue discount securities. The indenture under which convertible senior debt securities may be issued does not provide for the issuance of securities with coupons or in bearer form.

The principal of, and premium and interest on, fully registered securities will be payable at the place of payment designated for such securities and stated in the prospectus supplement. PNC Funding also has the right to make interest payments by check mailed to the holder at the holder's registered address. The principal of, and premium, if any, and interest on any debt securities in other forms will be payable in the manner and at the place or places as may be designated by PNC Funding and specified in the prospectus supplement. (Sections 3.01 and 5.01) (Sections 3.01 and 10.01)

You may exchange or transfer the debt securities at the corporate trust office of the trustee for the series of debt securities or at any other office or agency maintained by us for those purposes. You may transfer bearer debt securities by delivery. We will not require payment of a service charge for any transfer or exchange of the debt securities, but PNC Funding may require payment of a sum sufficient to cover any applicable tax or other governmental charge. (Section 3.05)

Unless the prospectus supplement provides otherwise, each series of the debt securities will be issued only in denominations of \$1,000 or any integral multiple thereof and payable in dollars. (Section 3.02) Under the indenture, however, debt securities may be issued in any denomination and payable in a foreign currency or currency unit. (Section 3.01)

We may issue debt securities with original issue discount. Original issue discount debt securities bear no interest or bear interest at below-market rates and will be sold below their stated principal amount. The prospectus supplement will describe any special federal income tax consequences and other special considerations applicable to any securities issued with original issue discount.

### **PNC Funding Senior Debt Securities**

The senior debt securities, including convertible senior debt securities, will rank equally with all senior indebtedness of PNC Funding.

Senior indebtedness of PNC Funding means the principal of, and premium and interest on, (i) all indebtedness for money borrowed of PNC Funding whether outstanding on the date of execution of the indenture or thereafter created, assumed or incurred, and (ii) any deferrals, renewals or extensions of any such indebtedness. The following indebtedness of PNC Funding, however, is not considered to be senior indebtedness of PNC Funding:

5 1/4% Subordinated Notes Due 2015 and 5.625% Subordinated Notes due 2017.

The term indebtedness for money borrowed means:

any obligation of, or any obligation guaranteed by, PNC Funding for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments,

any capitalized lease obligation, and

any deferred obligation for payment of the purchase price of any property or assets. (Section 1.01)

There is no limitation on PNC Funding creating, incurring or issuing additional senior indebtedness.

### **PNC Funding Subordinated Debt Securities**

The subordinated debt securities will rank equally with all other unsecured subordinated indebtedness of PNC Funding. The subordinated debt securities will be subordinated in right of payment to all senior indebtedness of PNC Funding. (Section 12.01) In certain events of insolvency of PNC Funding, the subordinated



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debt securities will also be effectively subordinated in right of payment to all other company obligations and will be subject to an obligation of PNC Funding to pay any excess proceeds (as defined in the indenture) to creditors in respect of any unpaid other company obligations. (Section 12.13).

Other company obligations means obligations of PNC Funding associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts, or any similar arrangements, unless the instrument by which PNC Funding incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC Funding. (Section 1.01)

Upon the liquidation, dissolution, winding up, or reorganization of PNC Funding, PNC Funding must pay to the holders of all senior indebtedness of PNC Funding the full amounts of principal of, and premium and interest on, that senior indebtedness before any payment is made on the subordinated debt securities. If, after PNC Funding has made those payments on the senior indebtedness:

- (i) there are amounts available for payment on the subordinated debt securities (as defined in the indenture, excess proceeds), and
- (ii) at such time, any creditors in respect of other company obligations have not received their full payments, then

PNC Funding shall first use such excess proceeds to pay in full all such other company obligations before PNC Funding makes any payment in respect of the subordinated debt securities. (Section 12.02)

In addition, PNC Funding may not make any payment on the subordinated debt securities in the event:

PNC Funding has failed to make full payment of the principal of, or premium, if any, or interest on any senior indebtedness of PNC Funding, or

any event of default with respect to any senior indebtedness of PNC Funding has occurred and is continuing, or would occur as a result of such payment on the subordinated debt securities. (Section 12.03)

Because of the subordination provisions and the obligation to pay excess proceeds, in the event of insolvency, holders of the subordinated debt securities may recover less, ratably, than holders of senior indebtedness of PNC Funding and other company obligations and other creditors of PNC Funding. (Sections 12.01, 12.02, 12.03, and 12.13)

PNC Funding's obligations under the subordinated debt securities will rank equally in right of payment with each other, subject to the obligations of the holders of subordinated debt securities to pay over any excess proceeds to creditors in respect of other company obligations as provided in the indenture. (Section 12.13)

## **Guarantees by PNC in General**

PNC will unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the debt securities when and as the same shall become due and payable, whether at maturity, upon redemption or otherwise. (Section 3.12) (Section 3.11)

PNC is a holding company that conducts substantially all its operations through subsidiaries. As a result, claims of the holders of the guarantees will generally have a junior position to claims of creditors of PNC's subsidiaries (including, in the case of any bank subsidiary, its depositors), except to the extent that PNC may itself be a creditor with recognized claims against the subsidiary. In addition, there are certain regulatory and other limitations on the payment of dividends and on loans and other transfers of funds to PNC by its bank subsidiaries.

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### **Guarantees of Senior Debt Securities**

The guarantees of senior debt securities, including convertible senior debt securities, will rank equally with all senior indebtedness of PNC.

Senior indebtedness of PNC means the principal of, and premium, if any, and interest on, (i) all indebtedness for money borrowed of PNC, whether outstanding on the date of execution of the indenture or thereafter created, assumed or incurred, and (ii) any deferrals, renewals or extensions of any such indebtedness of PNC. (Section 1.01) PNC's guarantee of the following indebtedness of PNC Funding outstanding as of the date of this prospectus, however, is not considered to be senior indebtedness of PNC:

5<sup>1</sup>/<sub>4</sub>% Subordinated Notes Due 2015 and 5.625% Subordinated Notes due 2017.

The 4.625% Subordinated Notes due 2013 originally issued by Mercantile Bankshares Corporation, which are obligations of PNC, are also not considered senior indebtedness of PNC. Additionally, the 6.875% Subordinated Notes due 2019 originally issued by National City Corporation, which are obligations of PNC, are also not considered senior indebtedness of PNC.

The term indebtedness for money borrowed means

any obligation of, or any obligation guaranteed by, PNC for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments,

any capitalized lease obligation, and

any deferred obligation for payment of the purchase price of any property or assets. (Section 1.01)

Senior indebtedness of PNC includes PNC's guarantee of any outstanding senior notes of PNC Funding, any senior notes that are direct obligations of PNC, including those obligations assumed by PNC upon the closing of the acquisition of National City and PNC's guarantee of any outstanding commercial paper issued by PNC Funding. There is no limitation under the indenture on the issuance of additional senior indebtedness of PNC.

### **Guarantees of Subordinated Debt Securities**

The guarantees of the subordinated debt securities (subordinated guarantees) will be subordinated in right of payment to all senior indebtedness of PNC. (Section 12.04) In certain events of insolvency of PNC, the subordinated guarantees will also be effectively subordinated in right of payment to all other guarantor obligations (as defined in the indenture). (Section 12.05) Other guarantor obligations means obligations of PNC associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts or any similar arrangements, unless the instrument by which PNC incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC. (Section 1.01)

Upon the liquidation, dissolution, winding up, or reorganization of PNC, PNC must pay to the holders of all senior indebtedness of PNC the full amounts of principal of, and premium and interest on, that senior indebtedness before any payment is made on the subordinated debt securities. If, after PNC has made those payments on the senior indebtedness:

- (i) there are amounts available for payment on the subordinated debt securities (as defined in the indenture, excess proceeds), and
- (ii) at such time, any creditors in respect of other guarantor obligations have not received their full payments, then

PNC shall first use such excess proceeds to pay in full all such other guarantor obligations before PNC makes any payment in respect of the subordinated debt securities. (Section 12.05)



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In addition, PNC may not make any payment on the subordinated debt securities in the event:

PNC has failed to make full payment of the principal of, or premium, if any, or interest on any senior indebtedness of PNC, or

any event of default with respect to any senior indebtedness of PNC has occurred and is continuing, or would occur as a result of such payment on the subordinated debt securities. (Section 12.06)

Because of the subordination provisions and the obligation to pay excess proceeds, in the event of insolvency, holders of subordinated guarantees of PNC may recover less, ratably, than holders of senior indebtedness of PNC, other guarantor obligations (as defined in the indenture) and other creditors of PNC. (Section 3.12, 12.04, 12.05, 12.06 and 12.14)

As provided in the indenture, in the event of insolvency of PNC, the holders of the subordinated guarantees are subject to an obligation to pay any excess proceeds to creditors in respect of any unpaid other guarantor obligations (as defined in the indenture).

The subordinated guarantees will also rank equally in right of payment with PNC's guarantee of the following subordinated notes of PNC Funding as of the date of this prospectus:

5 1/4% Subordinated Notes Due 2015 and 5.625% Subordinated Notes due 2017.

As with holders of the subordinated guarantees, the holders of the foregoing guarantees of the subordinated notes of PNC Funding are subject to an obligation to pay any excess proceeds to creditors in respect of any unpaid other guarantor obligations. Therefore, in the event of insolvency of PNC, holders of the subordinated guarantees will recover the same, ratably, as holders of PNC's guarantees of such subordinated notes of PNC Funding.

The subordinated guarantees will also rank equally with the 4.625% Subordinated Notes due 2013 originally issued by Mercantile Bankshares Corporation, which are obligations of PNC, and the 6.875% Subordinated Notes due 2019 originally issued by National City Corporation, which are obligations of PNC.

PNC's junior subordinated debentures, discussed below, rank junior to the subordinated guarantees.

### **Effect of Subordination Provisions**

By reason of the subordination provisions described above and as described more fully in the applicable prospectus supplement, in the event of insolvency of PNC Funding, holders of subordinated notes may recover less, ratably, than holders of senior indebtedness of PNC Funding and other company obligations. Holders of subordinated notes may also recover less, ratably, than other creditors of PNC Funding. Similarly, holders of subordinated guarantees may recover less, ratably, than holders of senior indebtedness of PNC and other guarantor obligations, and may also recover less, ratably, than holders of other creditors of PNC.

### **Certain Covenants**

The indenture contains certain covenants that impose various restrictions on us and, as a result, afford the holders of debt securities certain protections. The section below provides a description of the covenants. You should review the full text of the covenants to be able to evaluate the covenants.

#### ***Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank***

The covenant described below is designed to ensure that, for so long as any senior debt securities or convertible senior debt securities are issued and outstanding, PNC will continue directly or indirectly to own and thus serve as the holding company for its principal subsidiary banks. When we use the term principal subsidiary banks, we mean each of:

PNC Bank, National Association ( PNC Bank ),

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any other subsidiary bank the consolidated assets of which constitute 20% or more of the consolidated assets of PNC and its subsidiaries,

any other subsidiary bank designated as a principal subsidiary bank by the board of directors of PNC, or

any subsidiary that owns any voting shares or certain rights to acquire voting shares of any principal subsidiary bank, and their respective successors, provided any such successor is a subsidiary bank or a subsidiary, as appropriate.

As of the date hereof, PNC's only principal subsidiary banks are PNC Bank and its parent, PNC Bancorp, Inc.

The indenture prohibits PNC, unless debtholder consent is obtained from the holders of senior debt securities and convertible senior debt securities, from:

selling or otherwise disposing of, and permitting a principal subsidiary bank to issue, voting shares or certain rights to acquire voting shares of a principal subsidiary bank,

permitting the merger or consolidation of a principal subsidiary bank with or into any other corporation, or

permitting the sale or other disposition of all or substantially all the assets of any principal subsidiary bank, if, after giving effect to any one of such transactions and the issuance of the maximum number of voting shares issuable upon the exercise of all such rights to acquire voting shares of a principal subsidiary bank, PNC would own directly or indirectly less than 80% of the voting shares of such principal subsidiary bank.

These restrictions do not apply to:

transactions required by any law, or any regulation or order of any governmental authority,

transactions required as a condition imposed by any governmental authority to the acquisition by PNC, directly or indirectly, or any other corporation or entity if thereafter,

PNC would own at least 80% of the voting shares of the other corporation or entity,

the consolidated banking assets of PNC would be at least equal to those prior thereto, and

the board of directors of PNC shall have designated the other corporation or entity a principal subsidiary bank,

transactions that do not reduce the percentage of voting shares of such principal subsidiary bank owned directly or indirectly by PNC, and



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transactions where the proceeds are invested within 180 days after such transaction in any one or more subsidiary banks. The indenture does permit the following:

the merger of a principal subsidiary bank with and into a principal subsidiary bank or PNC,

the consolidation of principal subsidiary banks into a principal subsidiary bank or PNC, or

the sale or other disposition of all or substantially all of the assets of any principal subsidiary bank to another principal subsidiary bank or PNC. (Section 5.06) (Section 10.06)

PNC must only comply with this covenant if there are outstanding senior debt securities and a breach of this covenant is not a default with respect to subordinated debt securities.

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***Ownership of PNC Funding***

The indenture contains a covenant that, so long as any of the debt securities are outstanding, PNC will continue to own, directly or indirectly, all of the outstanding voting