



PNC

Investor Presentation

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**PNC Announces Agreement to Buy  
RBC Bank (USA)**

June 20, 2011

# Cautionary Statement Regarding Forward-Looking Information

This presentation contains forward-looking statements regarding our outlook or expectations with respect to the planned acquisition of RBC Bank (USA), the expected costs to be incurred in connection with the acquisition, RBC Bank (USA)'s future performance and consequences of its integration into PNC, and the impact of the transaction on PNC's future performance.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this presentation speak only as of the date of the presentation, and PNC assumes no duty, and does not undertake, to update them. Actual results or future events could differ, possibly materially, from those that we anticipated in these forward-looking statements.

These forward-looking statements are subject to the principal risks and uncertainties applicable to PNC's businesses generally that are disclosed in PNC's 2010 Form 10-K and 2011 Form 10-Qs, including in the Risk Factors and Risk Management sections of those reports, and in PNC's subsequent SEC filings (accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on PNC's corporate website at [www.pnc.com/secfilings](http://www.pnc.com/secfilings)). We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

Any annualized, proforma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's, RBC Bank (USA)'s, or other company's actual or anticipated results.

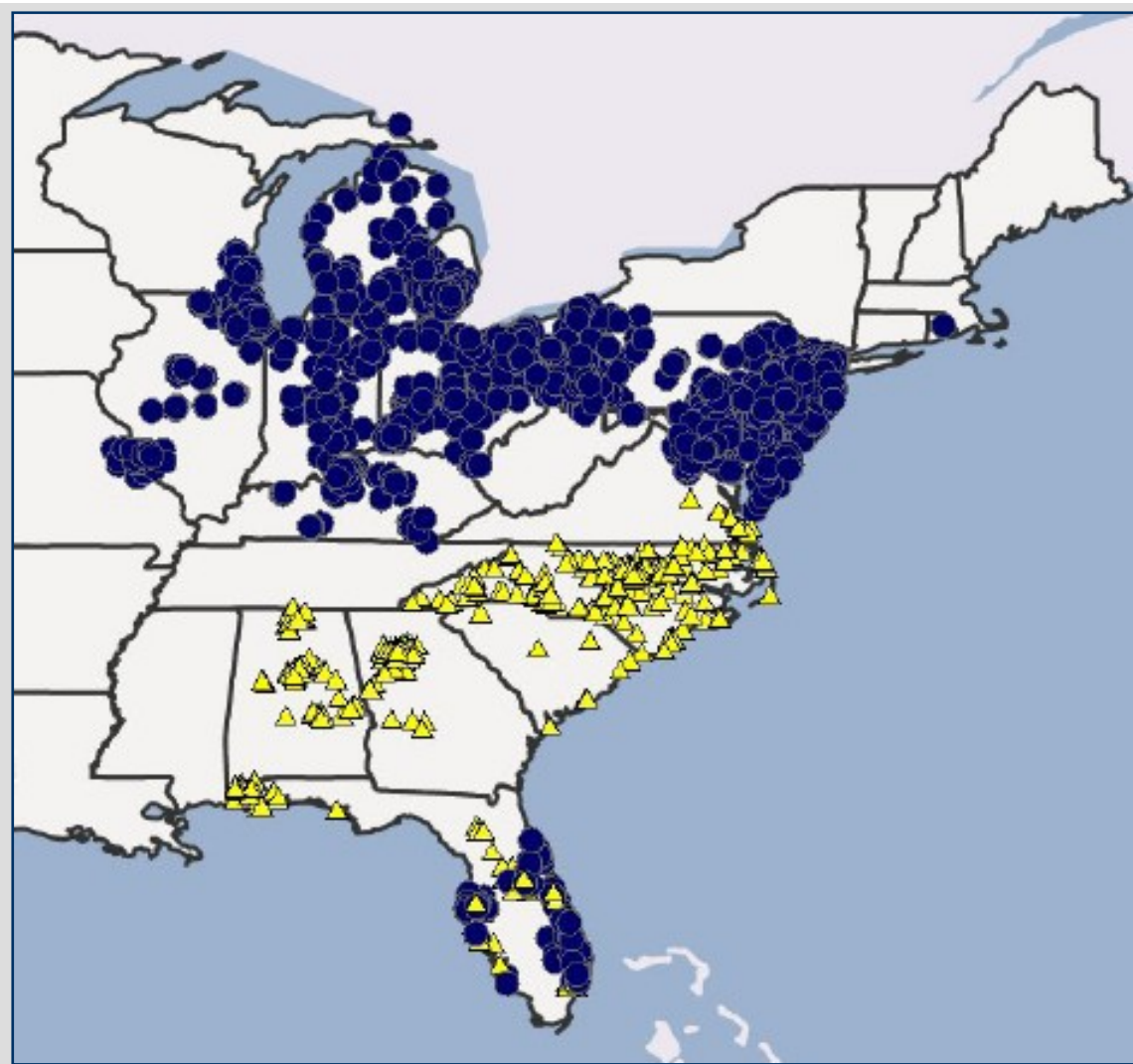
In addition, forward-looking statements in this presentation are subject to the following risks and uncertainties related both to the acquisition transaction itself and to the integration of the acquired business into PNC after closing:

- Completion of the transaction is dependent on, among other things, receipt of regulatory and other applicable approvals, the timing of which cannot be predicted with precision at this point and which may not be received at all. The impact of the completion of the transaction on PNC's financial statements will be affected by the timing of the transaction.
- The transaction may be substantially more expensive to complete (including the integration of RBC Bank (USA)'s businesses) and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.
- Our ability to achieve anticipated results from this transaction is dependent on the state of the economic and financial markets going forward, which have been under significant stress recently. Specifically, we may incur more credit losses from RBC Bank (USA)'s loan portfolio than expected. Other issues related to achieving anticipated financial results include the possibility that deposit attrition may be greater than expected. Litigation and governmental investigations that may be filed or commenced, as a result of this transaction or otherwise, could impact the timing or realization of anticipated benefits to PNC.
- The integration of RBC Bank (USA)'s business and operations into PNC, which will include conversion of RBC Bank (USA)'s different systems and procedures, may take longer than anticipated or be 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 will result in PNC entering several markets where PNC does not currently have any meaningful retail presence.

# Strategic Rationale

- ▶ Opportunity to deliver PNC's products and services to new commercial, wealth management and retail customers
- ▶ Fairly priced market expansion into demographically attractive growth markets
- ▶ Demonstrated ability to successfully integrate and grow underperforming franchises
- ▶ RBC Bank (USA) has quality branch network and human capital to leverage PNC's sales and service model

# Extends East Coast Branch Network into Faster Growing Markets



## RBC Bank (USA) branches by state

North Carolina	180
Florida	83
Alabama	78
Georgia	61
Virginia	13
South Carolina	9
Total	424

- PNC branches
- ▲ RBC Bank (USA) branches

Source: SNL Financial, as of June 2010.

# Opportunity to Capture More Deposit Share in Demographically Attractive Markets

RBC Bank (USA) brings high growth and...

Projected 5-year growth<sup>1</sup>

	Population	HH income
PNC	1.2%	13.3%
RBC Bank (USA)	6.5%	12.6%
<b>Proforma PNC</b>	<b>1.7%</b>	<b>13.2%</b>
U.S. average	3.9%	12.4%

- ▶ PNC's proforma retail footprint covers 11 of the top 20 wealthiest states<sup>2</sup>
- ▶ PNC has demonstrated the ability to grow and attract customers in all its markets
- ▶ PNC continues to leverage its suite of innovative products and services to deepen customer relationships

...wealthy markets

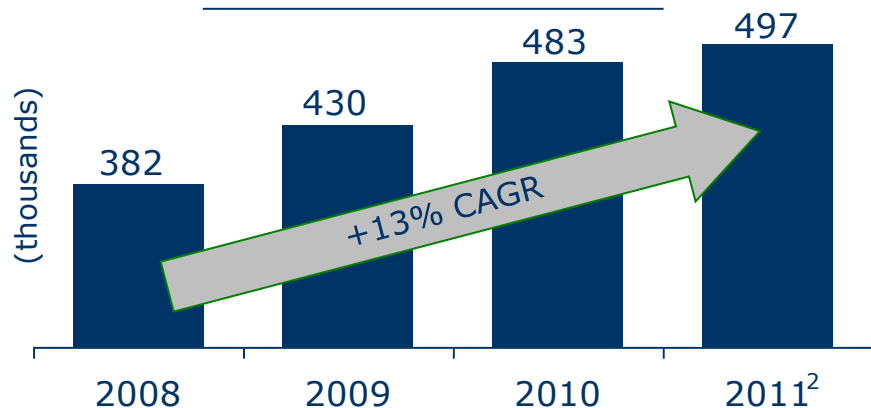
Proforma			
State <sup>2</sup>	Branches	Deposits( \$bn)	Rank <sup>3</sup>
California			
New York			
<b>Florida</b>	<b>216</b>	<b>\$8.0</b>	<b>10</b>
Illinois	198	\$15.7	4
Texas			
Pennsylvania	510	\$58.2	1
Massachusetts			
New Jersey	334	\$19.0	5
<b>Georgia</b>	<b>61</b>	<b>\$2.8</b>	<b>8</b>
Michigan	244	\$15.3	3
Ohio	418	\$25.6	2
<b>North Carolina</b>	<b>180</b>	<b>\$8.9</b>	<b>5</b>
Virginia	96	\$2.6	11
Maryland	230	\$10.2	3
Connecticut			
Washington			
Wisconsin	25	\$1.4	11
Colorado			
Wyoming			
Arizona			

(1) Source: SNL DataSource. (2) Top 20 states based on wealth holders with >\$1.5 million in net worth. Source: IRS Statistics of Income Division, August 2008. (3) Deposit rank based on share of deposits in state. Source: SNL DataSource as of June 30, 2010.

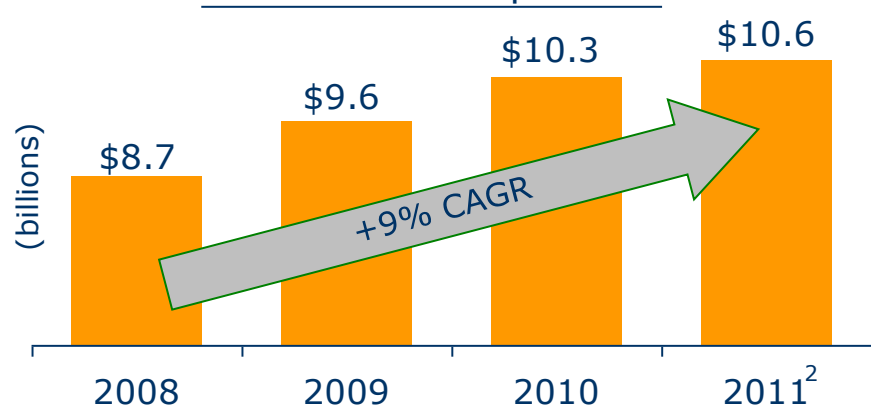
# PNC's Proven Capabilities to Grow Retail Banking Relationships in Acquired Markets

## Greater Maryland/Washington, D.C. market growth

### Total DDA Households



### Total Retail Deposits<sup>1</sup>



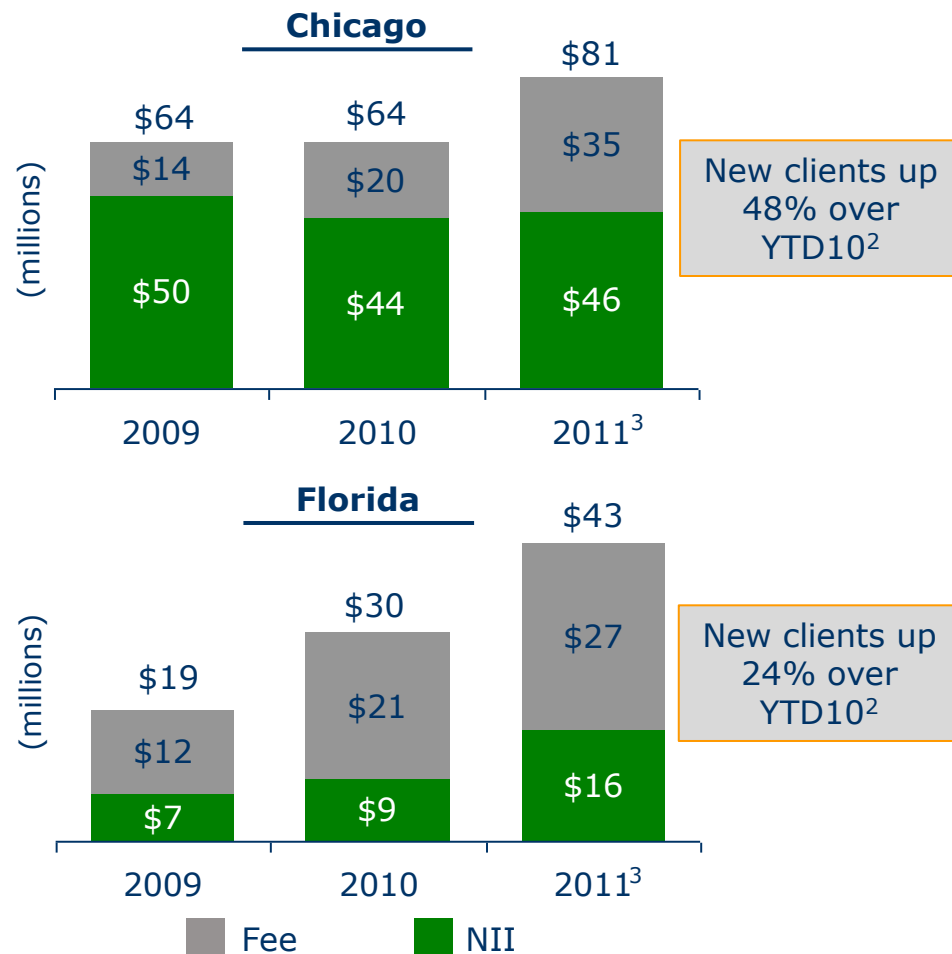
## Growth strategies

- ▶ Increase brand awareness
- ▶ Introduce innovative products- Virtual Wallet, University and Workplace Banking
- ▶ Increase share of wallet
- ▶ Expand branch distribution network and channels
- ▶ Deliver exceptional customer service

(1) Total retail deposits adjusted to exclude CDs and IRAs. (2) 2011 reflects amounts as of March 31, 2011.

# Demonstrated Ability to Grow C&IB and AMG in New Markets and Cross-Sell Innovative Products

## Total market revenue growth<sup>1</sup> for C&IB and AMG



## Growth strategies

- ▶ Leverage cross-sell opportunities
- ▶ Expand PNC's loan syndication capabilities as a differentiated leader in middle market
- ▶ Deliver innovative treasury management and capital markets products

(1) Year over year market revenue growth. (2) Year over year total new primary client growth. (3) 2011 represents revenue growth for the five months ended May 31, 2011, annualized.

# Significant New Commercial Market Opportunity

PNC's Top 10 MSAs <sup>1</sup>			RBC Bank (USA)'s Top 10 MSAs <sup>1</sup>		
	# of Businesses	Total Sales (\$ billions)	# of Businesses	% of PNC's Top 10	Total Sales (\$ billions)
Small Businesses	1,373,556	NA <sup>2</sup>	506,749	37%	NA <sup>2</sup>
Mid-Market	14,013	\$435	3,922	28%	\$123
Corporate	6,687	\$6,092	1,999	30%	\$1,046

**RBC Bank (USA) substantially increases target commercial clients**

(1) Top 10 MSAs ranked by deposit size. Small businesses defined as businesses with sale up to \$20 million, Mid-market defined as businesses with sale between \$20 million and \$50 million, and Corporate defined as businesses with sale greater than \$50 million.  
 (2) Small Businesses total sales is unavailable. Source: SNL Financial and OneSource.



# Compelling Transaction

Transaction Summary	
▶ <b>Transaction total value</b>	\$3.45 billion <sup>1</sup>
▶ <b>Internal rate of return<sup>4</sup></b>	19%+
▶ <b>Accretion<sup>4</sup></b>	End of year 2013 or sooner
▶ <b>Compelling Financial Terms:</b>	
– <b>Price to tangible book<sup>2</sup></b>	Discount to tangible book of \$112 million; currently 97%
– <b>Deposit premium<sup>2</sup></b>	(0.6%)
▶ <b>Annual expense reduction<sup>4</sup></b>	\$230 million (27% of RBC Bank (USA)'s annualized expense base <sup>5</sup> )
▶ <b>Merger and integration costs<sup>4</sup></b>	\$322 million
▶ <b>Due diligence</b>	Completed
▶ <b>Loan marks<sup>3,4</sup></b>	Total loan marks: 12.5%, 48% of NPLs
▶ <b>Closing conditions</b>	Regulatory approvals and customary conditions
▶ <b>Anticipated closing</b>	March 2012

(1) The total consideration is comprised of a fixed dollar amount (subject to adjustment at close for net tangible asset value delivered), including cash and, at PNC's option, common stock. The amount of PNC stock will not exceed \$1 billion or cause Royal Bank of Canada's ownership of PNC common stock to exceed 4.9%. (2) As of April 30, 2011. (3) Gross of allowance for loan losses of \$755 million, therefore incremental mark of \$1,488 million. As of April 30, 2011. (4) Estimated. (5) As of April 2011. Excludes \$150 million for goodwill expense.

# Value-Added Acquisition Positions

## PNC Well for the Future

- ▶ PNC remains core funded with a proforma loan to deposit ratio of 82%
- ▶ Credit risk remains manageable given loan marks of 12.5% and demonstrated distressed loan management capabilities
- ▶ PNC remains well positioned regarding Basel III implementation
- ▶ Drawing upon our NCC branch conversion experience, all conversions will occur simultaneously with closing
- ▶ Expense savings achievable

# Summary

- ▶ Opportunity to deliver PNC's products and services to new commercial, wealth management and retail customers
- ▶ Fairly priced market expansion into demographically attractive growth markets
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PNC Continues to Build a Great Company.

# Combined Balance Sheet

Appendix

(\$ billions)

	<b>PNC</b>	<b>RBC Bank (USA)<sup>1</sup></b>	<b>Proforma PNC</b>
	<b>3/31/2011</b>	<b>4/30/2011</b>	<b>3/31/2011</b>
<b>ASSETS</b>			
Investments	66.8	4.7	71.5
Loans, net <sup>3</sup>	147.6	15.7	163.3
Other Assets	35.9	3.4	39.3
Intangible Assets, excluding MSRs	9.0	1.0	10.0
<b>Total Assets</b>	<b>259.4</b>	<b>24.8</b>	<b>284.1</b>
<b>LIABILITIES</b>			
Deposits	182.0	19.4	201.4
Funding	35.0	3.0	38.0
Other Liabilities	8.7	0.3	9.0
<b>Total Liabilities</b>	<b>225.7</b>	<b>22.8</b>	<b>248.4</b>
<b>EQUITY</b>			
Equity	33.7	2.0 <sup>2</sup>	35.7
<b>Total Liabilities &amp; Equity</b>	<b>259.4</b>	<b>24.8</b>	<b>284.1</b>

(1) Gives effect to excluded assets and liabilities and estimated purchase accounting adjustments. Source: Royal Bank of Canada. (2) Assumes \$1.0 billion of PNC common stock issued to the Royal Bank of Canada and \$1 billion preferred stock issuance. (3) Includes loans held for sale.

# RBC Bank (USA) Loan Portfolio Assessment

Appendix

(\$ in millions) Loan Category	Balance as of 4/30/2011 <sup>2</sup>	Estimated					
		Credit Mark		Rate Mark		Total Mark	
		\$	%	\$	%	\$	%
<b>Performing:</b>							
Commercial:							
C&I	3,477	125	3.6%	35	1.0%	159	4.6%
Owner Occupied	2,973	137	4.6%	1	0.0%	137	4.6%
CRE & Construction	3,202	167	5.2%	68	2.1%	235	7.4%
Consumer:							
Mortgage	1,855	122	6.6%	0	0.0%	122	6.6%
Home Equity	3,670	496	13.5%	-9	-0.2%	487	13.3%
Other	806	171	21.2%	-30	-3.7%	141	17.5%
<b>Total Performing</b>	<b>15,983</b>	<b>1,218</b>	<b>7.6%</b>	<b>64</b>	<b>0.4%</b>	<b>1,283</b>	<b>8.0%</b>
<b>Non Accrual:</b>							
Commercial:							
C&I	165	66	40.0%	13	8.1%	79	48.1%
Owner Occupied	460	162	35.3%	40	8.7%	203	44.0%
CRE & Construction	1,101	402	36.5%	94	8.6%	496	45.0%
Consumer:							
Mortgage	137	71	52.3%	9	6.4%	80	58.7%
Home Equity	68	48	71.0%	3	3.9%	51	74.9%
Other	69	48	69.2%	3	4.1%	51	73.3%
<b>Total Non Accrual</b>	<b>2,000</b>	<b>798</b>	<b>39.9%</b>	<b>162</b>	<b>8.1%</b>	<b>960</b>	<b>48.0%</b>
<b>Total Loan Mark</b>	<b>17,984</b>	<b>2,016</b>	<b>11.2%</b>	<b>226</b>	<b>1.3%</b>	<b>2,242<sup>1</sup></b>	<b>12.5%</b>

(1) Gross of allowance for loan losses of \$755 million, therefore incremental mark of \$1,488 million. (2) Source: Royal Bank of Canada.

# Valuation Comparables Based on Recent Transactions

Appendix

Buyer	Target	Announce Date	Announced Deal Value (\$M) <sup>1</sup>	P/TBV	P/ Adj. TBV <sup>2</sup>	Core Deposit Premium <sup>3</sup>
Valley National Bancorp	State Bancorp Inc.	4/28/11	\$259	216%	252%	11.7%
Brookline Bancorp Inc.	Bancorp Rhode Island Inc.	4/20/11	\$234	201%	NA	11.8%
Susquehanna Bancshares, Inc.	Abington Bancorp, Inc.	1/26/11	\$268	122%	133%	8.2%
People's United Financial Inc.	Danvers Bancorp Inc.	1/21/11	\$493	186%	190%	13.9%
Comerica Inc.	Sterling Bancshares Inc.	1/18/11	\$1,027	234%	374%	17.0%
Hancock Holding Co.	Whitney Holding Corp.	12/22/10	\$1,796	200%	239%	11.6%
BMO Financial Group	Marshall & Ilsley Corp.	12/17/10	\$5,803	138%	285%	4.9%
M&T Bank Corp.	Wilmington Trust Corp.	11/1/10	\$681	192%	2,613%	4.7%
First Niagara Financial Group	NewAlliance Bancshares Inc.	8/19/10	\$1,500 <sup>4</sup>	163%	176% <sup>5</sup>	14.0%
<b>Median</b>				<b>192%</b>	<b>245%</b>	<b>11.7%</b>
<b>PNC</b>	<b>RBC Bank (USA)</b>	<b>6/20/11</b>	<b>\$3,450</b>	<b>97%</b>	<b>126%</b>	<b>(0.6%)</b>

(1) Includes repayment of target's TARP outstanding where applicable. (2) TBV adjusted by tax adjusted credit mark net of reserves (35% tax rate).

(3) As reported by company where available, otherwise core deposit amounts per SNL Financial. (4) Includes transaction expense. (5) Assumes midpoint mark. Source: SNL Financial and company filings.