



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 18, 2009

Ms. Shaheen F. Dil  
Chief Performance Officer  
249 5th Ave  
The PNC Financial Services Group, Inc.  
Pittsburgh, Pennsylvania 15222-2707

Dear Ms. Dil:

This is in response to your letter dated June 24, 2009, requesting on behalf of The PNC Financial Services Group, Inc. (“PNC”), Pittsburgh, Pennsylvania, to extend by one year, until January 1, 2013, its first floor period start date under the implementation requirements of the Board’s advanced approaches capital adequacy framework for bank holding companies (“advanced approaches”).<sup>1</sup>

The advanced approaches are mandatory for any bank holding company with consolidated total assets equal to or more than \$250 billion.<sup>2</sup> The advanced approaches generally provide that a bank holding company must adopt a written implementation plan no later than six months after the date that the bank holding company became subject to the advanced approaches, and the implementation plan must incorporate a first floor period start date no later than thirty-six months after this date.<sup>3</sup> A bank holding company must begin its parallel run period at least one year before its first floor period start date.<sup>4</sup> The Federal Reserve may extend the first floor period start date.<sup>5</sup>

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<sup>1</sup> See 12 CFR part 225, Appendix G, section 21(a)(1).

<sup>2</sup> 12 CFR part 225, Appendix G, section 1(b)(1)(i).

<sup>3</sup> Id.

<sup>4</sup> See 12 CFR part 225, Appendix G, section 21(c).

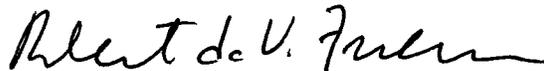
<sup>5</sup> 12 CFR part 225, Appendix G, section 1(b)(1)(i).

PNC's consolidated assets exceeded the \$250 billion threshold for mandatory adoption of the advanced approaches as of December 31, 2008, when it acquired National City Corporation ("NCC") (assets of \$143.7 billion as of September 30, 2008), Cleveland, Ohio. Consequently, PNC's implementation plan is required to incorporate a parallel run start date of no later than January 1, 2011, and a first floor period start date of no later than January 1, 2012. In your letter, you described key challenges that could hinder the successful completion of PNC's implementation plan within the time frame required by the advanced approaches, including resource constraints related to the acquisition of NCC.

Based on all the facts of record, including the information provided in your request and other supervisory information, the Board grants PNC's request to extend its first floor period start date by one year, until January 1, 2013. The Board believes this extension is appropriate based on [REDACTED] and the need for PNC to focus resources on the NCC integration before completing its advanced approaches implementation plan. This action does not relieve PNC of any of its other regulatory capital requirements.

Please contact Andrew Willis, Financial Analyst, Division of Banking Supervision and Regulation, at (202) 736-5635 if you have any questions.

Sincerely yours,



Robert deV. Frierson  
Deputy Secretary of the Board

cc: Michael D. Coldwell, Supervisory Examiner  
Federal Reserve Bank of Cleveland  
Office of the Comptroller of the Currency