

# PNC to Acquire Asset-Based Portfolio From National Bank of Canada

PRNewswire  
PITTSBURGH

The PNC Financial Services Group, Inc. (NYSE: PNC) has reached a definitive agreement to acquire a portion of the U.S. asset-based lending business of the National Bank of Canada (TSE: NA), including approximately \$1.6 billion in loans outstanding.

The transaction includes marketing offices in attractive areas of the Southeast and Western U.S., including Charlotte, Richmond, Memphis, Denver and Seattle. PNC currently operates 15 Business Credit offices in 13 states with approximately \$2.5 billion in loans outstanding. The National Bank of Canada operates 18 asset-based lending offices. The combined operation will have offices in 19 states.

PNC has also entered into an agreement to service the remainder of the portfolio not acquired. The transaction is expected to close in the first quarter of 2002, subject to regulatory approval and customary conditions of closing. The acquisition is expected to be accretive to PNC's earnings immediately.

"Our national asset-based lending franchise has proven to be a higher- return business for PNC, providing exceptional service to customers and attractive value for shareholders," said James E. Rohr, chairman, president and chief executive officer of The PNC Financial Services Group. "This acquisition of a high-quality, high-return portfolio would make PNC one of the top five providers of asset-based lending services in the U.S., while also positioning the business for continued growth."

National Bank is an integrated group which provides comprehensive financial services to consumers, small and medium-sized enterprises and large corporations, while offering specialized services to its clients elsewhere in the world. The National Bank has assets of US \$48 billion.

The PNC Financial Services Group, Inc., headquartered in Pittsburgh, is one of the nation's largest diversified financial services organizations, providing regional community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services.

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act ... This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to the anticipated effect of the proposed acquisition described herein, which are identified by words such as "position," "believe," or "expect," or future or conditional verbs such as "would," "should," or similar expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Forward-looking statements speak only as of today and PNC assumes no duty to update them.

In addition to factors previously disclosed in PNC's SEC reports (accessible on the SEC's website at

<http://www.sec.gov/>), the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: extent of customer retention and generation; ability to timely and fully realize contemplated cost savings and revenues; ability to attract and retain management and key employees; the accuracy of PNC's assessment of the risk inherent in the assets that would be acquired or serviced; actions taken by National Bank of Canada in managing its business prior to the closing of the transaction; changes in political, economic, or industry conditions, the interest rate environment, or financial and capital markets, which could result in a deterioration in credit quality and increased credit losses, an adverse effect on the allowance for loan losses, a reduction in demand for credit or fee-based products and services, net interest income, value of assets serviced or value of on- balance-sheet and off-balance-sheet assets, or changes in the availability and terms of funding necessary to meet PNC's liquidity needs; customer acceptance of PNC's products and services; an increase in the number of customer delinquencies, bankruptcies, or defaults that could result in, among other things, increased credit and asset quality risk, a higher loan loss provision, and reduced profitability; the impact of increased competition; and actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Terrorist activities, including the September 11 terrorist attacks, may adversely affect the general economy, financial and capital markets, specific industries, and PNC. PNC cannot predict the severity or duration of effects stemming from such activities or any actions taken in connection with them.

MAKE YOUR OPINION COUNT - Click Here

<http://tbutton.prnewswire.com/prn/11690X86463325>

NewsCom: <http://www.newscom.com/cgi-bin/prnh/20000307/PHTU015>

AP Archive: <http://photoarchive.ap.org/>

PRN Photo Desk, 888-776-6555 or 212-782-2840

SOURCE: The PNC Financial Services Group, Inc.

Contact: Media: Brian Goerke, +1-412-762-4550, or  
corporate.communications@pnc.com, or Investors: William H. Callihan,  
+1-412-762-8257, or investor.relations@pnc.com, both of PNC Financial Services  
Group

Website: <http://www.pnc.com/>

Company News On-Call: <http://www.prnewswire.com/gh/cnoc/comp/701257.html>

---

<https://pnc.mediaroom.com/news-releases?item=73876>