

PNC Pledges \$1.15 Billion in Support of Greater Washington Area Communities

- Community Development Plan Focuses on Partnerships and Affordable Housing -

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The PNC Financial Services Group, Inc. (NYSE: PNC) today announced plans to invest \$1.15 billion over five years across the Greater Washington Area and form community partnerships to collaborate on affordable housing, economic development and financial independence for residents with the greatest needs.

PNC's plans were announced during a picnic-style community celebration at the Dupont Commons Townhomes in the District of Columbia's Fort Dupont neighborhood. The new residential development, financed through predecessor Riggs Bank, is symbolic of the investments PNC intends to make in support of community revitalization and financial autonomy for area residents of all income levels.

"We pledge to help build strong communities and create financial opportunities for individuals, families and businesses in the Greater Washington Area," said Michael N. Harreld, regional president, PNC Bank. "To achieve this goal requires a commitment of resources and an emphasis on teamwork with a diverse mix of community partners. We look forward to working together so that everyone, especially the underserved, has the opportunity to fulfill their dreams in a safe, economically strong and affordable community."

Our Community Plan: Highlights

Led by its local Community Development Banking team, PNC's investment of at least \$1.15 billion during 2005-2010 in the District of Columbia plus suburban Maryland and Northern Virginia includes the following priorities:

- Economic Development: Small businesses create seven out of every 10 new jobs and are key to the vitality of any neighborhood. PNC plans \$678 million in small business lending, including U.S. Small Business Administration loans, with emphasis on minority-owned and disadvantaged businesses to energize the local economy and job creation.

PNC, a top SBA lender in Greater Washington, has a complete range of products - from credit and deposit products to cash management and merchant services - provided by business bankers who can advise on business start-ups and expansions, with attention to those businesses located in low- and moderate-income (LMI) neighborhoods.

- Housing Loans for Low- to Moderate-Income Borrowers: Recognizing the region's ongoing need for affordable housing, PNC will harness its financial resources and human capital to increase home ownership among the underserved in areas such as the District's Anacostia and Deanwood areas, inner Beltway communities in Prince George's County, Md., and Northern Virginia's Route 1 corridor. PNC's plans include at least \$174 million in financing to first-time homebuyers, home equity loans along with home ownership seminars and personal finance workshops.

- Community Development Loans: PNC plans \$175 million in loans for

innovative community development projects for single- and multi-family affordable housing developments (rental and for-sale) targeted to low- and moderate-income borrowers. Other loans will support new construction and/or renovation of community facilities and/or operational financing for social service agencies, childcare operations and facilities geared toward underserved neighborhoods along with commercial and mixed-use developments that serve as a catalyst for economic and neighborhood revitalization.

- Community Development Investments: With a creative and flexible approach to investment capital for projects and initiatives, \$122.5 million is planned for investments with local partners. This includes partnerships that promote affordable housing through the federal Low Income Housing Tax Credit program. Through the use of PNC's wholly owned community development corporation, it also includes flexible capital placements with local, mission-driven financial intermediaries and strategic partnership investments using the federal New Markets Tax Credit and Historic Tax Credit programs.

For area residents, these overall priorities are supported by the ease and convenience of PNC's affordable deposit, savings and credit products, which are complemented by 51 branches (with plans for 30 more locations in the area over the next three years), 150 ATMs, online banking and 24-hour call center (1-888-PNC-BANK). PNC tailors products and services to its multicultural customer base, offering ATMs that feature seven or more languages, a call center with representatives who know a combined 140 languages, along with the dedicated 1-866-HOLA-PNC number and other resources for Spanish-speaking customers.

Our Community Partners

Relationships with community organizations, elected officials, business leaders and faith-based organizations are critical to the success of these efforts. "We want to make it easy to work with us through open communication and collaboration," Harreld said. "When we listen, we learn and that enables us to make wise decisions and investments that are meaningful to the community."

Today, PNC announced some of its initial partners and opening investments, including (listed alphabetically):

- Collective Banking Group: PNC is one of five banks chosen to partner with this body of 100 churches, with a combined 300,000 members primarily in the Prince George's County/Washington, D.C., area. PNC will provide deposits, credit and investment services along with financial education and advice to CBG and its members.
- Local Initiative Support Corporation: This partnership includes a \$20,000 grant for expenses to support LISC's neighborhood revitalization and community development activities. This includes: loan programs, syndication of Low Income Housing Tax Credits and New Market Tax Credits, training and technical assistance, among other efforts for the District.
- Nonprofit Finance Fund: \$10,000 grant to support its overall program delivery to nonprofits in the Washington area. NFF's programs include loan products and advisory services, such as training workshops, technical tools and advice intended to build strong, well capitalized nonprofit businesses.
- Washington Interfaith Network and The Reinvestment Fund: \$20,000 grant to support the combined efforts of WIN and TRF to develop a plan for the \$550 million Neighborhood Investment Fund Program and revitalize 12 targeted neighborhoods across Washington, D.C. This initiative seeks to improve affordable housing, neighborhood commercial centers, community facilities, day care centers, schools and other community projects.

"All of us at PNC are excited about collaborating with our partners and finding ways to address the community's needs," said M. Craig Pascal, territory manager, Community Development Banking, PNC. "Together, we will strive to make a difference in neighborhoods by helping residents to achieve their full economic potential, cultural vitality and educational possibility."

PNC's community development efforts across its marketplace are enhanced by The PNC Foundation, which provided \$11 million in grants in 2004, employee giving and volunteerism. PNC employees have committed well over one million hours of volunteer service to their communities over the past decade.

In addition, PNC Grow Up Great is the company's 10-year, \$100 million investment in preparing young children, from birth to age five, for school and life. As the largest school readiness program of its kind in the country, it invests in grants, advocacy, awareness resources and volunteerism to help children, families and communities be smarter, stronger and healthier. The program will be introduced to the Greater Washington Area for the upcoming school year.

The PNC Financial Services Group, Inc. is one of the nation's largest diversified financial services organizations providing consumer and business banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services.

SOURCE: The PNC Financial Services Group, Inc.

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