

Offering Circular Supplement
(To Offering Circular dated July 30, 2004)

\$300,000,000

PNC Bank, National Association

6.0% Subordinated Notes due 2017

Issue Price: 99.725%

We are offering \$300,000,000 aggregate principal amount of our 6.0% Subordinated Notes due December 7, 2017. We will pay interest at a rate of 6.0% per annum during the term of the subordinated notes. Interest is payable semiannually on June 7 and December 7 of each year commencing on June 7, 2008 to holders of record on May 15 and November 15 of such year. The subordinated notes are not subject to redemption or repayment prior to maturity and will not be subject to any sinking fund. The subordinated notes will be issued in minimum denominations of \$250,000 increased in multiples of \$1,000. For a description of the terms of the subordinated notes, see "Specific Terms of the Notes" herein and "Description of Notes" in the accompanying Offering Circular.

The subordinated notes will be our unsecured subordinated obligations and will rank equally with all other unsecured subordinated indebtedness of PNC Bank, National Association, which are junior in right of payment to deposit liabilities, senior notes and other obligations that are entitled to any priority or preference as described herein and in the accompanying Offering Circular under "Description of Notes—Subordinated Notes—Subordination Provisions." As of September 30, 2007, we had approximately \$102.9 billion of obligations ranking senior to the subordinated notes offered hereby (including \$77.6 billion of deposits). The subordinated notes will be issued only in book-entry form and purchasers of the subordinated notes will not be entitled to receive physical delivery of the subordinated notes in definitive form and will not be considered holders thereof. See "Description of Notes—Book Entry Registration" in the accompanying Offering Circular.

The subordinated notes are our direct, unconditional and unsecured general obligations and are not an obligation of, or otherwise guaranteed by, The PNC Financial Services Group, Inc. ("PNC Financial"), our parent company, except as otherwise required by applicable law. The subordinated notes are not deposits and are not insured by the Federal Deposit Insurance Corporation (the "FDIC") or any other governmental agency.

The offering of the subordinated notes has not been, and is not required to be, registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act") or any state securities commission. The subordinated notes have not been approved or disapproved by the SEC, the Office of Comptroller of the Currency (the "OCC"), or any state securities commission, nor has any such governmental agency or commission passed upon the accuracy or adequacy of this Offering Circular Supplement or the accompanying Offering Circular. Any representation to the contrary is a criminal offense.

The subordinated notes are being offered and sold only to institutional investors that are "accredited investors" as defined in Rule 501 under the Securities Act.

Investing in the subordinated notes involves risks. See "Risk factors" on page S-3 of this Offering Circular Supplement.

The dealers expect to deliver the subordinated notes to purchasers on or about December 7, 2007.

JPMorgan
PNC Capital Markets LLC

The date of this Offering Circular Supplement is December 4, 2007.

In making your investment decision, you should rely only on the information contained in or incorporated by reference in this Offering Circular Supplement and the accompanying Offering Circular. We have not authorized anyone to provide you with any other information. We are making an offer of these securities only in jurisdictions where the offer is permitted.

You should not assume that the information contained in or incorporated by reference in this Offering Circular Supplement and the accompanying Offering Circular is accurate as of any date other than its respective date.

When used in this Offering Circular Supplement, the terms “the Bank”, “we”, “our” and “us” refer to PNC Bank, National Association, unless otherwise specified. References to “PNC Financial” in this Offering Circular Supplement and in the accompanying Offering Circular are references to The PNC Financial Services Group, Inc.

The distribution of this Offering Circular Supplement and the accompanying Offering Circular and the offering of the subordinated notes in some jurisdictions may be restricted by law. Persons who receive this Offering Circular Supplement and the accompanying Offering Circular should inform themselves about and observe any such restrictions. This Offering Circular Supplement and the accompanying Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Information contained in this Offering Circular Supplement updates and supersedes information in the accompanying Offering Circular.

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Incorporation of certain documents by reference

PNC Financial, the parent company of the Bank, is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In accordance with the Exchange Act, PNC Financial files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy this information at the SEC's Public Reference Room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 800-SEC-0330.

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

The SEC also maintains an Internet World Wide Web site that contains reports, proxy statements and other information about issuers, like PNC Financial, who file electronically with the SEC. The address of that site is <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about PNC Financial at the offices of The New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The Bank submits quarterly to the OCC, its primary regulator, certain unaudited reports called "Consolidated Reports of Condition and Income" ("Call Reports"). Each Call Report consists of a balance sheet, income statement, changes in equity capital and other supporting schedules as of the end of or for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. Because of the special supervisory, regulatory and economic policy needs served by the Call Reports, those regulatory instructions do not in all cases follow accounting principles generally accepted in the United States, including the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board ("U.S. GAAP"). While the Call Reports are supervisory and regulatory documents, not primarily financial accounting documents, and do not provide a complete range of financial disclosure about the Bank, the reports nevertheless provide important information concerning the financial condition and results of operations of the Bank.

The publicly available portions of the Call Reports are on file with, and publicly available on written request to, the FDIC, 801 17th Street, N.W., Washington, D.C. 20434, Attention: Public Information Center, or by calling the FDIC Public Information Center at (202) 416-6940. The Call Reports are also available by accessing the FDIC's Web site (<http://www.fdic.gov>).

We are incorporating by reference into this Offering Circular Supplement the documents listed below:

- The publicly available portions of the Call Reports of the Bank for the periods ended December 31, 2006, March 31, 2007, June 30, 2007 and September 30, 2007, and any amendment thereto, as filed by the Bank with the OCC;
- PNC Financial's annual report on Form 10-K for the year ended December 31, 2006 as filed with the SEC;
- PNC Financial's quarterly reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007 as filed with the SEC; and

- PNC Financial's current reports on Form 8-K as filed with the SEC on January 10, 2007, January 24, 2007 (with respect to item 8.01), February 2, 2007, February 9, 2007, February 20, 2007, March 6, 2007, March 7, 2007, March 8, 2007, March 28, 2007, March 30, 2007, April 30, 2007, June 13, 2007, June 14, 2007, July 3, 2007, August 13, 2007 (with respect to Item 8.01) and October 1, 2007.

The information incorporated by reference is considered part of this Offering Circular Supplement, except for any information that is superseded by information that is included directly in this document or in a later filed document.

We incorporate by reference additional documents that PNC Financial may file with the SEC pursuant to Sections 13(a), 14 and 15(d) of the Exchange Act between the date of this Offering Circular Supplement and the termination of the offering of the securities, or if later until the date on which any of our affiliates cease offering and selling the securities. Except as otherwise expressly incorporated by reference, any report, document, or portion thereof that is furnished to, but not filed with, the SEC is not incorporated by reference.

You can obtain any of the documents incorporated by reference in this Offering Circular Supplement from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in the document. You can obtain documents incorporated by reference by requesting them from us. Requests for such documents should be directed to: (1) in the case of Bank documents, PNC Financial's Investor Relations Department, One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707 or via e-mail at *investor.relations@pnc.com*, or by calling 800-843-2206; or (2) in the case of PNC Financial documents, Computershare Investor Services, 250 Royall Street, Canton, Massachusetts 02021, or via e-mail at *web.quiries@computershare.com*, or by calling 800-982-7652. You can also obtain PNC Financial documents on or through PNC Financial's Internet Web site at *www.pnc.com*. The information on our Web site is not deemed to be a part of this Offering Circular Supplement or the accompanying Offering Circular.

The PNC Financial Services Group, Inc.

PNC Financial is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, and a financial holding company under the Gramm-Leach-Bliley Act. PNC Financial was incorporated under Pennsylvania law in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC Financial has diversified its geographic presence, business mix and product capabilities through strategic bank and nonbank acquisitions and the formation of various nonbanking subsidiaries.

PNC Financial is one of the largest diversified financial services companies in the United States based on assets, with businesses engaged in retail banking, corporate and institutional banking, asset management, and global fund processing services. PNC Financial provides many products and services nationally and others in our primary geographic markets located in Pennsylvania, New Jersey, Washington, DC, Maryland, Virginia, Ohio, Kentucky and Delaware. PNC Financial also provides certain global fund processing services internationally. At September 30, 2007, PNC Financial's consolidated assets, deposits and shareholders' equity were \$131.4 billion, \$78.4 billion and \$14.5 billion, respectively.

PNC Financial'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 Bank, National Association

PNC Bank, National Association is a national banking association with its principal office in Pittsburgh, Pennsylvania. The Bank's origins as a national bank date to 1864. The Bank and its subsidiaries offer a wide range of commercial banking, retail banking and trust and asset management services to their customers. The Bank's business is subject to examination and regulation by federal banking agencies. Its primary federal bank regulatory agency is the OCC, and its deposits are insured by the FDIC. The Bank is a wholly owned indirect subsidiary of PNC Financial, a Pennsylvania corporation, and is PNC Financial's principal bank subsidiary. At September 30, 2007, the Bank had total consolidated assets representing approximately 75% of PNC Financial's consolidated assets.

At September 30, 2007, the Bank had total assets of \$119.5 billion, total loans (net of unearned income) and loans held for sale of \$66.3 billion, total deposits of \$77.6 billion, and total equity capital of \$12.6 billion. The comparable amounts at September 30, 2006 were \$87.7 billion, \$51.0 billion, \$62.9 billion and \$6.8 billion, respectively.

The Bank'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.

From time to time, the Bank may issue promissory notes and other obligations evidencing indebtedness in addition to the subordinated notes, the terms of which may differ substantially from the terms of the subordinated notes. There is no limit on the principal amount of such other promissory notes and obligations that may be issued.

Risk factors

PNC Financial is subject to a number of risks potentially impacting its business, financial condition, results of operations and cash flows. For a detailed description of the potential risks, see Part I, Item 1A of its most recent Annual Report on Form 10-K and any updates in Part II, Item 1A of a subsequently filed Quarterly Report on Form 10-Q, which reports are incorporated herein by reference. See "Incorporation of certain documents by reference" in this Offering Circular Supplement.

Use of proceeds and hedging

We will apply the net proceeds from the sale of the securities for general corporate purposes. See also "Use of Proceeds" in the accompanying Offering Circular.

Specific terms of the notes

The subordinated notes (as such term is defined in the accompanying Offering Circular) offered by this Offering Circular Supplement will be issued under an Issuing and Paying Agency Agreement, dated as of July 30, 2004 (the "Issuing and Paying Agency Agreement"), between the Bank, as issuer of the subordinated notes, and the Bank, as issuing and paying agent for the subordinated notes (in such capacity, the "Issuing and Paying Agent"). See "Description of

Notes” in the accompanying Offering Circular for a more complete description of the Issuing and Paying Agency Agreement.

The subordinated notes issued by the Bank are direct, unconditional and unsecured general obligation solely of the Bank and will not be an obligation of, or guaranteed by, PNC Financial or any of its affiliates other than the Bank. The subordinated notes will rank *pari passu* with all of our other unsecured subordinated debt obligations, which are junior in right of payment to deposit liabilities, senior notes and other obligations that are entitled to any priority or preference, as described in the accompanying Offering Circular under “Description of Notes—Subordinated Notes—Subordination Provisions.”

The following description of the particular terms of the subordinated notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the subordinated notes set forth under the heading “Description of Notes” in the accompanying Offering Circular, to which description we refer you. The accompanying Offering Circular sets forth the meaning of certain capitalized terms used herein and not otherwise defined.

General

The subordinated notes issued in this offering initially will be limited to \$300,000,000 aggregate principal amount. The subordinated notes will mature on December 7, 2017. The subordinated notes may not be redeemed by the Bank prior to their stated maturity and will not be subject to any sinking fund.

The subordinated notes will bear interest at the rate of 6.0% per annum. Interest on the subordinated notes will be payable semiannually in arrears on June 7 and December 7 of each year (each an “Interest Payment Date”) commencing on June 7, 2008 to holders of record on May 15 and November 15 of such year. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the subordinated notes will accrue from December 7, 2007, to, but excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the maturity date, as the case may be.

If an Interest Payment Date or the maturity date for the subordinated notes falls on a day that is not a business day, the Bank will postpone the interest payment or the payment of principal and interest at maturity to the next succeeding business day, but the payments made on such dates will be treated as being made on the date that the payment was first due and the holders of the subordinated notes will not be entitled to any further interest or other payments with respect to such postponements.

When we use the term “business day”, we mean any day except a Saturday, a Sunday or a legal holiday in the City of New York or the City of Pittsburgh on which banking institutions are authorized or obligated by law, regulation, or executive order to close.

The interest payable on the subordinated notes on any Interest Payment Date, subject to certain exceptions, will be paid to the person in whose name the subordinated notes are registered at the close of business on the record date, whether or not a business day, next preceding the Interest Payment Date. However, interest that the Bank pays on the maturity date will be paid to the person to whom the principal will be payable.

The subordinated notes are not convertible into, or exchangeable for, equity securities of the Bank or PNC Financial.

The subordinated notes do not evidence deposits of the Bank and are not insured by the FDIC or any other insurer or government agency.

Subordination

The subordinated notes rank equally with all of the Bank's other unsecured subordinated indebtedness. The subordinated notes will be subordinated in right of payment to all senior indebtedness of the Bank, the Bank's obligations to its depositors, and other obligations as described in the accompanying Offering Circular under "Description of Notes—Subordinated Notes—Subordination Provisions."

At September 30, 2007, the aggregate amount of subordinated indebtedness of the Bank was approximately \$1.7 billion. At September 30, 2007, we had approximately \$102.9 billion of obligations ranking senior to the subordinated notes offered hereby (including \$77.6 billion of deposits). There is no limitation on the Bank creating, incurring or issuing additional indebtedness senior to the subordinated notes or additional subordinated indebtedness.

Limited right of acceleration

Holders of subordinated notes may not accelerate the maturity of the subordinated notes except upon certain events of insolvency of the Bank which constitute an event of default. No payment may be made in the event of such acceleration without the approval of the Office of the Comptroller of the Currency. See "Description of Notes—Subordinated Notes—Event of Default" in the accompanying Offering Circular.

Further issuances

The Bank may from time to time, without the consent of any holder of subordinated notes issued by it, issue additional subordinated notes so as to form a single tranche with a currently outstanding tranche of the subordinated notes offered hereby. As used herein, "tranche" means all subordinated notes that have the same maturity date, interest payment basis, interest payment dates, if any, and other terms, except for the issue date, issue price, and initial interest payment date, if applicable.

Delivery and form

The subordinated notes will be issued only in fully registered form, in minimum denominations of \$250,000 and integral multiples of \$1,000 in excess thereof.

The subordinated notes will be represented by one or more permanent global certificates (each, a "Global Note" and collectively, the "Global Notes") deposited with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of Cede & Co. (DTC's partnership nominee). The subordinated notes will be available for purchase only by accredited investors who are required to hold a beneficial interest in a principal amount of \$250,000 or any integral multiples of \$1,000 in excess thereof at all times in book-entry form only. Unless and until certificated subordinated notes are issued under the limited circumstances described in the

accompanying Offering Circular, no beneficial owner of a subordinated note shall be entitled to receive a definitive certificate representing a subordinated note.

Beneficial interests in the Global Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Global Notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC.

Clearance and settlement procedures

Initial settlement for the subordinated notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds.

Any payment on or delivery of the subordinated notes at maturity will be made in accordance with the applicable procedures of DTC, unless the subordinated notes have been exchanged for definitive subordinated notes as described in the accompanying Offering Circular.

Payment and paying agents

The Issuing and Paying Agency Agreement provides that the Bank may resign at any time as Issuing and Paying Agent with respect to the subordinated notes effective upon the appointment by the Bank of a successor Issuing and Paying Agent. Any successor Issuing and Paying Agent shall be a bank or trust company organized and doing business under the laws of the United States or any state thereof, be authorized under such laws to exercise corporate trust powers, have a combined capital and surplus of at least \$10,000,000 and be subject to supervision and examination by federal or state authority; *provided, however*, that the foregoing capital and surplus requirements shall not be applicable if the successor Issuing and Paying Agent is an affiliate of the Bank.

Redemption

The subordinated notes are not subject to redemption or repayment prior to maturity and will not be subject to any sinking fund.

U.S. federal income tax considerations

The following general discussion summarizes the material U.S. federal income tax consequences of the purchase, ownership and disposition of the subordinated notes for U.S. holders. This discussion is a summary for general information only and does not consider all aspects of U.S. federal income taxation that may be relevant to an investor in light of that investor's particular circumstances. This discussion deals only with subordinated notes purchased at their original offering price and held as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, referred to in this discussion as the "Code," as amended to the date of this Offering Circular Supplement. This summary does not address all of the tax consequences that may be relevant to a holder of subordinated notes nor does it address the federal income tax consequences to holders subject to special treatment under the U.S. federal income tax laws, such as brokers or dealers in securities or currencies, certain securities traders, tax-exempt entities, banks, thrifts, insurance companies, other financial institutions, persons that hold

subordinated notes as a position in a “straddle” or as part of a “synthetic security,” “hedging,” “conversion” or other integrated instrument, persons that have a “functional currency” other than the U.S. dollar, investors in pass-through entities, and certain U.S. expatriates. Further, this summary does not address:

- the income tax consequences to shareholders in, or partners or beneficiaries of, a holder of the subordinated notes; or
- any state, local, or foreign tax consequences of the purchase, ownership, or disposition of the subordinated notes.

This discussion is based upon the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions. All of the foregoing is subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion.

Persons considering the purchase, ownership, or disposition of subordinated notes are urged to consult their own tax advisors concerning the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction.

For purposes of this discussion, the term “U.S. holder” is:

- an individual U.S. citizen or resident alien;
- a corporation—or entity taxable as a corporation for U.S. federal income tax purposes—that was created under U.S. law (federal or state); or
- an estate or trust whose worldwide income is subject to U.S. federal income tax.

If a partnership holds the subordinated notes described herein, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding the subordinated notes, we suggest that you consult your tax advisor.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that (i) any U.S. tax advice contained or referred to in this Offering Circular Supplement (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code; (ii) any such tax advice is written in connection with the promotion or marketing of the matters addressed in the Offering Circular Supplement (including any attachments); and (iii) prospective investors should seek advice based on their particular circumstances from an independent advisor.

Payments of interest

The tax treatment of interest paid on the subordinated notes depends upon whether the interest is “Qualified Stated Interest.” A subordinated note may have some interest that is Qualified Stated Interest and some that is not.

“Qualified Stated Interest” is any interest that meets all the following conditions:

- It is payable at least once each year.
- It is payable over the entire term of the subordinated note.

- It is payable at a single fixed rate or under a single formula.
- The subordinated note has a maturity of more than one year from its issue date.

If any interest on a subordinated note is Qualified Stated Interest, then

- If you are a cash method taxpayer (including most individual holders), you must report that interest in your income when you receive it.
- If you are an accrual method taxpayer, you must report that interest in your income as it accrues.

If any interest on a subordinated note is not Qualified Stated Interest, it is subject to the rules for original issue discount ("OID") described below.

Determining amount of OID

Subordinated notes that have OID are subject to additional tax rules. The amount of OID on a subordinated note is determined as follows:

- The amount of OID on a subordinated note is the "stated redemption price at maturity" of the subordinated note minus the "issue price" of the subordinated note. If this amount is zero or negative, there is no OID.
- The "stated redemption price at maturity" of a subordinated note is the total amount of all principal and interest payments to be made on the subordinated note, other than Qualified Stated Interest. In a typical case where all interest is Qualified Stated Interest, the stated redemption price at maturity is the same as the principal amount.
- The "issue price" of a subordinated note is the first price at which a substantial amount of the subordinated notes are sold to the public.
- Under a special rule, if the OID determined under the general formula is very small, it is disregarded and not treated as OID. This disregarded OID is called "*de minimis* OID." If all the interest on a subordinated note is Qualified Stated Interest, this rule applies if the amount of OID is less than the following items multiplied together: (a) .25% (1/4 of 1%), (b) the number of full years from the issue date to the maturity date of the subordinated note, and (c) the principal amount.

Accrual of OID into income

If a subordinated note has OID, the following consequences arise:

- You must include the total amount of OID as ordinary income over the life of the subordinated note.
- You must include OID in income as the OID accrues on the subordinated notes, even if you are on the cash method of accounting. This means that you are required to report OID income, and in some cases pay tax on that income, before you receive the cash that corresponds to that income.
- OID accrues on a subordinated note on a "constant yield" method. This method takes into account the compounding of interest. Under this method, the accrual of OID on a subordinated note, combined with the inclusion into income of any Qualified Stated Interest

on the subordinated note, will result in you being taxable at approximately a constant percentage of your unrecovered investment in the subordinated note.

- The accruals of OID on a subordinated note will generally be less in the early years and more in the later years.
- If any of the interest paid on the subordinated note is not Qualified Stated Interest, that interest is taxed solely as OID. It is not separately taxed when it is paid to you.
- Your tax basis in the subordinated note is initially your cost. It increases by any OID (not including Qualified Stated Interest) you report as income. It decreases by any principal payments you receive on the subordinated note, and by any interest payments you receive that are not Qualified Stated Interest.

Premium and discount

Additional special rules apply in the following situations involving discount or premium:

- If you buy a subordinated note in the initial offering for more than its stated redemption price at maturity—disregarding accrued interest that you pay—the excess amount you pay will be “bond premium.” You can elect to use bond premium to reduce your taxable interest income from your subordinated note. Under the election, the total premium will be allocated to interest periods, as an offset to your interest income, on a “constant yield” basis over the life of your subordinated note—that is, with a smaller offset in the early periods and a larger offset in the later periods. You make this election on your tax return for the year in which you acquire the subordinated note. However, if you make the election, it automatically applies to all debt instruments with bond premium that you own during that year or that you acquire at any time thereafter, unless the IRS permits you to revoke the election.
- Similarly, if a subordinated note has OID and you buy it in the initial offering for more than the issue price, the excess (up to the total amount of OID) is called “acquisition premium.” The amount of OID you are required to include in income will be reduced by this amount over the life of the subordinated note.
- If you buy a subordinated note in the initial offering for less than the initial offering price to the public, special rules concerning “market discount” may apply.

Appropriate adjustments to tax basis are made in these situations. We suggest that you consult your tax advisor if you are in one of these situations.

Accrual election

You can elect to be taxed on the income from the subordinated note in a different manner than described above. Under the election:

- No interest is Qualified Stated Interest.
- You include amounts in income as it economically accrues to you. The accrual of income is in accordance with the constant yield method, based on the compounding of interest. The accrual of income takes into account stated interest, OID (including *de minimis* OID), market discount and premium.

- Your tax basis is increased by all accruals of income and decreased by all payments you receive on the subordinated note.

Sale of the subordinated notes

On your sale or retirement of your subordinated note:

- You will have taxable gain or loss equal to the difference between the amount received by you and your tax basis in the subordinated note. Your tax basis in the subordinated note is your cost, subject to certain adjustments.
- Your gain or loss will generally be capital gain or loss, and will be long term capital gain or loss if you held the subordinated note for more than one year. For an individual, the maximum tax rate on long term capital gains is 15% for gains realized before January 1, 2011, and 20% for gains realized thereafter.
- If (a) you purchased the subordinated note with *de minimis* OID, (b) you did not make the election to accrue all OID into income, and (c) you receive the principal amount of the subordinated note upon the sale or retirement, then you will generally have capital gain equal to the amount of the *de minimis* OID.
- If you sell the subordinated note between interest payment dates, a portion of the amount you receive reflects interest that has accrued on the subordinated note but has not yet been paid by the sale date. That amount is treated as ordinary interest income and not as sale proceeds.
- All or part of your gain may be ordinary income rather than capital gain in the case that the subordinated notes are subordinated notes with market discount.

Information reporting and backup withholding

Under the tax rules concerning information reporting to the IRS:

- Assuming you hold your subordinated notes through a broker or other securities intermediary, the intermediary must provide information to the IRS and to you on IRS Form 1099 concerning interest, OID and retirement proceeds on your subordinated notes, unless an exemption applies. As discussed above under "Premium and Discount," if your subordinated notes have OID, the amount reported to you may have to be adjusted to reflect the amount you must report on your own tax return.
- Similarly, unless an exemption applies, you must provide the intermediary with your Taxpayer Identification Number for its use in reporting information to the IRS. If you are an individual, this is your social security number. You are also required to comply with other IRS requirements concerning information reporting.
- If you are subject to these requirements but do not comply, the intermediary must withhold at a rate currently equal to 28% of all amounts payable to you on the subordinated notes (including principal payments). This is called "backup withholding." If the intermediary withholds payments, you may use the withheld amount as a credit against your federal income tax liability.

- All individuals are subject to these requirements. Some holders, including all corporations, tax-exempt organizations and individual retirement accounts, are exempt from these requirements.

Holders of subordinated notes should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom and the procedure for obtaining such an exemption, if available.

Plan of distribution

Subject to the terms and conditions set forth in a Syndicated Terms Agreement dated December 4, 2007 (the "Syndicated Terms Agreement") among the Bank, J.P. Morgan Securities Inc. and PNC Capital Markets LLC, we will offer and sell the subordinated notes through J.P. Morgan Securities Inc. and PNC Capital Markets LLC, as dealers. The dealers have advised us that they propose to offer the subordinated notes directly to customers at the public offering price set forth on the cover page of this Offering Circular Supplement. The dealers may be deemed to be underwriters under the federal securities laws. We have agreed to sell to each dealer severally, and each dealer has agreed severally to purchase from us, the principal amount of subordinated notes that appears opposite the name of that dealer below:

	Principal amount of the subordinated notes
J.P. Morgan Securities Inc.	\$270,000,000
PNC Capital Markets LLC	<u>\$ 30,000,000</u>
Total	<u><u>\$300,000,000</u></u>

The obligations of the dealers under the Syndicated Terms Agreement, including their agreement to purchase the subordinated notes from us, are several and not joint. Those obligations are also subject to the satisfaction of certain conditions in the Syndicated Terms Agreement. The dealers have agreed to purchase all of the subordinated notes if any of them are purchased.

There is currently no public trading market for the subordinated notes. We do not intend to apply for listing of the subordinated notes on a national securities exchange. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the subordinated notes.

In the Syndicated Terms Agreement, we have agreed that:

- we will pay our expenses related to this offering, which we estimate will be \$125,000, excluding underwriting discounts and commissions; and
- we will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The dealers have advised us that they intend to make a market in the subordinated notes. However, they are not obligated to do so and may discontinue any market-making in the subordinated notes at any time in their sole discretion. Therefore, we cannot assure you that a liquid trading market for the subordinated notes will develop, that you will be able to sell your subordinated notes at a particular time or that the price you receive when you sell will be favorable.

PNC Capital Markets LLC and the Bank are both wholly-owned subsidiaries of PNC Financial. The dealers and their affiliates have, in the past, and may in the future, engage in commercial banking, investment banking and other transactions with, and perform services for us, PNC Financial and our affiliates in the ordinary course of business.

The maximum discount or commission that may be received by any member of the National Association of Securities Dealers, Inc. (the "NASD") for sales of the subordinated notes pursuant to this Offering Circular Supplement is 8%.

Because PNC Capital Markets LLC, our affiliate, is participating in the distribution of the subordinated notes, the offering is being conducted in accordance with Rule 2720 of the Conduct Rules of the NASD. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering is of a class of securities rated Baa or better by Moody's Investors Service or Bbb or better by S&P. No member of the NASD participating in offers and sales of the subordinated notes may execute a transaction in the subordinated notes in a discretionary account without the specific prior written approval of the member's customer.

Validity of the notes

The legal opinion required to be furnished by the Bank pursuant to the Syndicated Terms Agreement will be rendered by George P. Long, III, Esq., Senior Counsel and Corporate Secretary of PNC Financial, of which the Bank is a subsidiary, and Reed Smith LLP, external counsel to the Bank and PNC Financial. Mr. Long beneficially owns or has rights to acquire, an aggregate of less than 1% of PNC Financial's common stock. The opinions of Mr. Long and Reed Smith LLP may be conditioned upon, and subject to certain assumptions regarding future action required to be taken by us in connection with the issuance and sale of the subordinated notes, the terms of the subordinated notes and matters that may affect the validity of the subordinated notes but that cannot be ascertained on the date of such opinion.

The dealers are represented in this offering by Cravath, Swaine & Moore LLP, 825 Eighth Avenue, New York, New York 10019. As to matters of Pennsylvania law, Cravath, Swaine & Moore LLP will rely on the opinion of George P. Long, III, Esq., Senior Counsel and Corporate Secretary of PNC Financial.

Independent registered public accounting firm

The consolidated financial statements from PNC Financial's Annual Report on Form 10-K for the year ended December 31, 2006, and management's report on the effectiveness of internal control over financial reporting as of December 31, 2006, incorporated by reference in this Offering Circular Supplement have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated by reference herein.

Offering Circular

PNC Bank, National Association

\$20,000,000,000

Senior and Subordinated Bank Notes

Due More than Nine Months from Date of Issue

PNC Bank, National Association (the “Bank”) plans to offer and sell Senior and Subordinated Notes with various terms, including the following:

- Ranking:
 - the Senior Notes are unsecured and rank equally with all other senior unsecured indebtedness of the Bank, except deposit liabilities and other obligations of the Bank that are entitled to any priority or preference
 - the Subordinated Notes rank junior to the claims of depositors and general creditors of the Bank, including the Senior Notes, and will be ineligible as collateral to secure a loan from the Bank
 - Holders of the Subordinated Notes may not accelerate the maturity of the Subordinated Notes except upon certain events of insolvency of the Bank which constitute an event of default. No payment may be made in the event of such acceleration without the approval of the Office of the Comptroller of the Currency (the “OCC”)
- Maturities:
 - Short-Term Senior Notes mature more than 9 months and up to 1 year from date of issue
 - Medium-Term Senior Notes mature more than 1 year from date of issue
 - Subordinated Notes mature 5 years or more from date of issue
- Book-Entry (through the Depository Trust Company)
- Minimum denominations of \$250,000 increased in multiples of \$1,000
- Interest at fixed and floating rates or no interest at all. Notes may be issued with original issue discount. The floating rate may be based on one or more of the following indices plus or minus a spread and/or multiplied by a spread multiplier:
 - CMT rate
 - Commercial paper rate
 - Federal funds rate
 - LIBOR
 - Prime rate
 - Treasury rate
- Interest payment dates (unless otherwise specified in the applicable Note or Pricing Supplement):
 - Fixed Rate Notes: Short-Term Notes, at maturity; Medium-Term Notes semiannually on the dates set forth in the applicable Note or Pricing Supplement
 - Floating Rate Notes: monthly, quarterly, semiannually or annually
- Subject to redemption at the option of the Bank and repayment at the option of the Holder, if so specified in the applicable Note or Pricing Supplement. Any such redemption or repayment of Subordinated Notes may be subject to approval of the OCC, as further described in this Offering Circular

The Bank may specify the final terms for each Note, which may be different from the terms described in this Offering Circular, in a Pricing Supplement.

Holders must be “accredited investors” as defined in Rule 501 under the Securities Act of 1933, as amended (the “Securities Act”).

A Note is not a deposit, and the Notes are not insured by the Federal Deposit Insurance Corporation (the “FDIC”) or any other government agency. The Notes are issued by the Bank and are not obligations of, or otherwise guaranteed by, the Bank’s ultimate parent company, The PNC Financial Services Group, Inc. (“PNC Financial”), or any of the Bank’s other affiliates.

The Notes have not been registered under the Securities Act. Neither the Securities and Exchange Commission (the “SEC”), the OCC nor any state securities commission has approved or disapproved of the Notes or determined if this Offering Circular or any Pricing Supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The Bank may sell Notes to the Dealers referred to below as principal for resale at varying or fixed offering prices or through the Dealers as agents using their reasonable efforts on behalf of the Bank. Unless otherwise specified in the applicable Pricing Supplement, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage of the principal amount which shall be agreed upon by the Dealer and the Bank. The Bank will pay the Dealers referred to below a commission ranging from .05% to .75% of the principal amount of any Note, depending on its stated maturity, sold through such Dealers on an agency basis, or such other commission as is set forth in the applicable Pricing Supplement. The commission for Notes with maturities greater than 30 years will be negotiated by the Bank and the Dealers at the time of sale. The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Bank and the Dealers may reject any order in whole or in part.

Arranger

JPMorgan

Dealers

**JPMorgan
Citigroup
Goldman, Sachs & Co.
Lehman Brothers
Morgan Stanley**

**Barclays Capital
Credit Suisse First Boston
HSBC
Merrill Lynch & Co.
PNC Capital Markets, Inc.**

The date of this Offering Circular is July 30, 2004

In making an investment decision, investors must rely on their own examination of the Bank and the terms of the offering, including the merits and risks involved.

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be listed on any securities exchange and there can be no assurance that the Notes offered by this Offering Circular will be sold or that there will be a secondary market for the Notes. The Bank reserves the right, in its sole discretion, to suspend solicitation of purchases of the Notes through the Dealers, as agents, commencing at any time for any period of time or permanently. Either the Bank or a Dealer, if it solicits the offer on an agency basis, may reject any offer to purchase the Notes, in its absolute discretion, in whole or in part. See "Plan of Distribution."

In connection with any offering of Notes purchased by one or more Dealers as principal on a fixed offering price basis, such Dealer(s) may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes, including stabilization transactions or the covering of short positions. For a description of these activities, see "Plan of Distribution."

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Bank submits quarterly to the OCC, its primary regulator, certain unaudited reports called "Consolidated Reports of Condition and Income" ("Call Reports"). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules as of the end of or for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. Because of the special supervisory, regulatory and economic policy needs served by the Call Reports, those regulatory instructions do not in all cases follow accounting principles generally accepted in the United States, including the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board ("U.S. GAAP"). While the Call Reports are supervisory and regulatory documents, not primarily financial accounting documents, and do not provide a complete range of financial disclosure about the Bank, the reports nevertheless provide important information concerning the financial condition and results of operations of the Bank.

The publicly available portions of the Call Reports are on file with, and publicly available on written request to, the FDIC, 801 17th Street, N.W., Washington, DC 20434, Attention: Public Information Center, or by calling the FDIC Public Information Center at (202) 416-6940. The Call Reports are also available by accessing the FDIC's Web site (<http://www.fdic.gov>).

PNC Financial, the parent company of the Bank, is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In accordance with the Exchange Act, PNC Financial files annual, quarterly and current reports, proxy statements, and other information with the SEC. PNC Financial's SEC File Number is 001-09718. You may read and copy any document PNC Financial files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, D.C. 20549. You can obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy statements, and other information regarding PNC Financial. The address of the SEC website is <http://www.sec.gov>. Copies of such materials can also be obtained at prescribed rates from the public reference section of the SEC at 450 Fifth Street, NW, Washington, D.C. 20549.

The publicly available portions of the Call Reports of the Bank for the quarterly period ended March 31, 2004 and for the years ended December 31, 2003, 2002 and 2001, and any amendment thereto, as filed by the Bank with the OCC, are incorporated by reference in this Offering Circular. The publicly available portions of each Call Report filed with the OCC after the date hereof and prior to the termination of the offering of the Notes are incorporated by reference into this Offering Circular and shall be deemed a part hereof from the date of filing of such document.

In addition to the Call Reports referred to above, the Bank incorporates herein by reference the following documents: PNC Financial's Annual Report on Form 10-K for the year ended December 31, 2003,

Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, and any amendments or supplements to those reports; and all other annual, quarterly and current reports, and any amendments or supplements thereto, filed by PNC Financial with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act after December 31, 2003 and prior to the termination of the offering of the Notes. Except for the information contained in those current reports on Form 8-K specifically incorporated by reference under "Recent Developments" below, the information incorporated by reference in this Offering Circular does not include any information contained in a report which the SEC allows PNC Financial to furnish rather than file and any other information that the SEC allows PNC Financial not to incorporate by reference into Form S-3 Registration Statements.

Neither the delivery of this Offering Circular nor the sale of any Notes shall imply that the information herein or in any document incorporated by reference is correct as of any time after its date. Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained therein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Bank and PNC Financial will provide upon request and without charge to each person to whom a copy of this Offering Circular is delivered a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits to such documents which are not specifically incorporated therein by reference). Requests for such documents should be directed to: (1) in the case of Bank documents, William H. Callihan, Director of Investor Services, One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707 or via e-mail at investor.relations@pnc.com, or by calling 412-762-8257; or (2) in the case of PNC Financial documents, Computershare Investor Services, Post Office Box 3504, Chicago, Illinois 60690-3504 or via e-mail at web.queries@computershare.com, or by calling 800-982-7652.

NOTICE TO INVESTORS

The Notes have not been, and are not required to be, registered with the SEC under the Securities Act. Qualification of an indenture under the Trust Indenture Act of 1939, as amended, is not required, and no indenture has been entered into, in connection with the Notes. The Notes are being offered and sold pursuant to the terms of regulations issued by the OCC (12 C.F.R. Section 16.6) and in reliance upon an exemption provided in Section 3(a)(2) of the Securities Act. The OCC's regulations provide that a national bank meeting certain requirements that issues nonconvertible debt securities such as the Notes may offer and sell such securities pursuant to an abbreviated registration system provided for in the regulations if, among other things, such securities are offered and sold only to accredited investors in minimum denominations of \$250,000. The Notes are hereby offered and sold pursuant to such abbreviated registration system. The Notes will be offered and sold only to investors that are "accredited investors" as defined in Rule 501 under the Securities Act ("accredited investors"), and each beneficial owner of a Global Note (as defined herein) will be required to hold such beneficial interest in a principal amount of \$250,000 or any integral multiple of \$1,000 in excess thereof at all times. **Each purchaser of a Note, in making its purchase, will be deemed to have represented and warranted that it is such an accredited investor, that it is purchasing the Note for its own account or the account of another accredited investor and that following the purchase it or such other accredited investor holding a beneficial interest in a Global Note will hold such beneficial interest in a principal amount of \$250,000 or an integral multiple of \$1,000 in excess thereof at all times.**

FORWARD-LOOKING STATEMENTS

This Offering Circular or the documents incorporated by reference may contain statements, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses, capital levels, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or supervisory matters on our business operations or performance, that are forward-looking statements. Forward-looking statements are typically identified by

words or phrases such as “believe,” “feel,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “position,” “target,” “assume,” “achievable,” “potential,” “strategy,” “goal,” “objective,” “plan,” “aspiration,” “outcome,” “continue,” “remain,” “maintain,” “seek,” “strive,” “trend,” and variations of such words and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may,” or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Our forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance.

In addition to factors that PNC Financial has previously disclosed in its SEC reports, our forward-looking statements are subject to, among others, the following risks and uncertainties, which could cause actual results or future events to differ materially from those that we anticipated in our forward-looking statements or from our historical performance:

- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets (including as a result of actions of the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) affecting interest rates, money supply or otherwise reflecting changes in monetary policy), which could affect: (a) credit quality and the extent of our credit losses; (b) the extent of funding of our unfunded loan commitments and letters of credit; (c) our allowances for loan and lease losses and unfunded loan commitments and letters of credit; (d) demand for our credit or fee-based products and services; (e) our net interest income; (f) the value of assets under management and assets serviced, of private equity investments, of other debt and equity investments, of loans held for sale, or of other on-balance sheet and off-balance sheet assets; or (g) the availability and terms of funding necessary to meet our liquidity needs;
- the impact on us of legal and regulatory developments (including the following: (a) the resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of the regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and regulators’ future use of supervisory and enforcement tools; (d) legislative and regulatory reforms, including changes to tax law; and (e) changes in accounting policies and principles), with the impact of any such developments possibly affecting our ability to operate our businesses or our financial condition or results of operations or our reputation, which in turn could have an impact on such matters as business generation and retention, our ability to attract and retain management, liquidity and funding;
- the impact on us of changes in the nature or extent of competition;
- the introduction, withdrawal, success and timing of our business initiatives and strategies;
- customer acceptance of our products and services, and our customers’ borrowing, repayment, investment and deposit practices;
- the impact on us of changes in the extent of customer or counterparty delinquencies, bankruptcies or defaults that could affect, among other things, credit and asset quality risk and our provision for credit losses;
- the ability to identify and effectively manage risks inherent in our business;
- how we choose to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in our businesses;
- the impact, extent and timing of technological changes, the adequacy of intellectual property protection and costs associated with obtaining rights in intellectual property claimed by others;
- the timing and pricing of any sales of loans or other financial assets held for sale;

- our ability to obtain desirable levels of insurance, and whether or not insurance coverage for claims by us is denied;
- the relative and absolute investment performance of assets under management; and
- the extent of terrorist activities and international hostilities, increases or continuations of which may adversely affect the economy and financial and capital markets generally or us specifically.

In addition, our forward-looking statements are also subject to risks and uncertainties related to PNC Financial's pending acquisition of Riggs National Corporation and the expected consequences of the integration of the remaining Riggs businesses at closing into PNC Financial and the Bank, including the following: (a) completion of the transaction is dependent on, among other things, receipt of stockholder and regulatory approvals, and we cannot at this point predict with precision when those approvals may be obtained or if they will be received at all; (b) successful completion of the transaction and our ability to realize the benefits that we anticipate from the acquisition also depend on the nature of any future developments with respect to Riggs's regulatory issues, the ability to comply with the terms of all current or future regulatory requirements (including any related action plan) resulting from these issues, and the extent of future costs and expenses arising as a result of these issues, including the impact of increased litigation risk and any claims for indemnification or advancement of costs; (c) the transaction may be materially more expensive to complete than we anticipate as a result of unexpected factors or events; (d) the integration into PNC Financial and the Bank of the Riggs business and operations that we acquire, which will include conversion of Riggs's different systems and procedures, may take longer than we anticipate, may be more costly than we anticipate, or may have unanticipated adverse results relating to Riggs's or our existing businesses; (e) it may take longer than we expect to realize the anticipated cost savings of the acquisition, and those anticipated cost savings may not be achieved or may not be achieved in their entirety; and (f) the anticipated strategic and other benefits of the acquisition to us are dependent in part on the future performance of Riggs's business, and there can be no assurance as to actual future results, which could be impacted by various factors, including the risks and uncertainties generally related to the performance of our and Riggs's businesses (with respect to Riggs, see Riggs's SEC reports, also accessible on the SEC's website at www.sec.gov) or due to factors related to the acquisition of Riggs and the process of integrating Riggs's business at closing into ours.

Other mergers, acquisitions, restructurings, divestitures, business alliances or similar transactions, including the recently completed acquisition of United National Bancorp, will also be subject to similar risks and uncertainties related to our ability to realize expected cost savings or revenue enhancements or to implement integration and strategic plans.

In addition, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical performance that involve Blackrock, Inc. are discussed in more detail and additional factors are identified in Blackrock's SEC reports, accessible on the SEC's website and on Blackrock's website at www.blackrock.com.

You can find additional information on the foregoing risks and uncertainties and additional factors that could affect results anticipated in our forward-looking statements or from our historical performance in the reports that PNC Financial files with the SEC. You can access those SEC reports on the SEC's website at www.sec.gov or through the PNC Financial corporate website at www.pnc.com.

PNC BANK, NATIONAL ASSOCIATION

PNC Bank, National Association is a national banking association with its principal office in Pittsburgh, Pennsylvania. The Bank's origins as a national bank date to 1864. The Bank and its subsidiaries offer a wide range of commercial banking, retail banking and trust and asset management services to their customers. The Bank's business is subject to examination and regulation by federal banking agencies. Its primary federal bank regulatory agency is the OCC, and its deposits are insured by the FDIC. The Bank is a wholly owned indirect subsidiary of PNC Financial, a Pennsylvania corporation, and is PNC Financial's principal bank subsidiary. At March 31, 2004, the Bank had total consolidated assets representing approximately 92% of PNC Financial's consolidated assets.

At March 31, 2004, the Bank had total assets of \$67.8 billion, total loans (net of unearned income) and loans held for sale of \$37.6 billion, total deposits of \$48.4 billion, and total equity capital of \$6.3 billion. The comparable amounts at December 31, 2003 were \$62.0 billion, \$34.2 billion, \$45.5 billion, and \$5.6 billion, respectively.

The Bank'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.

From time to time, the Bank may issue promissory notes and other obligations evidencing indebtedness in addition to the Notes, the terms of which may differ substantially from the terms of the Notes. There is no limit on the principal amount of such other promissory notes and obligations that may be issued.

RECENT DEVELOPMENTS

Riggs Merger Agreement

On July 16, 2004, PNC Financial entered into an Agreement and Plan of Merger to acquire Riggs National Corporation ("Riggs"). The aggregate transaction consideration is composed of a fixed number of approximately 7.5 million shares of PNC Financial common stock and \$321 million in cash, subject to adjustment. The agreement provides for Riggs to be merged into PNC Financial and for its subsidiary, Riggs Bank, N.A., to be merged into the Bank. Riggs Bank operates 50 banking branches in the Washington, D.C. metropolitan area. At March 31, 2004, Riggs Bank had total assets of \$5.9 billion, deposits of \$3.8 billion and net loans of \$3.2 billion. These figures include assets of \$596 million, deposits of \$1.1 billion and net loans of \$365 million related to the international and embassy banking businesses, which are to be sold or exited by Riggs Bank prior to the merger. The transaction, which is expected to close during the first quarter of 2005, is subject to customary closing conditions, including regulatory approvals and the approval of Riggs's shareholders. PNC Financial's Current Report on Form 8-K dated July 16, 2004 is incorporated herein by reference.

PNC Financial Earnings for Quarter Ended June 30, 2004

On July 21, 2004, PNC Financial announced its unaudited financial results for the quarter ended June 30, 2004. PNC Financial's consolidated net income for the second quarter of 2004 was \$304 million, compared with net income of \$184 million for the second quarter of 2003. PNC Financial's results for the second quarter of 2003 included an after-tax charge of \$87 million related to an agreement with the Department of Justice. PNC Financial's three Current Reports on Form 8-K dated July 21, 2004 are incorporated herein by reference.

Bank-only financial information for the quarter ended June 30, 2004 will be included in the Bank's Call Report to be filed on or before August 15, 2004. See "Incorporation of Certain Documents by Reference."

UnitedTrust Bank Merger

On January 1, 2004, PNC Financial completed its acquisition of United National Bancorp. UnitedTrust Bank, United National Bancorp's principal subsidiary with 45 branches in New Jersey and seven branches in Pennsylvania, was merged into the Bank. The transaction resulted in the addition of approximately \$3 billion of assets and \$2.3 billion of deposits in the first quarter of 2004.

SELECTED UNAUDITED FINANCIAL AND OPERATING DATA OF THE BANK

The following tables set forth selected unaudited consolidated financial information for the Bank and are based on the Bank's Call Reports, which are incorporated by reference in this Offering Circular and should be read in conjunction therewith. The financial information presented is qualified in its entirety by the financial statements and information available in the Call Reports as described under "Incorporation of Certain Documents by Reference." The Call Reports and the following selected unaudited financial information were prepared in accordance with regulatory accounting principles which differ, in certain cases, from U.S. GAAP. Certain prior period amounts have been reclassified to conform with the current period presentation. Information for periods prior to January 1, 2004 does not include the assets or results of operations of UnitedTrust Bank.

PNC Bank, National Association Condensed Consolidated Balance Sheet (in Thousands)

	March 31, 2004	December 31,		
		2003	2002	2001
Assets				
Cash and Due from Depository Institutions	\$ 2,924,112	\$ 3,185,648	\$ 3,365,705	\$ 4,313,830
Short Term Investments	2,745,284	2,041,775	3,468,781	789,237
Securities Held to Maturity	2,034	2,114	—	—
Securities Available For Sale	15,682,480	14,383,741	11,657,626	12,301,296
Loans and Lease Receivables, Net of Unearned Income	37,641,526	34,189,158	35,827,339	40,452,019
Less: Allowance For Credit Losses	580,291	606,886	644,475	602,790
Net Loans and Lease Receivables	37,061,235	33,582,272	35,182,864	39,849,229
Premises and Fixed Assets	1,075,163	1,039,603	835,429	800,451
Other Assets	8,332,019	7,785,743	5,125,256	4,555,737
Total Assets	<u>\$67,822,327</u>	<u>\$62,020,896</u>	<u>\$59,635,661</u>	<u>\$62,609,780</u>
Liabilities				
Deposits	\$48,427,226	\$45,548,444	\$44,141,305	\$46,385,132
Federal Funds Purchased and Repurchase Agreements	3,125,317	499,232	398,639	582,306
Other Borrowed Funds	5,431,407	5,146,178	4,211,594	6,228,736
Subordinated Notes and Debentures	1,390,267	1,340,133	1,153,771	1,153,235
Other Liabilities	2,778,014	2,703,438	2,581,773	2,124,772
Minority Interest in Consolidated Subsidiaries . .	415,128	1,160,950	1,286,030	1,247,938
Total Liabilities	<u>61,567,359</u>	<u>56,398,375</u>	<u>53,773,112</u>	<u>57,722,119</u>
Equity Capital				
Common Stock	218,919	218,919	218,919	218,918
Surplus	1,612,568	1,168,354	1,373,195	1,344,558
Retained Earnings	4,254,541	4,179,193	3,958,844	3,298,500
Accumulated Other Comprehensive Income	168,940	56,055	311,591	25,685
Total Equity Capital	<u>6,254,968</u>	<u>5,622,521</u>	<u>5,862,549</u>	<u>4,887,661</u>
Total Liabilities and Equity Capital	<u>\$67,822,327</u>	<u>\$62,020,896</u>	<u>\$59,635,661</u>	<u>\$62,609,780</u>

PNC Bank, National Association
Condensed Consolidated Statement of Income
(in Thousands)

	Three Months Ended March 31,		Year Ended December 31,		
	2004	2003	2003	2002	2001
Total Interest Income	\$627,966	\$639,699	\$2,503,415	\$2,916,997	\$3,857,333
Total Interest Expense	159,286	152,294	549,461	791,980	1,666,175
Net Interest Income	468,680	487,405	1,953,954	2,125,017	2,191,158
Provision for Credit Losses	12,584	34,706	176,612	290,050	898,743
Non Interest Income	546,286	461,562	2,018,779	1,946,676	1,776,499
Securities Gains (Losses)	14,212	34,984	89,786	79,766	123,985
Non Interest Expense	680,541	588,234	2,425,253	2,233,665	2,435,920
Income Before Income Taxes	336,053	361,011	1,460,654	1,627,744	756,979
Applicable Income Taxes	108,120	125,029	490,376	566,240	260,608
Extraordinary Items, Net of Income Taxes	—	—	—	—	(4,640)
Net Income	<u>\$227,933</u>	<u>\$235,982</u>	<u>\$ 970,278</u>	<u>\$1,061,504</u>	<u>\$ 491,731</u>

Regulatory Capital Ratios (at period end)	March 31,	December 31,		
	2004	2003	2002	2001
Tier 1 risk-based	9.26%	9.91%	9.76%	8.69%
Total risk-based	12.26%	12.93%	13.02%	12.19%
Leverage	7.76%	8.39%	9.00%	7.65%

THE PNC FINANCIAL SERVICES GROUP, INC.

PNC Financial is a bank holding company registered under the Bank Holding Company Act of 1956 and a financial holding company under the Gramm-Leach Bliley Act. PNC Financial was incorporated under Pennsylvania law in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC Financial has diversified its geographic presence, business mix and product capabilities through internal growth and strategic bank and non-bank acquisitions and the formation of various non-banking subsidiaries.

PNC Financial is one of the largest diversified financial services companies in the United States, operating businesses engaged in regional community banking, wholesale banking, wealth management, asset management and global fund processing services. PNC Financial operates directly and through numerous subsidiaries, providing certain products and services nationally and others in PNC Financial's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio, and Kentucky. PNC Financial also provides certain banking, asset management and global fund processing services internationally.

At June 30, 2004, PNC Financial had consolidated total assets, deposits, and shareholders' equity of \$73.1 billion, \$50.0 billion, and \$7.1 billion, respectively. At December 31, 2003, the comparable amounts were \$68.2 billion, \$45.2 billion, and \$6.6 billion, respectively.

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

THE NOTES ARE SOLELY THE OBLIGATIONS OF THE BANK AND ARE NEITHER OBLIGATIONS OF, NOR GUARANTEED BY, PNC FINANCIAL.

CERTAIN REGULATORY CONSIDERATIONS

General

The following discussion sets forth certain of the elements of the comprehensive regulatory framework applicable to banks and bank holding companies and provides certain specific information relevant to the Bank and PNC Financial. Federal and state regulation of financial institutions such as the Bank and PNC Financial is intended primarily for the protection of depositors and the federal deposit insurance funds rather than shareholders or creditors.

As a national bank, the Bank's primary regulator is the OCC. The deposits of the Bank are insured up to the applicable limits by the FDIC. As a result, the Bank is also subject to regulation by the FDIC. The Bank is subject to various requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be made and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer, privacy and anti-money laundering laws and regulations also affect the operations of the Bank. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board as it attempts to control the money supply and credit availability in order to influence the economy.

As a financial holding company, PNC Financial is subject to the regulation and supervision of the Federal Reserve Board under the Bank Holding Company Act. Certain subsidiaries of PNC Financial are also subject to regulation by other applicable state and federal regulatory agencies and self-regulatory organizations. For example, certain of PNC Financial's broker-dealer subsidiaries are subject to regulation and supervision by the SEC, the National Association of Securities Dealers, Inc., the New York Stock Exchange and state securities regulators.

For a discussion of certain other material elements of the regulatory framework affecting the Bank and PNC Financial, reference is made to PNC Financial's Annual Report on Form 10-K for the year ended December 31, 2003 and any other subsequent report filed with the SEC by PNC Financial, which are

incorporated by reference in this Offering Circular. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of investors.

Depositor Preference

Federal law accords the claims of a receiver of an insured depository institution for administrative expenses and the claims of holders of deposit liabilities of such an institution (including the FDIC, as the subrogee of such holders) priority over the claims of both general unsecured creditors of such institution (including the holders of obligations such as the Senior Notes) and the claims of subordinated creditors of such institution (including holders of obligations such as the Subordinated Notes) in the event of a liquidation or other resolution of such institution. As a result of such law, claims of general unsecured creditors of the Bank (including holders of the Senior Notes), although senior to the claims of holders of Subordinated Notes of the Bank, would be subordinated to claims of a receiver for administrative expenses and claims of holders of deposit liabilities of the Bank (including the FDIC, as the subrogee of such holders) in the event of a liquidation or other resolution of the Bank. The claims of subordinated creditors of the Bank (including holders of the Subordinated Notes) would be subordinated to the claims of a receiver for administrative expenses, the claims of holders of deposit liabilities of the Bank and the claims of general unsecured creditors of the Bank (including holders of the Senior Notes). For information on the deposit liabilities of the Bank outstanding at March 31, 2004, see “Selected Unaudited Financial and Operating Data of the Bank” above.

Powers of the FDIC in Connection with the Insolvency of an Insured Depository Institution

Under the Federal Deposit Insurance Act (the “FDIA”), an insured depository institution which is commonly controlled with another insured depository institution is generally liable for any loss incurred, or reasonably anticipated to be incurred, by the FDIC in connection with the default of such commonly controlled institution, or any assistance provided by the FDIC to such commonly controlled institution which is in danger of default. The term “default” is defined to mean the appointment of a conservator or receiver for such institution and “in danger of default” is defined generally as the existence of certain conditions indicating that a “default” is likely to occur in the absence of regulatory assistance. The Bank and PNC Bank, Delaware are commonly controlled within the meaning of this FDIA provision. Thus, the Bank could incur liability to the FDIC pursuant to this statutory provision in the event of the default of PNC Bank, Delaware or any other insured depository institution owned or controlled by PNC Financial. Such liability is subordinated in right of payment to deposit liabilities, secured obligations, any other general or senior liability (including the Senior Notes), and any obligation subordinated to depositors or other general creditors (including the Subordinated Notes), other than obligations owed to any affiliate of the depository institution (with certain exceptions) and any obligations to shareholders in such capacity. PNC Financial does not currently own or control any insured depository institutions other than the Bank and PNC Bank, Delaware.

If any insured depository institution becomes insolvent and the FDIC is appointed its conservator or receiver, the FDIC may disaffirm or repudiate any contract or lease to which such institution is a party, the performance of which is determined to be burdensome and the disaffirmance or repudiation of which is determined by the FDIC to promote the orderly administration of the institution’s affairs. If the FDIC were to successfully contend that its power to repudiate “contracts” extends to obligations such as the Notes, the effect of any such repudiation would be to accelerate the maturity of the Notes. Such repudiation would likely result in a claim of the holders of the Notes against the conservatorship or receivership. The claim may be for principal and interest accrued through the date of the appointment of the conservator or receiver. Alternatively, at least one court has held that the amount of the claim would be in the amount of the fair market value of the debt as of the date of the repudiation, which amount could be more or less than accrued principal and interest. The amount paid on the claims of holders would depend upon, among other factors, the amount of conservatorship or receivership assets available for the payment of unsecured claims and the priority of the claim relative to the priority of other unsecured creditors and depositors. See “— Depositor Preference” above and “Description of Notes — Subordinated Notes — Subordination Provisions” below. If the maturity of the Notes were so accelerated, and a claim relating to the Notes were paid by the

conservatorship or receivership, the holders of the Notes might not be able, depending upon economic conditions, to reinvest any amounts paid on the Notes at a rate of interest comparable to that paid on the Notes. In addition, although the Notes permit the holder of any Note to accelerate such Note in the event of certain events of insolvency of the Bank, the FDIC as conservator or receiver may enforce most types of contracts, including the Notes, pursuant to their terms, notwithstanding any such acceleration provision. The FDIC as conservator or receiver may also transfer to a new obligor any of the Bank's assets and liabilities, including the Notes, without the approval of the Bank's creditors, including holders of the Notes.

In its resolution of the problems of an insured depository institution in default or in danger of default, the FDIC is generally required to satisfy its obligations to insured depositors at the least possible cost to the deposit insurance fund. In addition, the FDIC may not take any action that would have the effect of increasing the losses to the deposit insurance fund by protecting depositors for more than the insured portion of deposits (generally \$100,000 per depositor) or by protecting creditors other than depositors (such as holders of the Notes). The FDIA authorizes the FDIC to settle all uninsured and unsecured claims in the insolvency of an insured bank by making a final settlement payment after the declaration of insolvency. Such a payment would constitute full payment and disposition of the FDIC's obligations to claimants. The rate of such final settlement payment is to be a percentage rate determined by the FDIC reflecting an average of the FDIC's receivership recovery experience.

As a result of the provisions described above, including those described under “— Depositor Preference,” as well as the subordination provisions of the Subordinated Notes described below, and whether or not the FDIC seeks to repudiate the Notes, in an insolvency of the Bank, holders of the Notes (including the Senior Notes) would be treated differently from, and could receive, if anything, proportionately less than, holders of deposit liabilities of the Bank while holders of the Subordinated Notes could receive, if anything, significantly less than the holders of the Senior Notes and other creditors of the Bank whose claims are not by their terms subordinated to or on a parity with the Subordinated Notes.

Capital Adequacy

The federal bank regulatory agencies have adopted substantially similar risk-based and leverage capital guidelines to which the Bank and PNC Financial are subject. The Bank is subject to the capital guidelines of the OCC, and PNC Financial is subject to the capital guidelines of the Federal Reserve Board. The guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposure into account in assessing capital adequacy and minimizes disincentives to holding liquid, low-risk assets. A depository institution's or a holding company's assets and certain specified off-balance sheet commitments and obligations are assigned to various risk categories. A depository institution's or holding company's capital, in turn, is classified in one of three tiers: core (“Tier 1”) capital, which includes common equity, non-cumulative perpetual preferred stock, a limited amount of cumulative perpetual preferred stock at the holding company level, and minority interests in equity accounts of consolidated subsidiaries, less goodwill, and most other intangible assets and accumulated other comprehensive income; supplementary (“Tier 2”) capital, which includes, among other things, perpetual preferred stock not meeting the Tier 1 definition, mandatory convertible securities, subordinated debt, and allowances for loan and lease losses, subject to certain limitations; and market risk (“Tier 3”) capital, which includes qualifying unsecured subordinated debt.

National banks and bank holding companies currently are required to maintain Tier 1 capital and “total capital” (the sum of Tier 1, Tier 2 and Tier 3 capital) equal to at least 4% and 8%, respectively, of its total risk-weighted assets (including certain off-balance sheet items, such as standby letters of credit). The federal bank regulatory agencies may, however, set higher capital requirements for an individual bank when a bank's particular circumstances warrant.

The federal bank regulatory agencies have adopted rules to incorporate market and interest rate risk components into their risk-based capital standards. Under the market risk requirements, capital must be allocated to support the amount of market risk related to a financial institution's ongoing trading activities.

In addition, the federal bank regulatory agencies have established minimum leverage (Tier 1 capital to adjusted total assets) guidelines for banks within their regulatory jurisdiction. These guidelines provide for a minimum leverage ratio of 3% for banks that meet certain specified criteria, including excellent asset quality, high liquidity, low interest rate exposure and the highest regulatory rating. Institutions not meeting these criteria are required to maintain a leverage ratio of 4%. The Tier 1 and total risk-based capital ratios and leverage ratios of the Bank as of March 31, 2004 are shown above under the caption "Selected Unaudited Financial and Operating Data of the Bank."

Failure to meet applicable capital guidelines could subject a bank to a variety of enforcement remedies available to the federal bank regulatory agencies, including a limitation on the ability to pay dividends, the issuance of a capital directive to increase capital, (in severe cases) the termination of deposit insurance by the FDIC, and the appointment of a conservator or receiver.

The risk-based capital guidelines of the federal bank regulatory agencies follow the current Capital Accord of the Basel Committee on Banking Supervision. The Basel Committee has proposed a new Capital Accord which would replace the current Capital Accord. In July 2003, the federal bank regulatory agencies issued an advance notice of proposed rulemaking which solicits comments regarding the possible adoption by the regulatory agencies, commencing January 1, 2007, of certain features of the proposed new Capital Accord which such regulatory agencies may deem appropriate for large, internationally-active banking institutions. Under the advance notice of proposed rulemaking, the features of the new Capital Accord adopted by the regulatory agencies would be applied in the United States on a mandatory basis only to banking organizations with total assets in excess of \$250 billion or with foreign exposures in excess of \$10 billion. However, under the advance notice of proposed rulemaking, other banking organizations could voluntarily choose to be subject to those features of the new Capital Accord adopted by the regulatory agencies, with their prior regulatory approval. The Bank cannot currently predict the final form in which the new Capital Accord will be adopted by the Basel Committee or by the federal bank regulatory agencies in the United States or the impact of any such adoption on the Bank.

Prompt Corrective Action

Among other things, the FDIA requires federal bank regulatory agencies to take "prompt corrective action" in respect of FDIC-insured depository institutions (such as the Bank) that do not meet minimum capital requirements. The FDIA establishes five capital tiers: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." A depository institution's capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation. Under applicable regulations, an FDIC-insured bank is considered to be: (i) well capitalized if it maintains a leverage ratio of at least 5%, a Tier 1 capital ratio of at least 6%, a total risk-based capital ratio of at least 10% and is not subject to an order, written agreement, capital directive, or prompt corrective action directive to meet and maintain a specific level for any capital measure; (ii) adequately capitalized if it maintains a leverage ratio of at least 4% (or a leverage ratio of at least 3% if it is rated Composite 1 in its most recent report of examination, subject to appropriate federal banking guidelines), a Tier 1 capital ratio of 4% and a total risk-based capital ratio of at least 8% and is not defined to be well capitalized but meets all of its minimum capital requirements; (iii) undercapitalized if it has a leverage ratio of less than 4% (or a leverage ratio that is less than 3% if it is rated Composite 1 in its most recent report of examination, subject to appropriate federal banking agency guidelines), a Tier 1 capital ratio less than 4% or a total risk-based capital ratio of less than 8% and it does not meet the definition of a significantly undercapitalized or critically undercapitalized institution; (iv) significantly undercapitalized if it has a leverage ratio of less than 3%, a Tier 1 capital ratio less than 3% or a total risk-based capital ratio of less than 6% and it does not meet the definition of critically undercapitalized; and (v) critically undercapitalized if it maintains a level of tangible equity capital less than 2% of total assets.

As of March 31, 2004, the Bank met the requirements for a "well capitalized" institution under the FDIA.

A bank may be deemed to be in a capitalization category that is lower than is indicated by its actual capital position if it receives an unsatisfactory examination rating. The FDIA imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the capital category in which an institution is classified. The capital categories are determined solely for the purposes of applying the FDIA's prompt corrective action provisions, as discussed below, and such capital categories may not constitute an accurate representation of the overall financial condition or prospects of the Bank.

The FDIA generally prohibits an FDIC-insured depository institution from making any capital distribution (including payment of dividends) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized depository institutions are subject to restrictions on borrowing from the Federal Reserve. In addition, undercapitalized depository institutions are subject to growth limitations and are required to submit a capital restoration plan. The federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution's capital. In addition, for an undercapitalized depository institution's capital restoration plan to be acceptable, its holding company must guarantee the capital plan up to an amount equal to the lesser of 5% of the depository institution's assets at the time it became undercapitalized or the amount of the capital deficiency when the institution fails to comply with the plan. In the event of the parent holding company's bankruptcy, such guarantee would take priority over the parent's general unsecured creditors. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

Significantly undercapitalized depository institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks.

Critically undercapitalized insured depository institutions (which are defined to include institutions that still have a positive net worth) may not, beginning 60 days after becoming "critically undercapitalized," make any payment of principal or interest on their subordinated debt (subject to certain limited exceptions). *Thus, in the event the Bank became "critically undercapitalized," it would generally be prohibited from making payments on the Subordinated Notes.* In addition, "critically undercapitalized" institutions are subject to appointment of a receiver or conservator.

Failure to Pay FDIC Assessments

Under the FDIA, no insured depository institution, while it remains in default in the payment of any assessment due to the FDIC, may pay any interest on its subordinated notes if such interest is required to be paid only out of net profits. Accordingly, if the Bank were in default in the payment of any assessment due to the FDIC, the Bank could be prohibited from making interest payments on the Subordinated Notes.

Future Legislation

Various legislation is from time to time introduced in the U.S. Congress. This legislation may change banking statutes and the operating environment of banks in substantial and unpredictable ways. No accurate predictions can be made regarding whether legislation will ultimately be enacted, and, if enacted, the ultimate effect that it, or implementing regulations, would have upon the Bank's financial condition or results of operations.

USE OF PROCEEDS

The Bank intends to use the net proceeds from the sale of the Notes for general corporate purposes in the ordinary course of its business. The Subordinated Notes will qualify as Tier 2 or supplementary capital of the Bank under the capital guidelines established by the OCC, subject to applicable limitations. See "Certain Regulatory Considerations."

DESCRIPTION OF NOTES

The following summaries of certain provisions of the Notes do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Notes, including the definitions therein of certain terms. The terms and conditions set forth below will apply to each Note unless otherwise specified herein or in any amendment or supplement hereto, or in the applicable Note. The terms of the Notes described herein, including the maturities and interest rates, may differ from one Note to another.

General

The Bank may offer from time to time Short-Term Senior Notes, Medium-Term Senior Notes and Subordinated Notes. The aggregate principal amount of all Senior and Subordinated Notes will not exceed \$20,000,000,000. This amount excludes the amount the Bank had issued or which was outstanding prior to the date hereof. The Bank may authorize and issue Notes exceeding the limits set forth above and issue promissory notes and other obligations evidencing indebtedness in addition to the Notes and deposit instruments in an unlimited principal amount. Unless previously redeemed or repaid, each Short-Term Senior Note will mature from more than nine months to and including one year from its date of issue, and each Medium-Term Senior Note will mature more than one year from its date of issue, in each case as selected by the Dealers and agreed to by the Bank. Unless previously redeemed, each Subordinated Note will mature five years or more from its date of issue. Unless otherwise specified in an applicable Note, Notes will be issuable only in U.S. dollars and will be issued only in fully registered form in minimum denominations of \$250,000 and integral multiples of \$1,000 in excess thereof.

As of July 30, 2004, the Bank had outstanding senior unsecured notes of approximately \$5.4 billion and subordinated notes of approximately \$1.0 billion. The Notes authorized to be offered hereby are in addition to the debt outstanding as of the date of this Offering Circular.

Each Note will be a direct, unconditional and unsecured obligation solely of the Bank and will not be an obligation of, or guaranteed by, PNC Financial or any of its affiliates other than the Bank. The Notes do not evidence deposits of the Bank and are not insured by the FDIC or any other government agency.

The Senior Notes of the Bank rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Bank, except deposit liabilities and other obligations that are entitled to any priority or preferences. In an insolvency of the Bank, the Senior Notes of the Bank would be treated differently from, and holders of Senior Notes of the Bank could receive, if anything, significantly less than holders of, deposit obligations of the Bank. Any Subordinated Note issued by the Bank will be subordinated to the claims of depositors and general creditors of the Bank, including the holders of Senior Notes, will be unsecured and will be ineligible as collateral to secure a loan from the Bank.

Provisions Common to the Senior Notes and the Subordinated Notes

The Notes issued by the Bank will be issued under an Issuing and Paying Agency Agreement, dated as of July 30, 2004 (the "Issuing and Paying Agency Agreement"), between the Bank, as issuer of the Notes, and the Bank, as issuing and paying agent for the Notes (in such capacity, the "Issuing and Paying Agent"). The Issuing and Paying Agency Agreement provides that the Bank may resign at any time as Issuing and Paying Agent with respect to the Notes effective upon the appointment by the Bank of a successor Issuing and Paying Agent. Any successor Issuing and Paying Agent shall be a bank or trust company organized and doing business under the laws of the United States or any state thereof, be authorized under such laws to exercise corporate trust powers, have a combined capital and surplus of at least \$10,000,000 and be subject to supervision and examination by federal or state authority; *provided, however*, that the foregoing capital and surplus requirements shall not be applicable if the successor Issuing and Paying Agent is an affiliate of the Bank.

The Issuing and Paying Agency Agreement provides that any corporation or bank resulting from any merger, conversion or consolidation to which the Issuing and Paying Agent is a party, or any successor to the

corporate trust assets and business of the Issuing and Paying Agent, shall be the successor Issuing and Paying Agent under the terms of the Issuing and Paying Agency Agreement without the execution or filing of any paper or any further act on the part of any party to the Issuing and Paying Agency Agreement.

The Notes will not be issued pursuant to an indenture and, as such, the Issuing and Paying Agent will not be obligated to exercise certain responsibilities that may be exercised by an independent trustee or fiscal agent in connection with certain other debt offerings. Among the responsibilities that may be exercised by an independent trustee or fiscal agent in connection with certain other debt offerings that will not be exercised by the Issuing and Paying Agent are discretionary actions in connection with Events of Default (as defined below). Each holder of a Note will therefore be responsible for acting independently with respect to certain matters affecting such holder's Note including, but not limited to, responding to requests for consents and waivers, giving written notice of default in the performance of any agreement contained in the Note and accelerating the maturity of such Note on the occurrence of an Event of Default.

Except as described below, the Notes will be issued only in book-entry form and will be represented by one or more Global Notes registered in the name of The Depository Trust Company, as Depository (the "Depository," which term includes any successor thereof), or a nominee thereof (each beneficial interest in a Global Note, a "DTC Book-Entry Note" and collectively, the "DTC Book-Entry Notes"). See "Book-Entry Registration" below. Payments of principal of, premium, if any, and interest on, DTC Book-Entry Notes shall be made as specified under "Book-Entry Registration" below. DTC Book-Entry Notes will be transferable or exchangeable only in the manner and to the extent set forth under "Book-Entry Registration" below.

The Notes will be offered on a continuous basis. Unless otherwise specified in an applicable Note, Notes will bear interest at fixed rates ("Fixed Rate Notes") or at floating rates ("Floating Rate Notes") as specified in the applicable Note. Notes may be issued at discounts from their principal amount payable at maturity and some Notes may not bear interest. "Maturity" means the stated maturity date (the "Stated Maturity Date") of a Note or any prior date on which the principal, or an installment of principal, of a Note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of the Bank, repayment at the option of the holder or otherwise.

The Notes provide that the Bank may consolidate with or merge into any other corporation, banking association or other legal entity or sell, convey, transfer or lease the property of the Bank as an entirety or substantially as an entirety if and only if: (i) immediately after such consolidation, merger, sale or conveyance the successor is not in default in the performance or observance of any of the terms, covenants and conditions of the Notes to be observed or performed by the Bank, and (ii) the successor is organized under the laws of the United States of America or any state thereunder or the District of Columbia and expressly assumes the due and punctual payment of the principal of, premium, if any, and interest on the Notes.

No recourse shall be had for the payment of principal of, premium, if any, or interest on, any Note, for any claim based thereon, or otherwise in respect thereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Bank or of any successor entity. The Notes will not contain any provision that would provide protection to the holders of the Notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization, or similar restructuring of the Bank or of PNC Financial or any other event involving the Bank or PNC Financial that may adversely affect the credit quality of the Bank.

The Notes are structurally subordinated to the claims of creditors of the subsidiaries of the Bank, except to the extent that the Bank may itself be a creditor with recognized claims against a subsidiary.

The Bank may prepare a supplement to the Offering Circular setting forth the specific terms and provisions of such Note. If no such supplement to the Offering Circular is prepared by the Bank, the terms and provisions of such Note will be set forth only in the Global Note representing such Note.

Interest rates, interest rate bases and various other variable terms of the Notes described herein are subject to change by the Bank from time to time, but no such change will affect any Note already issued or as to which an offer to purchase has been accepted by the Bank.

Interest

Each Note will bear interest from and including its date of issue or from and including the most recent Interest Payment Date (as defined below) to which interest on such Note (or any predecessor Note) has been paid or duly provided for at the fixed interest rate per annum, or at the floating interest rate per annum determined by reference to the interest rate basis or bases specified in the applicable Note, until the principal thereof is paid or made available for payment. Interest will be payable in arrears on each Interest Payment Date and at maturity. Interest will be paid generally to the person in whose name a Note (or any predecessor Note) is registered at the close of business on the Record Date next preceding the applicable Interest Payment Date; *provided, however*, that interest payable at maturity will be payable to the person to whom principal shall be payable. The first payment of interest on any Note originally issued between a Record Date and the Interest Payment Date immediately following such Record Date will be made on the second Interest Payment Date following the Issue Date of such Note to the registered holder on the Record Date immediately preceding such second Interest Payment Date. Unless otherwise specified in an applicable Note, a “Record Date” shall be the fifteenth calendar day, whether or not a Business Day (as defined below), immediately preceding the related Interest Payment Date.

Fixed Rate Notes

The applicable Fixed Rate Note will designate a fixed interest rate per annum payable on such Fixed Rate Note. Unless otherwise specified in an applicable Note, interest on Fixed Rate Notes having maturities of more than one year (the “Fixed Rate Medium-Term Notes”) will be payable semiannually on the interest payment dates (the “Interest Payment Dates”) set forth in the applicable Note. Payments of interest on Fixed Rate Medium-Term Notes will include interest accrued to but excluding the relevant Interest Payment Date or maturity. Unless otherwise specified in an applicable Note, interest on Fixed Rate Medium-Term Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Unless otherwise specified in the applicable Note, interest on Fixed Rate Notes with maturities of one year or less (the “Fixed Rate Short-Term Notes”) will be payable only at maturity to the person to whom principal shall be payable. Payments of interest on Fixed Rate Short-Term Notes will include interest accrued to but excluding maturity. Unless otherwise specified in an applicable Note, interest on Fixed Rate Short-Term Notes will be computed on the basis of the actual number of days in the year divided by 360.

If any Interest Payment Date or maturity of a Fixed Rate Note falls on a day which is not a Business Day, the related payment of principal, premium, if any, and interest will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment were due, and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date or maturity, as the case may be.

Floating Rate Notes

Except as described below or as otherwise specified in an applicable Note, Floating Rate Notes will be issued as described below. Each Floating Rate Note will specify the “Interest Rate Basis” or “Interest Rate Bases” by reference to which interest will be determined, which may be one or more of (i) the “CMT Rate,” in which case such Note will be a “CMT Rate Note,” (ii) the “Commercial Paper Rate,” in which case such Note will be a “Commercial Paper Rate Note,” (iii) the “Federal Funds Rate,” in which case such Note will be a “Federal Funds Rate Note,” (iv) “LIBOR,” in which case such Note will be a “LIBOR Note,” (v) the “Prime Rate,” in which case such Note will be a “Prime Rate Note,” (vi) the “Treasury Rate,” in which case such Note will be a “Treasury Rate Note,” or (vii) such other Interest Rate Basis or interest rate formula as may be set forth in the applicable Note. Each applicable Floating Rate Note will also specify certain additional terms with respect to which such Floating Rate Note is being delivered, including: whether such Floating Rate Note is a “Regular Floating Rate Note,” a “Floating Rate/Fixed Rate Note” or an “Inverse Floating Rate Note,” the Initial Interest Rate, Interest Reset Dates, Record Dates, Interest Payment Dates, the Index Maturity, the Maximum Interest Rate and Minimum Interest Rate, if any, and the Spread and/or Spread Multiplier, if any. If one or more of the applicable Interest Rate Bases is LIBOR or the CMT

Rate, the applicable Note will also specify the Designated LIBOR Currency and Designated LIBOR Page, or CMT Moneyline Telerate Page 7051 or CMT Moneyline Telerate Page 7052, respectively, as such terms are defined herein.

The interest rate borne by a Floating Rate Note will be determined as follows:

(i) Unless such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note” or an “Inverse Floating Rate Note,” or as having an “Addendum” attached or having “Other/Additional Provisions” apply, in each case relating to a different interest rate formula, such Floating Rate Note will be designated as a “Regular Floating Rate Note” and, except as described below or in any applicable Note, will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any. Commencing on the Initial Interest Reset Date, the rate at which interest on such Regular Floating Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however*, that the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

(ii) If such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note,” then, except as described below or in an applicable Note, such Floating Rate Note will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any. Commencing on the Initial Interest Reset Date, the rate at which interest on such Floating Rate/Fixed Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however*, that (x) the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Initial Interest Rate; and (y) the interest rate in effect commencing on, and including, the Fixed Rate Commencement Date to but excluding the Stated Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Note, or if no such Fixed Interest Rate is so specified, the interest rate in effect thereon on the Business Day immediately preceding the Fixed Rate Commencement Date.

(iii) If such Floating Rate Note is designated as an “Inverse Floating Rate Note,” then, except as described below or in an applicable Note, such Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the applicable Note minus the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any; *provided, however*, that, unless otherwise specified in the applicable Note, the interest rate thereon will not be less than zero percent. Commencing on the Initial Interest Reset Date, the rate at which interest on such Inverse Floating Rate Note is payable shall be reset as of each Interest Reset Date; *provided, however*, that the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

Notwithstanding the foregoing, if such Floating Rate Note is designated as having an Addendum attached, such Floating Rate Note shall bear interest in accordance with the terms described in such Addendum and the applicable Note.

The “Spread” is the number of basis points to be added to or subtracted from the related Interest Rate Basis or Bases applicable to such Floating Rate Note. The “Spread Multiplier” is the percentage by which the applicable Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate on such Floating Rate Note. The “Index Maturity” is the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Bases will be calculated. The Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes are subject to change by the Bank from time to time, but no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Bank.

Unless otherwise specified in the applicable Note, the interest rate with respect to each Interest Rate Basis will be determined in accordance with the applicable provisions below. Except as set forth above or in the applicable Note, the interest rate in effect on each day shall be (i) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding

such Interest Reset Date or (ii) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date.

Each Floating Rate Note will specify whether the rate of interest thereon will be reset daily, weekly, monthly, quarterly, semiannually, annually or any such other specified period (each, an “Interest Reset Period”) and the dates on which such Interest Rate will be reset (each, an “Interest Reset Date”). Unless otherwise specified in the applicable Note, the Interest Reset Date will be, in the case of Floating Rate Notes which reset: (i) daily, each Business Day; (ii) weekly, the Wednesday of each week (with the exception of weekly reset Floating Rate Notes as to which the Treasury Rate is an applicable Interest Rate Basis, which will reset the Tuesday of each week, except as specified below); (iii) monthly, the third Wednesday of each month; (iv) quarterly, the third Wednesday of March, June, September and December of each year; (v) semiannually, the third Wednesday of the two months specified in the applicable Note; and (vi) annually, the third Wednesday of the month specified in the applicable Note; *provided, however*, that, with respect to Floating Rate/Fixed Rate Notes, the fixed rate of interest in effect for the period from the Fixed Rate Commencement Date until maturity shall be the Fixed Interest Rate or the interest rate in effect on the Business Day immediately preceding the Fixed Rate Commencement Date, as specified in the applicable Note; *provided further* that no Interest Reset Date will occur after the applicable Fixed Rate Commencement Date. If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date will be postponed to the next succeeding day that is a Business Day, except that in the case of a Floating Rate Note as to which LIBOR is an applicable Interest Rate Basis, if such Business Day falls in the next succeeding calendar month, such Interest Reset Date will be the immediately preceding Business Day. As used herein, “Business Day” means, unless otherwise specified in the applicable Note, any day that is not a Saturday or Sunday and that in The City of New York and in Pittsburgh, Pennsylvania is not a day on which banking institutions are authorized or required by law, regulation or executive order to close and, with respect to Notes as to which LIBOR is an applicable Interest Rate Basis, is also a London Banking Day. As used herein, “London Banking Day” means, unless otherwise specified in the applicable Note, any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

The interest rate applicable to each day in an Interest Reset Period commencing on the related Interest Reset Date will be the rate determined by the Calculation Agent (as defined below) as of the applicable Interest Determination Date and calculated on or prior to the Calculation Date (as defined below), except with respect to LIBOR, which will be calculated on such Interest Determination Date. The “Interest Determination Date” with respect to the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate and the Prime Rate will be the second Business Day immediately preceding the applicable Interest Reset Date; and the “Interest Determination Date” with respect to LIBOR will be the second London Banking Day immediately preceding the applicable Interest Reset Date, unless the Designated LIBOR Currency is British pounds sterling, in which case the “Interest Determination Date” will be the applicable Interest Reset Date. With respect to the Treasury Rate, the “Interest Determination Date” will be the day in the week in which the applicable Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (Treasury Bills are normally sold at an auction held on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); *provided, however*, that if an auction is held on the Friday of the week preceding the applicable Interest Reset Date, the “Interest Determination Date” will be such preceding Friday; *provided, further*, that if the Interest Determination Date would otherwise fall on an Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day. The “Interest Determination Date” pertaining to a Floating Rate Note the interest rate of which is determined by reference to two or more Interest Rate Bases will be the latest Business Day which is at least two Business Days prior to the applicable Interest Reset Date for such Floating Rate Note on which each Interest Rate Basis is determinable. Each Interest Rate Basis will be determined as of such date, and the applicable interest rate will take effect on the applicable Interest Reset Date.

Each Floating Rate Note will bear interest from the date of issue at the rates specified therein until the principal thereof is paid or otherwise made available for payment. Except as provided below or in the

applicable Note, interest will be payable, in the case of Floating Rate Notes which reset: (i) daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable Note; (ii) quarterly, on the third Wednesday of March, June, September and December of each year; (iii) semiannually, on the third Wednesday of the two months of each year specified in the applicable Note; and (iv) annually, on the third Wednesday of the month of each year specified in the applicable Note (each, an “Interest Payment Date” with respect to Floating Rate Notes) and, in each case, at maturity. If any Interest Payment Date (other than at maturity) for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding day that is a Business Day, except that in the case of a Floating Rate Note as to which LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Business Day. If the maturity of a Floating Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such date of maturity to the date of such payment on the next succeeding Business Day.

A Floating Rate Note may also have either or both of the following: (i) a minimum numerical limitation, or floor, on the rate at which interest may accrue during any interest period (a “Minimum Interest Rate”); and (ii) a maximum numerical limitation, or ceiling, on the rate at which interest may accrue during any interest period (a “Maximum Interest Rate”). Notwithstanding the above provisions, the interest rate on Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest, subject to certain exceptions, for any loan in an amount less than \$250,000, is 16%, and for any loan in the amount of \$250,000 or more but less than \$2,500,000, is 25%, per annum on a simple interest basis. These limits do not apply to loans of \$2,500,000 or more.

Interest payments on Floating Rate Notes will equal the amount of interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid (or from and including the Original Issue Date, if no interest has been paid with respect to such Floating Rate Notes) to but excluding the related Interest Payment Date or maturity, as the case may be.

With respect to each Floating Rate Note, accrued interest is calculated by multiplying its face amount by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day in the period for which interest is being calculated. Unless otherwise specified in the applicable Note, the interest factor for each such day will be computed by dividing the interest rate applicable to such day by 360, in the case of Floating Rate Notes for which an applicable Interest Rate Basis is the Commercial Paper Rate, the Federal Funds Rate, LIBOR or the Prime Rate, or by the actual number of days in the year in the case of Floating Rate Notes for which an applicable Interest Rate Basis is the CMT Rate or the Treasury Rate. Unless otherwise specified in a Note, the interest factor for Floating Rate Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only the applicable Interest Rate Basis specified in the applicable Note applied.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the smallest denominational unit (with one-half cent or unit being rounded upwards).

Unless otherwise provided in the applicable Note, the Bank will be the “Calculation Agent.” Upon request of the holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next Interest Reset Date with respect to such Floating Rate Note. Unless otherwise specified in the applicable Note, the “Calculation Date,” if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date, or, if such day is not a

Business Day, the next succeeding Business Day and (ii) the Business Day immediately preceding the applicable Interest Payment Date or maturity, as the case may be. The determination of any interest rate by the Calculation Agent will be final and binding absent manifest error.

CMT Rate. CMT Rate Notes will bear interest at the rates (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in such CMT Rate Notes.

Unless otherwise specified in the applicable Note, “CMT Rate” means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CMT Rate (a “CMT Rate Interest Determination Date”):

(i) If “CMT Moneyline Telerate Page 7051” is the specified CMT Moneyline Telerate Page in the applicable Note, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note as set forth in H.15(519) (as defined below) under the caption “Treasury Constant Maturities,” as such yield is displayed on Moneyline Telerate (or any successor service) on page 7051 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 7051”) for such CMT Rate Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 7051, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note and for such CMT Rate Interest Determination Date as set forth in H.15(519) under the caption “Treasury Constant Maturities.” If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the rate for the period of the Index Maturity specified in the applicable Note as may then be published by either the Federal Reserve Board or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519). If the Federal Reserve Board or the United States Department of the Treasury does not publish a yield on United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note for such CMT Rate Interest Determination Date, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the Dealers or their affiliates) (each, a “Reference Dealer”) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable Note, a remaining term to maturity no more than 1 year shorter than the Index Maturity specified in the applicable Note and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Note, a remaining term to maturity closest to the Index Maturity specified in the applicable Note and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as

requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two such United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Note have remaining terms to maturity equally close to the Index Maturity specified in the applicable Note, the quotes for the Treasury security with the shorter original term to maturity will be used.

(ii) If “CMT Moneyline Telerate Page 7052” is the specified CMT Moneyline Telerate Page in the applicable Note, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable Note, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note as set forth in H.15(519) opposite the caption “Treasury Constant Maturities,” as such yield is displayed on Moneyline Telerate (or any successor service) on page 7052 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 7052”) for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls. If such rate does not appear on the Moneyline Telerate Page 7052, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as applicable, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note for the week or month, as applicable, preceding such CMT Rate Interest Determination Date as set forth in H.15(519) opposite the caption “Treasury Constant Maturities.” If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the one-week or one-month, as applicable, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls. If the Federal Reserve Bank of New York does not publish a one-week or one-month, as applicable, average yield on United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Note for the applicable week or month, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable Note, a remaining term to maturity of no more than 1 year shorter than the Index Maturity specified in the applicable Note and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Note, a remaining term to maturity closest to the Index Maturity specified in the applicable Note and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT

Rate Interest Determination Date. If two United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Note have remaining terms to maturity equally close to the Index Maturity specified in the applicable Note, the quotes for the Treasury security with the shorter original term to maturity will be used.

“H.15(519)” means the weekly statistical release designated as such, or any successor publication, published by the Federal Reserve Board.

Commercial Paper Rate. Commercial Paper Rate Notes will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in such Commercial Paper Rate Notes.

Unless otherwise specified in the applicable Note, “Commercial Paper Rate” means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate (a “Commercial Paper Rate Interest Determination Date”), the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified in the applicable Note as published in H.15(519) under the caption “Commercial Paper-Nonfinancial” or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Commercial Paper Rate Interest Determination Date for commercial paper having the Index Maturity specified in the applicable Note as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Commercial Paper-Nonfinancial.” If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of U.S. dollar commercial paper in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent for commercial paper having the Index Maturity specified in the applicable Note placed for industrial issuers whose bond rating is “Aa,” or the equivalent, from a nationally recognized statistical rating organization; *provided, however*, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

“H.15 Daily Update” means the daily update of H.15(519), available through the world-wide-web site of the Federal Reserve Board at <http://www.federalreserve.gov/releases/h15/> update, or any successor site or publication.

“Money Market Yield” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and “M” refers to the actual number of days in the applicable Interest Reset Period.

Federal Funds Rate. Federal Funds Rate Notes will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in such Federal Funds Rate Notes.

Unless otherwise specified in the applicable Note, “Federal Funds Rate” means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a “Federal Funds Rate Interest Determination Date”), the rate on such date for U.S. dollar federal funds as published in H.15(519) under the heading “Federal Funds (Effective),” as such rate is displayed on Moneyline Telerate (or any successor service) on page 120 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 120”), or, if such rate does not appear on

Moneyline Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Federal Funds Rate Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Federal Funds (Effective).” If such rate does not appear on Moneyline Telerate Page 120 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent, prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

LIBOR. LIBOR Notes will bear interest at the rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in such LIBOR Notes.

Unless otherwise specified in the applicable Note, “LIBOR” means the rate determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to LIBOR (a “LIBOR Interest Determination Date”), LIBOR will be either: (a) if “LIBOR Moneyline Telerate” is specified in the applicable Note or if neither “LIBOR Reuters” nor “LIBOR Moneyline Telerate” is specified in the applicable Note as the method for calculating LIBOR, the rate for deposits in the Designated LIBOR Currency having the Index Maturity specified in such Note, commencing on the Interest Reset Date immediately following such LIBOR Interest Determination Date, that appears on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date; or (b) if “LIBOR Reuters” is specified in the applicable Note, the arithmetic mean of the offered rates (unless the Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Designated LIBOR Currency having the Index Maturity specified in such Note, commencing on such Interest Reset Date, that appear (or, if only a single rate is required as aforesaid, appears) on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If fewer than two such offered rates so appear, or if no such rate so appears, as applicable, LIBOR on such LIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page as specified in clause (i) above, the Calculation Agent shall request the principal London offices of each of four major reference banks (which may include affiliates of the Dealers) in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity specified in the applicable Note, commencing on the Interest Reset Date immediately following such LIBOR Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the Calculation Agent of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the Calculation Agent of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks (which may include affiliates of the Dealers) in such Principal Financial Center selected by the Calculation Agent for loans in the Designated LIBOR Currency to leading European banks, having the Index Maturity specified in the applicable Note and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time;

provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

“Designated LIBOR Currency” means the currency specified in the applicable Note as to which LIBOR shall be calculated or, if no such currency is specified in the applicable Note, U.S. dollars.

“Designated LIBOR Page” means (a) if “LIBOR Reuters” is specified in the applicable Note, the display on the Reuters Monitor Money Rates Service (or any successor service) on the page specified in such Note (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency, or (b) if “LIBOR Moneyline Telerate” is specified in the applicable Note or neither “LIBOR Reuters” nor “LIBOR Moneyline Telerate” is specified in the applicable Note as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified in such Note (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency.

“Principal Financial Center” means (i) the capital city of the country issuing the specified currency, or (ii) the capital city of the country to which the Designated LIBOR Currency, if applicable, relates, except, in each case, that with respect to U.S. dollars, Australian dollars, Canadian dollars, euros, South African rand and Swiss francs, the “Principal Financial Center” shall be The City of New York, Sydney, Toronto, The City of London (solely in the case of the Designated LIBOR Currency), Johannesburg and Zurich, respectively.

Prime Rate. Prime Rate Notes will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in such Prime Rate Notes.

Unless otherwise specified in the applicable Note, “Prime Rate” means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a “Prime Rate Interest Determination Date”), the rate on such date as such rate is published in H.15(519) under the caption “Bank Prime Loan” or, if not published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Bank Prime Loan.” If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 Page (as defined below) as such bank’s prime rate or base lending rate as of 11:00 A.M., New York City time, on such Prime Rate Interest Determination Date. If fewer than four such rates so appear on the Reuters Screen US PRIME 1 Page for such Prime Rate Interest Determination Date by 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include affiliates of the Dealers) in The City of New York selected by the Calculation Agent; *provided, however*, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

“Reuters Screen US PRIME 1 Page” means the display on the Reuters Monitor Money Rates Service (or any successor service) on the “US PRIME 1 Page” (or such other page as may replace the US PRIME 1 Page on such service) for the purpose of displaying prime rates or base lending rates of major United States banks.

Treasury Rate. Treasury Rate Notes will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in such Treasury Rate Notes.

Unless otherwise specified in the applicable Note, “Treasury Rate” means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined by reference to the Treasury Rate (a “Treasury Rate Interest Determination Date”), the rate from the auction held on such Treasury Rate Interest Determination Date (the “Auction”) of direct obligations of the United States (“Treasury Bills”) having the Index Maturity specified in the applicable Note under the caption “INVESTMENT RATE” on the display on Moneyline Telerate (or any successor service) on page 56 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 56”) or page 57 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 57”) or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/Treasury Bills/Auction High.” If such rate is not so published in H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate on such Treasury Rate Interest Determination Date shall be the Bond Equivalent Yield of the auction rate of such Treasury Bills as announced by the United States Department of the Treasury. In the event that such auction rate is not so announced by the United States Department of the Treasury on such Calculation Date, or if no such Auction is held, then the Treasury Rate on such Treasury Rate Interest Determination Date shall be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Note as published in H.15(519) under the caption “U.S. Government Securities/Treasury Bills/Secondary Market” or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/Treasury Bills/Secondary Market.” If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Treasury Rate on such Treasury Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers (which may include the Dealers or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Note; *provided, however*, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

“Bond Equivalent Yield” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “N” refers to 365 or 366, as the case may be, and “M” refers to the actual number of days in the applicable Interest Reset Period.

Senior Notes

Ranking. The Senior Notes are direct, unconditional and unsecured general obligations of the Bank and rank *pari passu* with all other senior unsecured indebtedness of the Bank, except deposit liabilities and other obligations that are subject to any priorities or preferences. At March 31, 2004, the Bank had deposit liabilities of approximately \$48.4 billion.

Redemption at the Option of the Bank. The Senior Notes will not be subject to any sinking fund. If so agreed upon by the Bank and the purchaser thereof, a Senior Note will be redeemable on and after a date fixed at the time of sale and specified on the face of such Note (the “Initial Redemption Date”) either in

whole or in part, at the option of the Bank, on written notice given not more than 60 nor less than 30 calendar days prior to the date of redemption by the Bank to the registered holder thereof (unless otherwise specified in the applicable Senior Note). On and after the Initial Redemption Date, if any, such Senior Note will be redeemable in increments of \$1,000 (provided that any remaining principal amount of such Senior Note shall be at least \$250,000) at the option of the Bank at the applicable Redemption Price, together with unpaid interest accrued thereon at the applicable rate borne by such Senior Note to the date of redemption. The “Redemption Price” will initially be the Initial Redemption Percentage (as specified on the face of a Senior Note) of the principal amount of such Senior Note to be redeemed and will decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction (as specified on the face of such Senior Note), if any, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount. Whenever less than all the Senior Notes at any time outstanding are to be redeemed, the terms of the Senior Notes to be so redeemed shall be selected by the Bank. If less than all the Senior Notes with identical terms at any time outstanding are to be redeemed, the Senior Notes to be so redeemed shall be selected by the Issuing and Paying Agent by lot or in any usual manner approved by it. If no Initial Redemption Date is specified on the face of a Senior Note, such Senior Note will not be redeemable prior to its Stated Maturity Date. The Issuing and Paying Agent is not required to register the transfer of or exchange any Senior Note that has been called for redemption in whole or in part, except the unredeemed portion of the Senior Notes being redeemed in part, or any Senior Note during a period beginning at the opening of business 15 calendar days before the day of mailing of a notice of such redemption and ending at the close of business on the day of such mailing.

Repayment at the Option of the Holder. The Senior Notes will be subject to repayment at the option of the holders thereof in accordance with the terms of the Senior Notes on their respective optional repayment dates, if any, as agreed upon by the Bank and the purchasers thereof at the time of sale and specified in the applicable Senior Note (each, a “Holder’s Optional Repayment Date”). If no Holder’s Optional Repayment Date is specified in a Senior Note, such Senior Note will not be repayable at the option of the holder thereof prior to its Stated Maturity Date. On any Holder’s Optional Repayment Date with respect to a Senior Note, such Senior Note will be repayable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of such Senior Note will be at least \$250,000) at the option of the holder thereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest thereon payable to the date of repayment, on written notice given not more than 60 nor less than 30 calendar days prior to the Holder’s Optional Repayment Date (unless otherwise specified in the applicable Senior Note).

Events of Default. The following will be “Events of Default” with respect to a Senior Note issued by the Bank as the same are described with greater particularity in the Senior Note: default in the payment of any interest with respect to any of the Senior Notes when due which continues for 30 calendar days; default in the payment of any principal of, or premium, if any, on any of the Senior Notes when due; and certain events of bankruptcy, insolvency, reorganization or the appointment of a conservator, receiver or liquidator of the Bank or substantially all of its property. Any holder of a Senior Note may declare the principal amount of, accrued interest and premium, if any, on that Senior Note due and payable immediately by written notice to the Bank, if an Event of Default with respect to such Senior Note shall have occurred and be continuing at the time of such declaration. Upon such declaration and notice, such principal amount, accrued interest and premium, if any, shall become immediately due and payable. Any Event of Default with respect to a Senior Note may be waived by the holder of such Senior Note.

Subordinated Notes

Subordination Provisions. The indebtedness evidenced by the Subordinated Notes, including the principal of, premium, if any, and interest on such Subordinated Notes, is unsecured and subordinate and junior in right of payment to the Bank’s obligations to its depositors, its obligations under bankers’ acceptances, letters of credit and the Senior Notes, and its obligations to its other creditors (including any obligations to any Federal Reserve Bank, the FDIC and any rights acquired by the FDIC as a result of loans made by the FDIC to the Bank or the purchase or guarantee of any assets by the FDIC, pursuant to 12

U.S.C. Section 1823(c), (d) or (e)), whether now outstanding or hereafter incurred, other than any obligations which by their express terms rank on a parity with, or junior to, the Subordinated Notes. In the event of any insolvency proceeding, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding up of the Bank, whether voluntary or involuntary, all such obligations (except obligations which rank on a parity with, or junior to, the Subordinated Notes) shall be entitled to be paid in full before any payment shall be made on account of the principal of, premium, if any, or interest on the Subordinated Notes. In the event of any such proceeding, after payment in full of all sums owing with respect to such prior obligations, the holders of the Subordinated Notes, together with the holders of any obligations of the Bank ranking on a parity with the Subordinated Notes, shall be entitled to be paid from the remaining assets of the Bank, the unpaid principal of, premium, if any, and interest on the Subordinated Notes or such other obligations before any payment or other distribution, whether in cash, property, or otherwise, shall be made on account of any capital stock or any obligations of the Bank ranking junior to the Subordinated Notes.

As of March 31, 2004, approximately \$59.8 billion in outstanding obligations of the Bank (including approximately \$48.4 billion of deposits) would have been senior to the Subordinated Notes. The Subordinated Notes will not contain any limitation on the amount of senior debt, deposits or other obligations which rank on a parity with or senior to the Subordinated Notes that may be hereafter incurred by the Bank.

Redemption at the Option of the Bank. The Bank may not redeem, in whole or in part, any Subordinated Note which is subject to redemption at the option of the Bank prior to maturity unless it has obtained the prior written approval of the OCC, if such approval is then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC). With the foregoing exception, if so specified in the applicable Pricing Supplement, the Subordinated Notes may be subject to redemption at the option of the Bank, in whole or in part, prior to maturity in the same manner as the Senior Notes. See “Description of Notes — Senior Notes — Redemption at the Option of the Bank” above.

Repayment at the Option of the Holder. Unless otherwise specified in the applicable Pricing Supplement, any Subordinated Notes which are repayable at the option of the holder thereof, in whole or in part, prior to maturity will not be repayable without the prior written approval of the OCC, if such approval is then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC). Subject to the foregoing, if so specified in the applicable Pricing Supplement, the Subordinated Notes may be subject to repayment at the option of the holder thereof, in whole or in part, prior to maturity in the same manner as the Senior Notes. See “Description of Notes — Senior Notes — Repayment at the Option of the Holder.”

Event of Default. An “Event of Default” with respect to a Subordinated Note issued by the Bank will occur if the Bank shall consent to, or a court or other administrative or governmental agency or body shall enter a decree or order for, the appointment of a receiver or other similar official (other than a conservator) in any liquidation, insolvency or similar proceeding with respect to the Bank or all or substantially all of its property and, in the case of a decree or order, such decree or order shall have remained in force for a period of 60 calendar days. Any holder of a Subordinated Note may declare the principal of, premium, if any, and accrued interest on, that Subordinated Note due and payable immediately by written notice to the Bank, if an Event of Default with respect to such Subordinated Note shall have occurred and be continuing at the time of such declaration. Upon such declaration and notice, such principal of, premium, if any, and accrued interest on such Subordinated Note shall become immediately due and payable. Any Event of Default with respect to a Subordinated Note may be waived by the holder thereof.

Payment of principal on the Subordinated Notes may be accelerated only in the case of an Event of Default. There is no right of acceleration in the case of default in the payment of principal of, premium, if any, or interest on, the Subordinated Notes or in the performance of any other obligation of the Bank under the Subordinated Notes or under any other security issued by the Bank.

Notwithstanding anything to the contrary in this Offering Circular or in the Subordinated Notes, to the extent then required under or pursuant to applicable laws or regulations (including,

without limitation, applicable capital regulations) then in effect, no repayment pursuant to an acceleration of maturity may be made on the Subordinated Notes without the prior written approval of any bank supervisory authority having jurisdiction over the Bank and requiring such approval.

Nonpayment of Principal, Premium, If Any, or Interest. Each Subordinated Note provides that if the Bank fails to make payment of the principal of, premium, if any, or interest on, the Subordinated Notes (and, in the case of payment of interest, continuance of such failure to pay for two days), the Bank will, upon written demand of the holder thereof, pay to such holder the whole amount then due and payable (without acceleration) on the Subordinated Note, with interest on the overdue amount at the rate borne by the Subordinated Note to the extent such interest is legally enforceable. If the Bank fails to pay such amount upon such demand, the holder may, among other things, institute a judicial proceeding for the collection thereof.

Discount Notes

Notes may be issued at a price less than their redemption price at maturity, resulting in such Notes being treated as if they were issued with original issue discount for federal income tax purposes (“Discount Notes”). See “United States Taxation.” Such Discount Notes may currently pay no interest or interest at a rate which at the time of issuance is below market rates. Certain additional considerations relating to any Discount Notes may be described in the Note relating thereto.

Foreign Currency Notes

Unless otherwise specified in an applicable Note, the Notes will be denominated in U.S. dollars and payments of principal of, premium, if any, and interest on, the Notes will be made in U.S. dollars. Notes may be denominated in a currency other than U.S. dollars (“Foreign Currency Notes”). Special provisions relating to Foreign Currency Notes will be described in the applicable Note and the Pricing Supplement relating thereto.

An investment in Foreign Currency Notes entails significant risks that are not associated with similar investments in debt securities that are denominated in U.S. dollars and the payments with respect to which are made in U.S. dollars. Foreign Currency Notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions. Prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Foreign Currency Notes and the suitability of Foreign Currency Notes in light of their particular circumstances.

Indexed Notes

The Notes may be issued with the amount of principal, premium, if any, or interest payable in respect thereof to be determined with reference to the price or prices of specified commodities or stocks or other securities, the exchange rate of one or more specified currencies relative to an indexed currency or such other price, exchange rate or interest index, as set forth in the applicable Note (“Indexed Notes”). In certain cases, holders of Indexed Notes may receive a principal amount at maturity that is greater than or less than the face amount of the Notes depending upon the relative value at maturity of the specified indexed item. Information as to the method for determining the amount of principal, premium, if any, or interest payable in respect of Indexed Notes, certain historical information with respect to the specified indexed item and tax considerations associated with investment in such Indexed Notes may be set forth in the applicable Pricing Supplement.

An investment in Notes indexed, as to principal, premium, if any, or interest, to one or more values of currencies (including exchange rates between currencies), commodities, securities or interest rate indices entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. If the interest rate of an Indexed Note is so indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued at the same time, including the possibility that no interest will be paid, and, if the principal of and/or premium, if any, on an Indexed Note is so indexed, the amount of principal payable in respect thereof may be less than the original purchase price of such Indexed Note if allowed pursuant to the terms thereof, including the possibility that no such amount will be

paid. The secondary market for Indexed Notes will be affected by a number of factors independent of the creditworthiness of the Bank and the value of the applicable currency, commodity, security or interest rate index, including the volatility of the applicable currency, commodity, security or interest rate index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, commodity or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Bank has no control. Additionally, if the formula used to determine the amount of principal, premium, if any, or interest payable with respect to Indexed Notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, security or interest rate index will be increased. The historical experience of the relevant currencies, commodities, securities or interest rate indices should not be taken as an indication of future performance of such currencies, commodities, securities or interest rate indices during the term of any Indexed Note. Any credit ratings assigned to the Bank's Bank Note program are a reflection of the Bank's credit status and in no way are a reflection of the potential impact of the factors discussed above, or any other factors, on the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Indexed Notes and the suitability of Indexed Notes in light of their particular circumstances.

Further Issues

The Bank may from time to time, without the consent of any holder of Notes issued by it, issue additional Notes so as to form a single tranche with a currently outstanding tranche of Notes. As used herein, "tranche" means all Notes that have the same maturity date, interest payment basis, interest payment dates, if any, and other terms, except for the issue date, issue price, and initial interest payment date, if applicable.

Other Provisions; Addenda

Any provisions with respect to a Note, including the determination of an Interest Rate Basis, the specification of an Interest Rate Basis, calculation of the interest rate applicable to a Floating Rate Note, its Interest Payment Dates or any other matter relating thereto may be modified by the terms as specified under "Other Provisions" in the applicable Note or in an Addendum relating thereto, if so specified therein.

Book-Entry Registration

Upon issuance, all DTC Book-Entry Notes of like tenor and having the same Issue Date will be represented by one or more Global Notes. Each Global Note representing DTC Book-Entry Notes will be deposited with, or on behalf of, the Depository, located in the Borough of Manhattan, The City of New York, and will be registered in the name of the Depository or its nominee.

Ownership of DTC Book-Entry Notes will be limited to institutions that have accounts with the Depository or its nominee (each, a "participant" and collectively, the "participants") or persons that may hold interests through participants. In addition, ownership of DTC Book-Entry Notes by participants will only be evidenced by, and transfers of such ownership interest will be effected only through, records maintained by the Depository or its nominee, and its participants. Ownership of DTC Book-Entry Notes by persons that hold through participants will only be evidenced by, and transfers of such ownership interest within such participants will be effected only through, records maintained by such participants.

The Bank has been advised by the Depository that upon the issuance of a Global Note or Global Notes representing DTC Book-Entry Notes, and the deposit of such Global Note or Global Notes with or on behalf of the Depository, the Depository will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the DTC Book-Entry Notes represented by such Global Note or Global Notes to the accounts of participants. The accounts to be credited will be designated by the soliciting Dealer, or by the Bank if the Notes are offered and sold directly by the Bank.

Each owner of a beneficial interest in a Global Note must be an accredited investor and is required to hold a beneficial interest in a principal amount of \$250,000 or any integral multiple of \$1,000 in excess thereof at all times.

Payments of principal of, premium, if any, and interest on, DTC Book-Entry Notes represented by any Global Note or Global Notes registered in the name of or held by the Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner and holder of the Global Note or Global Notes representing such DTC Book-Entry Notes. Such payments to the Depository or its nominee, as the case may be, will be made in immediately available funds by the Issuing and Paying Agent; *provided* that, in the case of payments of principal, premium, if any, and interest at maturity, the Global Note or Global Notes are presented to the Issuing and Paying Agent in time for the Issuing and Paying Agent to make such payments in such funds in accordance with its normal procedures. Neither the Bank nor any agent of the Bank will have any responsibility or liability for any aspect of the Depository's records or any participant's records relating to, or payments made on account of, DTC Book-Entry Notes or for maintaining, supervising or reviewing any of the Depository's records or any participant's records relating to such DTC Book-Entry Notes.

The Bank has been advised by the Depository that upon receipt of any payment of principal of, premium, if any, or interest on, a Global Note, the Depository will credit, on its book-entry registration and transfer system, in accordance with the Depository's practice at the time, accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of the Depository unless the Depository has reason to believe that it will not receive payment on such date. Payments by participants (or by other persons that hold interests for customers through participants) to owners of DTC Book-Entry Notes held through such participants (or such other persons) will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name," and will be the responsibility of such participants (or such other persons).

No Global Note or Global Notes described above may be transferred except as a whole by the Depository for such Global Note or Global Notes to a nominee of the Depository or by a nominee of the Depository to another nominee of the Depository.

DTC Book-Entry Notes represented by a Global Note are exchangeable for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, only if (x) the Depository notifies the Bank that it is unwilling or unable to continue as Depository for such Global Note or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act, and a successor depository is not appointed by the Bank within 60 days, or (y) the Bank in its sole discretion determines not to have such DTC Book-Entry Notes represented by one or more Global Notes. Any Global Note representing DTC Book-Entry Notes that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, in minimum denominations of \$250,000 and integral multiples of \$1,000 in excess thereof. Such definitive Notes shall be registered in the name or names of such person or persons as the Depository shall instruct the Issuing and Paying Agent. It is expected that such instructions may be based upon directions received by the Depository from its participants with respect to ownership of DTC Book-Entry Notes.

Except as provided above, owners of DTC Book-Entry Notes will not be entitled to receive physical delivery of Notes in definitive form and no Global Note representing DTC Book-Entry Notes shall be exchangeable, except for another Global Note of like denomination and tenor to be registered in the name of the Depository or its nominee. Accordingly, each person owning a DTC Book-Entry Note must rely on the procedures of the Depository and, if such person is not a participant, on the procedures of the participant through which such person owns its beneficial interest, to exercise any rights of a holder under the Notes. The Bank understands that, under existing industry practices, in the event that (i) the Bank requests any action of holders or (ii) an owner of a DTC Book-Entry Note desires to give or take any action which a holder is entitled to give or take under the Notes in accordance with the terms of the Notes and the Issuing and Paying Agency Agreement, the Depository would authorize the participants owning the relevant DTC Book-Entry Notes to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

The Depository has advised the Bank that the Depository is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that the Depository’s participants (“Direct Participants”) deposit with the Depository. The Depository also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. The Depository is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of the Depository and members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the depository system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The rules applicable to the Depository’s participants are on file with the SEC. More information about the Depository can be found at its Internet Web site at <http://www.dtcc.com>.

Governing Law

The Notes will be governed by, and construed in accordance with, the laws of the State of New York and all applicable federal laws and regulations.

UNITED STATES TAXATION

General

This section summarizes the material U.S. tax consequences to holders of Notes. However, the discussion is limited in the following ways:

- The discussion only covers you if you buy your Notes in the initial offering of a particular issuance of Notes.
- The discussion only covers you if you hold your Notes as a capital asset (that is, for investment purposes), and if you do not have a special tax status.
- The discussion does not cover tax consequences that depend upon your particular tax situation in addition to your ownership of Notes.
- The discussion is based on current law. Changes in the law may change the tax treatment of the Notes.
- The discussion does not cover state, local or foreign law.
- The discussion does not cover every type of Note that we might issue. If we intend to issue a Note of a type not described in this summary, additional tax information will be provided in the Prospectus Supplement for the Note.
- We have not requested a ruling from the Internal Revenue Service (the “IRS”) on the tax consequences of owning the Notes. As a result, the IRS could disagree with portions of this discussion.

If you are considering buying Notes, we suggest that you consult your tax advisor about the tax consequences of holding the Notes in your particular situation.

Tax Consequences to U.S. Holders

This section applies to you if you are a “U.S. Holder.” A “U.S. Holder” is:

- an individual U.S. citizen or resident alien;
- a corporation — or entity taxable as a corporation for U.S. federal income tax purposes — that was created under U.S. law (federal or state); or
- an estate or trust whose world-wide income is subject to U.S. federal income tax.

If a partnership holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding Notes, we suggest that you consult your tax advisor.

Interest

The tax treatment of interest paid on the Notes depends upon whether the interest is “Qualified Stated Interest.” A Note may have some interest that is Qualified Stated Interest and some that is not.

“Qualified Stated Interest” is any interest that meets all the following conditions:

- It is payable at least once each year.
- It is payable over the entire term of the Note.
- It is payable at a single fixed rate or under a single formula.
- The Note has a maturity of more than one year from its issue date.

If any interest on a Note is Qualified Stated Interest, then

- If you are a cash method taxpayer (including most individual holders), you must report that interest in your income when you receive it.
- If you are an accrual method taxpayer, you must report that interest in your income as it accrues.

If any interest on a Note is not Qualified Stated Interest, it is subject to the rules for original issue discount (“OID”) described below.

Determining Amount of OID

Notes that have OID are subject to additional tax rules. The amount of OID on a Note is determined as follows:

- The amount of OID on a Note is the “stated redemption price at maturity” of the Note minus the “issue price” of the Note. If this amount is zero or negative, there is no OID.
- The “stated redemption price at maturity” of a Note is the total amount of all principal and interest payments to be made on the Note, other than Qualified Stated Interest. In a typical case where all interest is Qualified Stated Interest, the stated redemption price at maturity is the same as the principal amount.
- The “issue price” of a Note is the first price at which a substantial amount of the Notes are sold to the public.
- Under a special rule, if the OID determined under the general formula is very small, it is disregarded and not treated as OID. This disregarded OID is called “*de minimis* OID.” If all the interest on a Note is Qualified Stated Interest, this rule applies if the amount of OID is less than the following

items multiplied together: (a) .25% (1/4 of 1%), (b) the number of full years from the issue date to the maturity date of the Note, and (c) the principal amount.

Accrual of OID Into Income

If a Note has OID, the following consequences arise:

- You must include the total amount of OID as ordinary income over the life of the Note.
- You must include OID in income as the OID accrues on the Notes, even if you are on the cash method of accounting. This means that you are required to report OID income, and in some cases pay tax on that income, before you receive the cash that corresponds to that income.
- OID accrues on a Note on a “constant yield” method. This method takes into account the compounding of interest. Under this method, the accrual of OID on a Note, combined with the inclusion into income of any Qualified Stated Interest on the Note, will result in you being taxable at approximately a constant percentage of your unrecovered investment in the Note.
- The accruals of OID on a Note will generally be less in the early years and more in the later years.
- If any of the interest paid on the Note is not Qualified Stated Interest, that interest is taxed solely as OID. It is not separately taxed when it is paid to you.
- Your tax basis in the Note is initially your cost. It increases by any OID (not including Qualified Stated Interest) you report as income. It decreases by any principal payments you receive on the Note, and by any interest payments you receive that are not Qualified Stated Interest.

Notes Subject to Additional Tax Rules

Additional or different tax rules apply to several types of Notes that we may issue.

Short-Term Notes: We may issue Notes with a maturity of one year or less. These are referred to as “Short-Term Notes.”

- No interest on these Notes is Qualified Stated Interest. Otherwise, the amount of OID is calculated in the same manner as described above.
- You may make certain elections concerning the method of accrual of OID on Short-Term Notes over the life of the Notes.
- If you are an accrual method taxpayer, a bank, a securities dealer, or in certain other categories, you must include OID in income as it accrues.
- If you are a cash method taxpayer not subject to the accrual rule described above, you do not include OID in income until you actually receive payments on the Note. Alternatively, you can elect to include OID in income as it accrues.
- Two special rules apply if you are a cash method taxpayer and you do not include OID in income as it accrues. First, if you sell the Note or it is paid at maturity, and you have a taxable gain, then the gain is ordinary income to the extent of the accrued OID on the Note at the time of the sale that you have not yet taken into income. Second, if you borrow money (or do not repay outstanding debt) to acquire or hold the Note, then while you hold the Note you cannot deduct any interest on the borrowing that corresponds to accrued OID on the Note until you include the OID in your income.

Floating Rate Notes: Floating Rate Notes are subject to special OID rules.

- If the interest rate is based on a single fixed formula based on objective financial information (which may include a fixed interest rate for the initial period), all the interest will be Qualified Stated Interest. The amount of OID (if any), and the method of accrual of OID, will then be calculated by converting the Note's initial floating rate into a fixed rate and by applying the general OID rules described above.
- If the Note has more than one formula for interest rates, it is possible that the combination of interest rates might create OID. We suggest that you consult your tax advisor concerning the OID accruals on such a Note.

Foreign Currency Notes: A "Foreign Currency Note" is a Note denominated in a currency other than U.S. dollars. Special tax rules apply to these Notes:

- If you are a cash method taxpayer, you will be taxed on the U.S. dollar value of any foreign currency you receive as interest. The dollar value will be determined as of the date when you receive the payments.
- If you are an accrual method taxpayer, you must report interest income as it accrues. You can use the average foreign currency exchange rate during the relevant interest accrual period (or, if that period spans two taxable years, during the portion of the interest accrual period in the relevant taxable year). In this case, you will make an adjustment upon receipt of the foreign currency to reflect actual exchange rates at that time. Certain alternative elections may also be available.
- Any OID on Foreign Currency Notes will be determined in the relevant foreign currency. You must accrue OID in the same manner that an accrual basis holder accrues interest income.
- Your initial tax basis in a Foreign Currency Note is the amount of U.S. dollars you pay for the Note (or, if you pay in foreign currency, the value of that foreign currency on the purchase date). Adjustments are made to reflect OID and other items as described above.
- If you collect foreign currency upon the maturity of the Note, or if you sell the Note for foreign currency, your gain or loss will be based on the U.S. dollar value of the foreign currency you receive. For a publicly traded Foreign Currency Note, this value is determined for cash basis taxpayers on the settlement date for the sale of the Note, and for accrual basis taxpayers on the trade date for the sale (although such taxpayers can also elect the settlement date). You will then have a tax basis in the foreign currency equal to the value reported on the sale.
- Any gain or loss on the sale or retirement of a Note will be ordinary income or loss to the extent it arises from currency fluctuations between your purchase date and sale date. Any gain or loss on the sale of foreign currency will also be ordinary income or loss.

Other Categories of Notes: Additional rules may apply to certain other categories of Notes. The Prospectus Supplement for these Notes may describe these rules. In addition, we suggest that you consult your tax advisor in these situations. These categories of Notes include:

- Notes with contingent payments;
- Notes that you can put to the Bank before their maturity;
- Notes that are callable by the Bank before their maturity, other than typical calls at a premium;
- Indexed Notes with an index tied to currencies; and
- Notes that are extendable at your option or at the option of the Bank.

Premium and Discount

Additional special rules apply in the following situations involving discount or premium:

- If you buy a Note in the initial offering for more than its stated redemption price at maturity — disregarding accrued interest that you pay — the excess amount you pay will be “bond premium.” You can elect to use bond premium to reduce your taxable interest income from your Note. Under the election, the total premium will be allocated to interest periods, as an offset to your interest income, on a “constant yield” basis over the life of your Note — that is, with a smaller offset in the early periods and a larger offset in the later periods. You make this election on your tax return for the year in which you acquire the Note. However, if you make the election, it automatically applies to all debt instruments with bond premium that you own during that year or that you acquire at any time thereafter, unless the IRS permits you to revoke the election.
- Similarly, if a Note has OID and you buy it in the initial offering for more than the issue price, the excess (up to the total amount of OID) is called “acquisition premium.” The amount of OID you are required to include in income will be reduced by this amount over the life of the Note.
- If you buy a Note in the initial offering for less than the initial offering price to the public, special rules concerning “market discount” may apply.

Appropriate adjustments to tax basis are made in these situations. We suggest that you consult your tax advisor if you are in one of these situations.

Accrual Election

You can elect to be taxed on the income from the Note in a different manner than described above. Under the election:

- No interest is Qualified Stated Interest.
- You include amounts in income as it economically accrues to you. The accrual of income is in accordance with the constant yield method, based on the compounding of interest. The accrual of income takes into account stated interest, OID (including *de minimis* OID), market discount, and premium.
- Your tax basis is increased by all accruals of income and decreased by all payments you receive on the Note.

Sale or Retirement of Notes

On your sale or retirement of your Note:

- You will have taxable gain or loss equal to the difference between the amount received by you and your tax basis in the Note. Your tax basis in the Note is your cost, subject to certain adjustments.
- Your gain or loss will generally be capital gain or loss, and will be long term capital gain or loss if you held the Note for more than one year. For an individual, the maximum tax rate on long term capital gains is 15% for gains realized before January 1, 2009, and 20% for gains realized thereafter.
- If (a) you purchased the Note with *de minimis* OID, (b) you did not make the election to accrue all OID into income, and (c) you receive the principal amount of the Note upon the sale or retirement, then you will generally have capital gain equal to the amount of the *de minimis* OID.
- If you sell the Note between interest payment dates, a portion of the amount you receive reflects interest that has accrued on the Note but has not yet been paid by the sale date. That amount is treated as ordinary interest income and not as sale proceeds.

- All or part of your gain may be ordinary income rather than capital gain in certain cases. These cases include sales of short-term Notes, Notes with market discount, Notes with contingent payments, or Foreign Currency Notes.

Information Reporting and Backup Withholding

Under the tax rules concerning information reporting to the IRS:

- Assuming you hold your Notes through a broker or other securities intermediary, the intermediary must provide information to the IRS and to you on IRS Form 1099 concerning interest, OID and retirement proceeds on your Notes, unless an exemption applies. As discussed above under “Premium and Discount,” if your Notes have OID, the amount reported to you may have to be adjusted to reflect the amount you must report on your own tax return.
- Similarly, unless an exemption applies, you must provide the intermediary with your Taxpayer Identification Number for its use in reporting information to the IRS. If you are an individual, this is your social security number. You are also required to comply with other IRS requirements concerning information reporting.
- If you are subject to these requirements but do not comply, the intermediary must withhold at a rate currently equal to 28% of all amounts payable to you on the Notes (including principal payments). This is called “backup withholding.” If the intermediary withholds payments, you may use the withheld amount as a credit against your federal income tax liability.
- All individuals are subject to these requirements. Some holders, including all corporations, tax-exempt organizations and individual retirement accounts, are exempt from these requirements.

Tax Consequences to Non-U.S. Holders

This section applies to you if you are a “Non-U.S. Holder.” A “Non-U.S. Holder” is:

- an individual that is a nonresident alien;
- a corporation — or entity taxable as a corporation for U.S. federal income tax purposes — created under non-U.S. law; or
- an estate or trust that is not taxable in the U.S. on its worldwide income.

Withholding Taxes

Generally, payments of principal, interest and OID on the Notes will not be subject to U.S. withholding taxes.

However, for the exemption from withholding taxes to apply to you, you must meet one of the following requirements.

- You provide a completed Form W-8BEN (or substitute form) to the bank, broker or other intermediary through which you hold your Notes. The Form W-8BEN contains your name, address and a statement that you are the beneficial owner of the Notes and that you are not a U.S. Holder.
- You hold your Notes directly through a “qualified intermediary,” and the qualified intermediary has sufficient information in its files indicating that you are not a U.S. Holder. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. tax withholding rules under specified procedures.
- You are entitled to an exemption from withholding tax on interest under a tax treaty between the U.S. and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and fill out Part II of the form to state your claim for treaty benefits. In some cases, you may instead

be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

- The interest income on the Notes is effectively connected with the conduct of your trade or business in the U.S., and is not exempt from U.S. tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax under any of the following circumstances:

- The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules apply for this test.
- The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.
- An intermediary through which you hold the Notes fails to comply with the procedures necessary to avoid withholding taxes on the Notes. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN (or other documentary information concerning your status) to the withholding agent for the Notes. However, if you hold your Notes through a qualified intermediary — or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the Notes — the qualified intermediary will not generally forward this information to the withholding agent.
- The amount of interest payable on a Note is based on the earnings of the Bank or certain other contingencies. If this exception applies, additional information will be provided in the Prospectus Supplement.
- You own 10% or more of the voting stock of the Bank, are a “controlled foreign corporation” with respect to the Bank, or are a bank making a loan in the ordinary course of its business. In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is effectively connected with your conduct of a trade or business in the U.S., as discussed above.

Interest payments made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if one of the following conditions applies:

- You hold your Notes directly through a qualified intermediary and the applicable procedures are complied with.
- You file Form W-8ECI.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change. In addition, special rules apply to certain types of non-U.S. holders of Notes, including partnerships, trusts, and other entities treated as pass-through entities for U.S. federal income tax purposes. We suggest that you consult with your tax advisor regarding the specific methods for satisfying these requirements.

Sale or Retirement of Notes

If you sell a Note or it is redeemed, you will not be subject to federal income tax on any gain unless one of the following applies:

- The gain is connected with a trade or business that you conduct in the U.S.
- You are an individual, you are present in the U.S. for at least 183 days during the year in which you dispose of the Note, and certain other conditions are satisfied.
- The gain represents accrued interest or OID, in which case the rules for interest would apply.

U.S. Trade or Business

If you hold your Note in connection with a trade or business that you are conducting in the U.S.:

- Any interest on the Note, and any gain from disposing of the Note, generally will be subject to income tax as if you were a U.S. Holder.
- If you are a corporation, you may be subject to the “branch profits tax” on your earnings that are connected with your U.S. trade or business, including earnings from the Note. This tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

Estate Taxes

If you are an individual, your Notes will not be subject to U.S. estate tax when you die. However, this rule only applies if, at your death, payments on the Notes were not connected to a trade or business that you were conducting in the U.S. and you did not own 10% or more of the voting stock of the Bank.

Information Reporting and Backup Withholding

U.S. rules concerning information reporting and backup withholding are described above. These rules apply to Non-U.S. Holders as follows:

- Principal and interest payments you receive will be automatically exempt from the usual rules if you are a Non-U.S. Holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.
- Sale proceeds you receive on a sale of your Notes through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the U.S. In general, you may file Form W-8BEN to claim an exemption from information reporting and backup withholding. We suggest that you consult your tax advisor concerning information reporting and backup withholding on a sale.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by the Bank through J.P. Morgan Securities Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse First Boston LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and PNC Capital Markets, Inc. (each a “Dealer,” and collectively, the “Dealers”) who will purchase the Notes, as principal, from the Bank, for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Dealer, or, if so specified in the applicable Pricing Supplement, for resale at a fixed public offering price. Unless otherwise specified in the applicable Pricing Supplement, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage of the principal amount which shall be agreed upon by the Dealer and the Bank. If agreed to by the Bank and the applicable Dealer, such Dealer may utilize its reasonable efforts on an agency basis to solicit offers to purchase the Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable Pricing Supplement. The Bank will pay a commission to each such Dealer, ranging from .05% to .75% of the principal amount of a Note, depending upon its stated maturity, sold through such Dealer. The maximum discount or commission that may be received by any member of the National Association of Securities Dealers, Inc. (the “NASD”) for sales of the Notes pursuant to this Offering Circular will not exceed 8%.

A Dealer may sell Notes it has purchased from the Bank as principal to other dealers for resale to investors, and may allow any portion of the discount received in connection with such purchases from the Bank to such dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold on a fixed offering price basis), the concession and the discount may be changed.

The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with the Bank or through one of the Dealers. The Dealers will have the right, in their sole discretion, to reject in whole or in part any offer to purchase Notes received by them on an agency basis.

Unless otherwise specified in the applicable Pricing Supplement, payment of the purchase price of Notes will be required to be made in immediately available funds in The City of New York on the date of settlement.

The Notes will be offered only to investors that are “accredited investors” within the meaning of Rule 501 under the Securities Act. Accordingly, each purchaser of a Note will be deemed to have represented and warranted that it is such an accredited investor, that it is purchasing the Notes for its own account or for the account of such an accredited investor and that following such purchase it or such other accredited investor holding a beneficial interest in a Global Note will hold such beneficial interest in a principal amount of \$250,000 or an integral multiple of \$1,000 in excess thereof at all times.

The Notes will not have an established trading market when issued. The Notes will not be listed on any securities exchange. Each of the Dealers may from time to time purchase and sell Notes in the secondary market, but no Dealer is obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Dealers may make a market in the Notes, but no Dealer is obligated to do so and a Dealer may discontinue any market-making activity at any time.

Until the placement of the Notes is completed, rules of the SEC may limit the ability of the Dealers to bid for and purchase the Notes. As an exception to these rules, the Dealers are permitted to engage in certain transactions that stabilize the price of the Notes. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes. If the Dealers create a short position in the Notes in connection with the offering, i.e., if they sell more Notes than are contemplated by the related Pricing Supplement, the Dealers may reduce that short position by purchasing Notes in the open market. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

The Bank has agreed to indemnify the Dealers against, and to provide contribution with respect to, certain liabilities, including liabilities under the federal securities laws. The Bank has agreed to reimburse each of the Dealers for certain other expenses.

Because PNC Capital Markets, Inc., an affiliate of the Bank, may be participating in the distributions of the Notes, the offering is being conducted in accordance with Rule 2720 of the Conduct Rules of the NASD (the “Conduct Rules”). Each offering of the Notes will be conducted in compliance with any applicable requirements of Rule 2720 of the Conduct Rules.

This Offering Circular may be used by PNC Capital Markets, Inc. in connection with offers and sales related to secondary market transactions in the Notes. PNC Capital Markets, Inc. may act as principal or agent in those transactions. Those sales will be made at prices related to prevailing market prices at the time of sale or otherwise.

Certain of the Dealers and their affiliates may be customers of, including borrowers from, engage in transactions with, and perform services for, the Bank and PNC Financial in the ordinary course of business. Affiliates of certain Dealers have engaged in, and in the future may engage in, banking transactions with the Bank and its affiliates.

VALIDITY OF THE NOTES

The validity of the Notes will be passed upon for the Bank by Thomas R. Moore, Esq., Senior Counsel and Secretary of PNC Financial, and by Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, Pennsylvania 15219. Mr. Moore owns or has the right to acquire an aggregate of less than 1% of the outstanding common shares of PNC Financial. The opinions of Mr. Moore and Reed Smith LLP may be conditioned upon, and subject to certain assumptions regarding, future action required to be taken by the Bank in connection with the issuance and sale of any particular Note, the specific terms of the Notes and other matters which may affect the validity of the Notes but which cannot be ascertained on the date of such opinion.

The Dealers are represented by Cravath, Swaine & Moore LLP, 825 Eighth Avenue, New York, New York 10019. Only Thomas R. Moore, Esq., Senior Counsel and Corporate Secretary of PNC Financial, and Reed Smith LLP are passing on matters of Pennsylvania law.

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You should rely only on the information contained in this Offering Circular, any Pricing Supplement and the documents referred to under “Incorporation of Certain Documents by Reference.” Neither the Bank nor any Dealer has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This Offering Circular and any Pricing Supplement hereto do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should assume that the information in this Offering Circular, any Pricing Supplement and the documents referred to under “Incorporation of Certain Documents by Reference” is accurate only as of the date of such document.

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**PNC Bank,
National Association**

**Senior and Subordinated Bank Notes
Due More than Nine Months
from Date of Issue**

OFFERING CIRCULAR

**JPMorgan
Barclays Capital
Citigroup
Credit Suisse First Boston
Goldman, Sachs & Co.
HSBC
Lehman Brothers
Merrill Lynch & Co.
Morgan Stanley
PNC Capital Markets, Inc.**

July 30, 2004

