

PNC FINANCIAL SERVICES GROUP INC

Form 424B2

January 24, 2007

Table of Contents

The information in this prospectus supplement is not complete and may be changed.

**Filed Pursuant to Rule 424(b)(2)
Registration Nos. 333-139912
333-139912-01**

Subject to completion, dated January 24, 2007

**PROSPECTUS SUPPLEMENT
(To Prospectus dated January 10, 2007)**

**\$750,000,000
PNC Funding Corp
\$500,000,000 Floating Rate Senior Notes due 2012
\$250,000,000 Floating Rate Senior Notes due 2014**

**Unconditionally Guaranteed by
The PNC Financial Services Group, Inc.**

The senior notes in the aggregate principal amount of \$500,000,000 will mature on January , 2012 (the 2012 Notes), and the senior notes in the aggregate principal amount of \$250,000,000 will mature on January , 2014 (the 2014 Notes). The 2012 Notes and the 2014 Notes are collectively referred to as the Notes. The Notes are not redeemable prior to maturity. There is no sinking fund for the Notes.

The 2012 Notes and 2014 Notes will rank equally with all other unsecured senior indebtedness of PNC Funding Corp. The PNC Financial Services Group, Inc. will guarantee the Notes and the guarantees will rank equally with the senior unsecured indebtedness of The PNC Financial Services Group, Inc.

See Risk Factors on page 2 of the Prospectus to read about important factors you should consider before buying the Notes.

The Notes and the guarantees are not deposits of a bank and are not insured by the United States Federal Deposit Insurance Corporation or any other insurer or government agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Underwriting

	Price to public		discounts		Proceeds to us
Per 2012 Note	%		%		%
Per 2014 Note	%		%		%
Total	\$		\$		\$

The Notes will not be listed on any securities exchange. Currently, there is no public trading market for the Notes.

The underwriters expect to deliver the Notes to purchasers in book-entry form through the facilities of The Depository Trust Company and its direct participants, including Euroclear and Clearstream, on or about January , 2007.

Our affiliates, including PNC Capital Markets, LLC, J.J.B. Hilliard, W.L. Lyons, Inc. and other affiliates of The PNC Financial Services Group, Inc. and PNC Funding Corp, may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of the Notes in the secondary market. These affiliates may act as principal or agent in these transactions. Secondary market sales will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

Joint Book-Running Managers

Citigroup

Goldman, Sachs & Co.

PNC Capital Markets, LLC

January , 2007

Table of Contents

In making your investment decision, you should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. 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 prospectus supplement and the accompanying prospectus is accurate as of any date other than its respective date.

References to PNC in this prospectus supplement and in the accompanying prospectus are references to The PNC Financial Services Group, Inc., specifically, references to PNC Funding in this prospectus supplement and the accompanying prospectus are references to PNC Funding Corp, a wholly-owned indirect subsidiary of PNC, specifically, and references to we, us and our are references collectively to PNC and PNC Funding. References to The PNC Financial Services Group, Inc. and its subsidiaries, on a consolidated basis, are specifically made where applicable.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in some jurisdictions may be restricted by law. Persons who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus 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 prospectus supplement updates and supersedes information in the accompanying prospectus.

Table of Contents

TABLE OF CONTENTS

	Page
Prospectus Supplement	
<u>Where You Can Find More Information</u>	S-1
<u>The PNC Financial Services Group, Inc.</u>	S-2
<u>PNC Funding Corp.</u>	S-2
<u>Recent Developments</u>	S-2
<u>Use of Proceeds</u>	S-3
<u>Certain Terms of the Notes</u>	S-3
<u>Certain United States Federal Income Tax Considerations</u>	S-6
<u>Underwriting</u>	S-9
<u>Legal Opinions</u>	S-11
<u>Experts</u>	S-11

	Page
Prospectus	
About this Prospectus	1
Where You Can Find More Information	1
Risk Factors	2
The PNC Financial Services Group, Inc.	2
PNC Funding Corp.	3
Consolidated Ratio of Earnings to Fixed Charges and Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	3
Use of Proceeds	3
Description of Debt Securities and Guarantees	3
Description of Common Stock	19
Description of Preferred Stock	22
Summary of Certain Key Terms of Preferred Stock	26
Description of Depositary Shares	26
Description of Purchase Contracts	28
Description of Units	28
Description of Warrants	29
United States Federal Income Tax Considerations	30
Plan of Distribution	30
Legal Opinions	33
Experts	33

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission (SEC) a registration statement under the Securities Act of 1933, as amended, that registers, among other securities, the securities offered by this prospectus supplement. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities. The rules and regulations of the SEC allow us to omit certain information included in the registration statement.

In addition, PNC files annual, quarterly and current reports, proxy statements, and other information with the SEC. You may read and copy this information and the registration statement 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 us, 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 us at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered part of this prospectus supplement, except for any information that is superseded by information that is included directly in this document or in a later filed document.

This prospectus supplement incorporates by reference the documents listed below that PNC previously filed with the SEC. They contain important information about us.

Company SEC filings	Period
Annual Report on Form 10-K	Year ended December 31, 2005
Quarterly Reports on Form 10-Q	Periods ended March 31, 2006, June 30, 2006 and September 30, 2006
Current Reports on Form 8-K	Date of event: January 20, 2006 (with respect to item 1.01); February 14, 2006; February 15, 2006; March 21, 2006; April 25, 2006; September 8, 2006; September 22, 2006; September 29, 2006; October 4, 2006; October 8, 2006; November 15, 2006; December 5, 2006 (contains unaudited pro forma financials for PNC and Mercantile Bankshares Corporation); December 6, 2006; December 14, 2006; January 4, 2007; and January 24, 2007

We incorporate herein by reference unaudited historical consolidated financial statements of Mercantile Bankshares Corporation as of and for the nine-month period ended September 30, 2006 included in Part I Item I of its Quarterly Report on Form 10-Q (File No. 0-05127) for the quarterly period ended September 30, 2006.

We incorporate by reference additional documents that we may file with the SEC pursuant to Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus 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.

S-1

Table of Contents

You can obtain any of the documents incorporated by reference in this prospectus 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: Computershare Investor Services, 250 Royall Street, Canton, MA 02021, or via e-mail at web.quiries@computershare.com, or by calling 800-982-7652. You can also obtain these documents on or through our Internet Web site at www.pnc.com. You can obtain the documents of Mercantile Bankshares Corporation incorporated by reference by requesting them from PNC at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, Attn: Investor Relations or via e-mail at investor.relations@pnc.com or by calling 800-843-2206.

THE PNC FINANCIAL SERVICES GROUP, INC.

PNC 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 was incorporated under Pennsylvania law in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC has diversified its geographic presence, business mix and product capabilities through strategic bank and nonbank acquisitions and the formation of various nonbanking subsidiaries.

PNC is one of the largest diversified financial services companies in the United States based on assets, operating businesses engaged in retail banking, corporate and institutional banking, asset management and global fund processing services. We provide many of our products and services nationally and others in our primary geographic markets located in Pennsylvania; New Jersey; the greater Washington, DC area, including Maryland and Virginia; Ohio; Kentucky; and Delaware. We also provide certain global fund processing services internationally. At December 31, 2006, PNC's consolidated assets, deposits, and shareholders' equity were \$101.8 billion, \$66.3 billion, and \$10.8 billion, respectively.

PNC'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 FUNDING CORP

PNC Funding is a wholly owned indirect subsidiary of PNC. PNC Funding was incorporated under Pennsylvania law in 1972 and is engaged in financing the activities of PNC and its subsidiaries through the issuance of commercial paper and other debt guaranteed by PNC.

PNC Funding'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.

RECENT DEVELOPMENTS

PNC Earnings for Fourth Quarter and Year Ended December 31, 2006

On January 23, 2007, PNC announced its unaudited financial results for the quarter and year ended December 31, 2006. Net income for the year ended December 31, 2006 was \$2.6 billion, or \$8.73 per diluted share, compared with 2005 net income of \$1.3 billion, or \$4.55 per diluted share. Net income for 2006 included, after-tax, a \$1.3 billion gain on the BlackRock/Merrill Lynch Investment Managers (MLIM) transaction, a \$127 million loss on the repositioning of PNC's securities portfolio, \$47 million in BlackRock/MLIM transaction integration costs and a \$31 million loss on the repositioning of PNC's mortgage loan portfolio.

Net income for the fourth quarter of 2006 was \$376 million, or \$1.27 per diluted share, which included BlackRock/MLIM transaction integration costs of \$8 million after-tax. Net income was \$355 million, or \$1.20 per diluted share, in the fourth quarter of 2005.

S-2

Table of Contents

Acquisition of Mercantile Bankshares Corporation

On October 8, 2006, PNC and Mercantile Bankshares Corporation, referred to as Mercantile, entered into an Agreement and Plan of Merger (the Merger Agreement) pursuant to which Mercantile will merge with and into PNC (the Merger), with PNC continuing as the surviving corporation.

Mercantile, with approximately \$17 billion in assets as of September 30, 2006, is a regional multibank holding company headquartered in Baltimore, Maryland that provides banking and investment and wealth management services through 240 offices in Maryland, Virginia, the District of Columbia, Delaware and Southeastern Pennsylvania. Mercantile is comprised of 11 direct or indirect depository institution subsidiaries (collectively, the banks) and a mortgage banking company subsidiary. Eight banks are headquartered in Maryland, two are in Virginia and one is in Delaware. At September 30, 2006, Mercantile's largest bank, Mercantile-Safe Deposit and Trust Company, represented approximately 46% of Mercantile's total assets. The Merger will enable PNC to significantly expand its presence in the Mid-Atlantic region, particularly in the Baltimore and Washington, D.C. markets. The acquisition of Mercantile is expected to make PNC a top-10 U.S. bank holding company by market capitalization and the 11th largest U.S. bank by deposits.

Mercantile shareholders will be entitled to 0.4184 shares of PNC common stock and \$16.45 in cash for each share of Mercantile, or in the aggregate approximately 52.5 million shares of PNC common stock and \$2.13 billion in cash. Based on PNC's closing NYSE stock price of \$73.14 on January 23, 2007, the shares of Mercantile's common stock are valued at approximately \$6.0 billion in the aggregate.

The Merger is expected to close during March of 2007. Consummation of the Merger is subject to customary conditions, including approval of the holders of Mercantile common stock, absence of any legal prohibition on consummation of the Merger, and obtaining required governmental and third-party approvals. The Merger Agreement contains certain termination rights for both Mercantile and PNC, and further provides that, upon termination of the Merger Agreement under specified circumstances, Mercantile may be required to pay PNC a termination fee of up to \$225 million.

Unaudited pro forma condensed combined financial statements, combining the historical consolidated financial statements of PNC and its subsidiaries and of Mercantile and its subsidiaries, as an acquisition by PNC of Mercantile using the purchase method of accounting, and giving effect to the related pro forma adjustments described in the notes accompanying these statements, are set forth on PNC's Current Report on Form 8-K filed with the SEC on December 5, 2006, which is incorporated by reference into this prospectus supplement.

USE OF PROCEEDS

We will apply the net proceeds from the sale of the securities to finance the acquisition and integration of Mercantile. We continue to expect to issue a total of approximately \$2.0 billion of PNC debt securities and hybrid instruments to finance the acquisition and integration of Mercantile, of which this offering is a part.

Until we use the net proceeds for these purposes, we will use the net proceeds to reduce our short term indebtedness or for temporary investments. We expect that we may from time to time engage in additional financings of a character and in amounts to be determined.

CERTAIN TERMS OF THE NOTES

The Notes offered by this prospectus supplement will be issued by PNC Funding under an Indenture dated as of December 1, 1991, among PNC, PNC Funding, and The Bank of New York, as successor to JPMorgan Chase Bank,

which was formerly known as The Chase Manhattan Bank, as Trustee, as supplemented by a Supplemental Indenture dated as of February 15, 1993 and a Second Supplemental Indenture dated as of February 15, 2000. References to the Indenture in this section will mean the Indenture as so supplemented. The accompanying prospectus provides a more complete description of the Indenture. The Notes will be Senior Debt Securities, as such term is defined in the accompanying prospectus. The following description of the particular terms of the Notes supplements, and to the extent inconsistent therewith replaces,

S-3

Table of Contents

the description of the general terms and provisions of the Senior Debt Securities in the accompanying prospectus, to which description we refer you. The accompanying prospectus sets forth the meaning of certain capitalized terms used herein and not otherwise defined.

General

The 2012 Notes will initially be limited in this offering to \$500,000,000 aggregate principal amount and the 2014 Notes will initially be limited in this offering to \$250,000,000 aggregate principal amount. The 2012 Notes and the 2014 Notes will mature on January , 2012 and January , 2014, respectively. The Notes may not be redeemed by PNC Funding or at the option of the holder prior to their stated maturity and will not be subject to any sinking fund. The Notes are not convertible into, or exchangeable for, equity securities of PNC or PNC Funding. The Notes rank equally with all of PNC Funding's other unsecured senior indebtedness. At December 31, 2006, PNC Funding had \$2.55 billion of unsecured senior indebtedness.

The Notes and the guarantees are not deposits of a bank and are not insured by the United States Federal Deposit Insurance Corporation or any other insurer or government agency.

Interest

The 2012 Notes will bear interest at a floating rate of LIBOR plus % and the 2014 Notes will bear interest at a floating rate of LIBOR plus %. PNC Funding will pay interest on the Notes quarterly in arrears on , , and of each year, each an interest payment date , and on the maturity date. Interest will be computed on the basis of a 360-day year for the actual number of days elapsed.

The interest payable on the Notes on any interest payment date, subject to certain exceptions, will be paid to the person in whose name the Notes are registered at the close of business on the 15th calendar day, whether or not a business day, immediately preceding the interest payment date. However, interest that PNC Funding pays on the maturity date will be paid to the person to whom the principal will be payable.

Interest on the Notes will accrue from January , 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. Each of these periods is referred to as an interest period for the Notes.

The interest rate on the Notes will be calculated by PNC Bank, National Association, as calculation agent, except that the interest rate in effect for the period from January , 2007 to , 2007 (the initial interest rate) will be established by PNC Funding as the rate for deposits in U.S. dollars having a maturity of three months commencing on January , 2007 that appears on Bloomberg Page BBAM1 as of 11:00 a.m., London time, on January , 2007. If no rate appears on Bloomberg Page BBAM1, as specified in the preceding sentence, then the initial interest rate will be determined by PNC Funding in the manner described in clause (ii) below, except that the banks referred to in such clause will be selected by PNC Funding rather than the calculation agent.

The calculation agent will reset the interest rate with respect to the Notes on each interest payment date, each of which is referred to as an interest reset date. The second London business day preceding an interest reset date will be the interest determination date for that interest reset date. The interest rate in effect on each date that is not an interest reset date will be the interest rate determined as of the interest determination date pertaining to the immediately preceding interest reset date. The interest rate in effect on any day that is an interest reset date will be the interest rate determined as of the interest determination date pertaining to that interest reset date, except that the interest rate in effect for the period from and including January , 2007 to , 2007, the initial interest reset date, will be the initial

interest rate.

If an interest payment date and an interest reset date for the Notes (other than an interest payment date at maturity) falls on a day that is not a business day, that interest payment date and interest reset date will be postponed to the following business day, except that if the following business day is in the following calendar month, that interest payment date and interest reset date will be the preceding business day.

S-4

Table of Contents

If an interest payment date at maturity or a maturity date for the Notes falls on a day that is not a business day, PNC Funding will postpone the maturity date and corresponding interest payment date 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 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 on which dealings in United States dollars are transacted in the London interbank market (a **London business 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.

LIBOR will be determined by the calculation agent in accordance with the following provisions:

(i) With respect to any interest determination date, **LIBOR** will be the rate for deposits in U.S. dollars having a maturity of three months commencing on the first day of the applicable interest period that appears on Bloomberg Page BBAM1 as of 11:00 a.m., London time, on that interest determination date. If no rate appears on that interest determination date, **LIBOR**, in respect to that interest determination date, will be determined in accordance with the provisions described in (ii) below.

(ii) With respect to an interest determination date on which no rate appears on Bloomberg Page BBAM1, as specified in (i) above, the calculation agent will request the principal

London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent, to provide the calculation agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the first day of the applicable interest period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at the time. If at least two quotations are provided, then **LIBOR** on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then **LIBOR** on the interest determination date will be the arithmetic mean (rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards) of the rates quoted at approximately 11:00 a.m., New York City time, on the interest determination date by three major banks in New York City selected by the calculation agent for loans in U.S. dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time; provided, however, that if the banks selected by the calculation agent are not providing quotations in the manner described by this sentence, **LIBOR** for the interest period commencing on the interest reset date following the interest determination date will be **LIBOR** in effect on that interest determination date.

Bloomberg Page BBAM1 means the display designated as **Page BBAM1** on the Bloomberg Service or any successor page or service, for the purposes of displaying the London interbank offered rates for U.S. dollar deposits.

Guarantees

The Notes are unconditionally guaranteed by PNC. The guarantees of the Notes will rank equally with the unsecured senior indebtedness of PNC. At December 31, 2006 PNC had \$2.55 billion of unsecured senior indebtedness. The Notes are not guaranteed by the subsidiaries of PNC. The guarantees are effectively senior to all indebtedness and other liabilities (including trade payables and deposits) of such subsidiaries other than PNC Funding.

Further issuances

PNC Funding may from time to time, without the consent of the holders of the Notes, create and issue further notes having the same terms and conditions as the Notes and equal in rank to the Notes offered by this prospectus supplement in all respects (or in all respects except for the payment of interest accruing prior to the issue date of the further notes or except for the first payment of interest following the issue date of the further

S-5

Table of Contents

notes). These further notes will be consolidated and form a single series with the Notes and will have the same terms as to status or otherwise as such series of notes.

Delivery and form

The 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 Notes will be available for purchase in denominations of \$1,000 and integral multiples thereof in book-entry form only. Unless and until certificated Notes are issued under the limited circumstances described in the accompanying prospectus, no beneficial owner of a Note shall be entitled to receive a definitive certificate representing Note. So long as DTC or any successor depository (collectively, the Depository) or its nominee is the registered owner of the Global Notes, the Depository, or such nominee, as the case may be, will be considered to be the sole owner or holder of the Notes for all purposes of the Indenture.

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 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.

Payment and paying agents

The Bank of New York will act as PNC Funding's principal paying agent with respect to the Notes through its offices presently located at 4 New York Plaza, New York, New York 10004. PNC Funding may at any time rescind the designation of a paying agent, appoint a successor paying agent, or approve a change in the office through which any paying agent acts. Payments of interest and principal may be made by wire-transfer in immediately available funds in U.S. dollars for Notes held in book-entry form or, at PNC Funding's option in the event the Notes are not represented by Global Notes, by check mailed to the address of the person entitled to the payment as it appears in the Note register. Payment of principal will be made upon the surrender of the relevant Notes at the offices of the principal paying agent.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following general discussion summarizes the material United States federal income tax consequences of the purchase, ownership, and disposition of the Notes for United States holders. This discussion is a summary for general information only and does not consider all aspects of United States federal income taxation that may be relevant to an investor in light of that investor's particular circumstances. This discussion deals only with Notes purchased at their original offering price and held as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, referred to in this discussion as the Code, as amended to the date of this prospectus supplement. This summary does not address all of the tax consequences that may be relevant to a holder of Notes nor does it address the federal income tax consequences to holders subject to special treatment under the United States 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 Notes as a position in a straddle or as part of a synthetic security, hedging, conversion, or other integrated instrument, persons that have a

Table of Contents

functional currency other than the United States dollar, investors in pass-through entities, and certain United States expatriates. Further, this summary does not address:

the income tax consequences to shareholders in, or partners or beneficiaries of, a holder of the Notes, or any state, local, or foreign tax consequences of the purchase, ownership, or disposition of the 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 Notes are urged to consult their own tax advisors concerning the application of United States federal income tax laws, as well as the laws of any state, local, or foreign taxing jurisdiction.

For purposes of this discussion, the term United States holder means a beneficial owner of a Note that for United States federal income tax purposes is:

a citizen or resident of the United States,

a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any State thereof or the District of Columbia,

an estate the income of which is includible in its gross income for United States federal income tax purposes without regard to its source, or

a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust.

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

Payments of interest

Stated interest paid or accrued on the Notes generally will be taxable to you as ordinary income at the time the interest is paid or accrued in accordance with your method of accounting for United States federal income tax purposes.

Sale of the Notes

When you dispose of a Note by sale, exchange, or other taxable disposition, you generally will recognize gain or loss equal to the difference, if any, between (i) the amount realized on the disposition (other than amounts attributable to accrued and unpaid interest) and (ii) your tax basis in the Note. Your tax basis in a Note generally will equal the cost of the Note. When a Note is sold, exchanged, or otherwise disposed of between interest payment dates, the portion of the amount realized on the disposition that is attributable to interest accrued to the date of sale but not yet reported as interest income must be reported at the time of sale.

The gain or loss on a Note generally will constitute capital gain or loss, and will be long-term capital gain or loss if you have held the Note for longer than one year. Under current law, net capital gains of individuals may be taxed at lower rates than items of ordinary income. Your ability to offset capital losses against ordinary income is limited.

Information reporting and backup withholding

In general, information reporting requirements will apply to payments made on, and proceeds from the sale of, Notes held by a non-corporate United States holder. Payments made on, and proceeds from the sale of,

S-7

Table of Contents

Notes held by a United States holder may be subject to a backup withholding tax at a rate that is currently 28% unless the holder complies with certain identification or exemption requirements.

Any amount withheld, whether with respect to a United States holder or a non-U.S. holder, will be allowed as a credit against the holder's United States federal income tax liability, or refunded, provided the required information is provided to the IRS.

Holders of 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.

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

Table of Contents**UNDERWRITING**

Citigroup Global Markets Inc. and Goldman, Sachs & Co. will act as joint book-running managers for this offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement, we have agreed to sell to each underwriter severally, and each underwriter has agreed severally to purchase from us, the principal amount of Notes that appears opposite the name of that underwriter below:

	Principal Amount of 2012 Notes	Principal Amount of 2014 Notes
Citigroup Global Markets Inc.	\$	\$
Goldman, Sachs & Co.		
PNC Capital Markets, LLC		
Total	\$	\$

The obligations of the underwriters under the underwriting agreement, including their agreement to purchase the Notes from us, are several and not joint. Those obligations are also subject to the satisfaction of certain conditions in the underwriting agreement. The underwriters have agreed to purchase all of the Notes if any of them are purchased.

The underwriters have advised us that they propose to offer the Notes to the public at the public offering price that appears on the cover page of this prospectus supplement. The underwriters may offer such Notes to selected dealers at the public offering price minus a selling concession of up to % of the principal amount. In addition, the underwriters may allow, and those selected dealers may reallow, a selling concession of up to % of the principal amount to certain other dealers. After the initial public offering, the underwriters may change the public offering price and any other selling terms. 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 prospectus supplement is 8%.

The following table shows the underwriting discounts and commissions to be paid to the underwriters by PNC Funding in connection with the offering:

	Per 2012 Note	Per 2014 Note	Total
Underwriting discounts and commissions payable by us	%	%	\$

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the

competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of the Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient

Table of Contents

information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to PNC and PNC Funding; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the

S-10

Table of Contents

conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

In the underwriting agreement, we have agreed that:

we will pay our expenses related to this offering, which we estimate will be \$94,000, excluding underwriting discounts and commissions; and

we will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

There is currently no public trading market for the Notes. In addition, we have not applied and do not intend to apply to list the Notes on any securities exchange or to have the Notes quoted on a quotation system. The underwriters have advised us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue any market-making in the Notes at any time in their sole discretion. Therefore, we cannot assure you that a liquid trading market for the Notes will develop, that you will be able to sell your Notes at a particular time, or that the price you receive when you sell will be favorable.

PNC Capital Markets, LLC is an affiliate of PNC Funding Corp and The PNC Financial Services Group, Inc. The underwriting arrangements for this offering comply with the requirements of Rule 2720 of the Conduct Rules of the NASD regarding an NASD member firm's underwriting of securities of an affiliate. In accordance with Rule 2720, no underwriter may make sales in this offering to any discretionary account without the prior approval of the customer.

Our affiliates, including PNC Capital Markets, LLC, J.J.B. Hilliard, W.L. Lyons, Inc., and other affiliates may use this prospectus supplement and the attached prospectus in connection with offers and sales of the Notes in the secondary market. These affiliates may act as principal or agent in those transactions. Secondary market sales will be made at prices related to market prices at the time of sale.

In connection with this offering of the Notes, the underwriters may engage in overallotment, stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Securities Exchange Act of 1934. Overallotment involves sales in excess of the offering size, which create a short position for the underwriters. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing, or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If the underwriters engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Certain of the underwriters engage in transactions with and perform services for us and our subsidiaries in the ordinary course of business.

LEGAL OPINIONS

The legal opinion required to be furnished by PNC Funding and PNC pursuant to the underwriting agreement, dated the date of this prospectus supplement, among PNC Funding, PNC, and the underwriters will be rendered by George P. Long, III, Esq., Senior Counsel and Corporate Secretary of PNC. Mr. Long beneficially owns or has rights to acquire, an aggregate of less than 1% of PNC's common stock.

The underwriters are represented 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.

EXPERTS

The consolidated financial statements and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus supplement by reference from PNC's Annual Report

S-11

Table of Contents

on Form 10-K for the year ended December 31, 2005 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The audited financial statements of Mercantile Bankshares Corporation included in Exhibit 99.1 of PNC's Current Report on Form 8-K dated January 24, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

S-12

Table of Contents

THE PNC FINANCIAL SERVICES GROUP, INC.

Common Stock
Preferred Stock
Purchase Contracts
Units
Warrants
Guarantees
Depository Shares

PNC FUNDING CORP

Debt Securities
Warrants

We may offer, in one or more offerings, debt securities, common stock, preferred stock, purchase contracts, units, warrants, guarantees, and depository shares. We may also issue common stock, preferred stock, or debt securities upon the conversion, exchange or exercise of certain of the securities listed above. When we d