

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PNC BANK CORP. PNC FUNDING CORP
(Exact name of registrants as specified in their charters)

<TABLE>		<C>
<S>		
	PENNSYLVANIA	PENNSYLVANIA
	(State or other jurisdiction of incorporation or organization)	(State or other jurisdiction of incorporation or organization)
	25-1435979	25-1234372
	(I.R.S. Employer Identification No.)	(I.R.S. Employer Identification No.)
	249 FIFTH AVENUE	1600 MARKET STREET
	PITTSBURGH, PENNSYLVANIA 15222	PHILADELPHIA, PENNSYLVANIA 19101
	(412) 762-1553	(215) 585-5000
	(Address, including zip code, and telephone number, number, including area code, of registrant's principal executive offices)	(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)
</TABLE>		

ROBERT L. HAUNSCHILD
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
PNC BANK CORP.
249 FIFTH AVENUE
PITTSBURGH, PA 15222
(412) 762-5770

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
CATHERINE COLLINS MCCOY, ESQ.
ARNOLD & PORTER
555 TWELFTH STREET, N.W.
WASHINGTON, D.C. 20004
(202) 942-5055

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement, as the Registrants may determine.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than Securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [X]

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

AMOUNT PROPOSED MAXIMUM PROPOSED MAXIMUM

AMOUNT OF REGISTRATION FEE	TITLE OF SECURITIES TO BE REGISTERED	TO BE REGISTERED	AGGREGATE PRICE PER UNIT (1)	AGGREGATE OFFERING PRICE (1)
<S>		<C>	<C>	<C>
	Debt Securities--to be issued by PNC Funding Corp			
\$393,939.40	Common Stock--to be issued by PNC Bank Corp. (2)	\$1,300,000,000 (3)	100%	\$1,300,000,000
	Preferred Stock--to be issued by PNC Bank Corp.			
	Guarantees--constituting guarantees of the Debt Securities by PNC Bank Corp.	\$1,300,000,000 (3)	(4)	(4)
	None			
	Depository Shares--to be issued by PNC Bank Corp.	(5)	(4)	(4)
	None			
	Common Stock--to be issued by PNC Bank Corp.	(6)	(4)	(4)
	None			

</TABLE>

- (1) This amount is estimated solely for the purpose of calculating the registration fee. The proposed maximum offering price per unit will be determined from time to time in connection with the issuance of securities registered hereunder.
- (2) The aggregate amount of Common Stock registered hereunder will be limited to that which is permissible under Rule 415(a) (4) under the Securities Act of 1933.
- (3) There is being registered hereunder such Debt Securities and such number of shares of Common Stock and Preferred Stock as will result in aggregate proceeds of \$1,300,000,000; or, if any Debt Securities are issued at an original issue discount, such greater amount as shall result in net proceeds of \$1,300,000,000 to PNC Funding Corp.
- (4) No separate consideration will be received.
- (5) There are being registered hereunder such indeterminate number of Depository Shares to be evidenced by Depository Receipts issued pursuant to a Deposit Agreement. In the event that the Registrant elects to offer to the public fractional interests of the Preferred Stock registered hereunder, Depository Receipts will be distributed to those persons purchasing such fractional interests and the underlying Preferred Stock will be issued to the Depository under the Deposit Agreement.
- (6) There are also being registered hereunder shares of Common Stock, the number of which has not been determined, issuable upon conversion of the Preferred Stock registered hereunder, to the extent any of such Preferred Stock is by its terms convertible into Common Stock.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED AUGUST 29, 1997

PROSPECTUS
PNC FUNDING CORP
DEBT SECURITIES

PNC BANK LOGO

PNC BANK CORP.
UNCONDITIONAL GUARANTEE OF PNC FUNDING CORP DEBT SECURITIES
AS TO PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST

COMMON STOCK (\$5.00 PAR VALUE)

PREFERRED STOCK (\$1.00 PAR VALUE)

PNC Funding Corp ("PNC Funding") from time to time may offer its unsecured debt securities consisting of debentures, notes and/or other unsecured evidences of indebtedness (the "Debt Securities") and PNC Bank Corp. ("PNC" or the "Corporation") from time to time may offer shares of its common stock, \$5.00 par value per share ("Common Stock"), either originally issued or treasury shares, and shares of its preferred stock, \$1.00 par value per share ("Preferred Stock"), up to an amount resulting in combined net proceeds to PNC Funding and PNC of \$1,300,000,000. The Debt Securities may be either senior (the "Senior Debt Securities") or subordinated in priority of payment (the "Subordinated Debt Securities"). All such Senior Debt Securities and Subordinated Debt Securities will be unconditionally guaranteed on a senior or subordinated basis, respectively, as to payment of principal, premium, if any, and interest (the "Guarantees") by PNC. The Debt Securities, the Common Stock and the Preferred Stock (collectively, the "Securities") may be offered separately or together, in separate series in amounts, at prices and on terms to be set forth in supplements to this Prospectus (a "Prospectus Supplement"), which will be delivered together with this Prospectus at the time of the particular Securities offering.

The Debt Securities, the Common Stock and the Preferred Stock may be offered and sold to or through underwriters or dealers, directly to other purchasers or through agents. Underwritten offerings of the Securities may involve underwriting syndicates represented by managing underwriters, or underwriters without a syndicate. See "Plan of Distribution." The names of, and the principal amounts to be purchased by, underwriters or agents, if any, and the compensation of such underwriters or agents, including applicable commissions and discounts, will be set forth in the Prospectus Supplement. The aggregate net proceeds to PNC Funding and PNC from the sale of the Debt Securities, the Common Stock and the Preferred Stock will be the public offering or purchase price of the Securities sold less the aggregate of any applicable commissions, discounts and other expenses of issuance and distribution.

The applicable Prospectus Supplement for offered Debt Securities, among other things and where applicable, will include the specific designation, priority, aggregate principal amount, denominations, maturity, premium, interest rate (which may be fixed or variable) and time of payment of interest, redemption terms, terms for sinking fund payments, the initial public offering price, terms relating to temporary or global securities, provisions regarding repayment, provisions regarding convertibility, special provisions and restrictions relating to Debt Securities, the principal, premium and interest of which is denominated and payable in a foreign currency or currency unit, provisions regarding original issue discount securities, and other terms of the offer and sale of such Debt Securities.

The applicable Prospectus Supplement for offered Common Stock, among other things, will include the number of shares and other terms of the offer and sale of such Common Stock.

The applicable Prospectus Supplement for offered Preferred Stock, among other things and where applicable, will include the specific designation, number of shares, whether fractional interests will be offered through depositary arrangements, dividend rate or method of calculation, dividend periods, dividend payment dates, whether dividends are cumulative or noncumulative, liquidation preference, any redemption, sinking fund, or conversion or exchange provisions, voting or other rights, and other terms of the offer and sale of such Preferred Stock.

The applicable Prospectus Supplement will also contain information, where applicable, concerning United States federal income tax considerations relating to, and as to any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

THESE SECURITIES AND THE GUARANTEES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK. THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER INSURER OR GOVERNMENTAL AGENCY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS _____, 1997.

AVAILABLE INFORMATION

PNC is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Information, as of particular dates, concerning directors and executive officers, their compensation, options granted to them, the principal holders of securities of PNC and any material interest of such persons in

transactions with PNC is disclosed in proxy statements distributed to shareholders of PNC and filed with the Commission. Such reports, proxy statements and other information can be inspected and copied at the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20459, and the Commission's Regional Offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of such materials can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20459 at prescribed rates. In addition, such material may be accessed electronically at the Commission's site on the World Wide Web located at <http://www.sec.gov>. Such reports, proxy statements and other materials concerning PNC may also be inspected at the office of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which exchange PNC's Common Stock and certain series of Preferred Stock are listed.

PNC Funding and PNC have filed with the Commission a Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Securities being offered by this Prospectus. This Prospectus does not contain all of the information set forth in the Registration Statement, certain portions of which have been omitted as permitted by the rules and regulations of the Commission. For additional information about PNC Funding, PNC and the Securities, reference is made to the Registration Statement, including the exhibits thereto. The Registration Statement may be inspected by anyone without charge at the principal office of the Commission in Washington, D.C. and copies of all or any part of it may be obtained from the Commission upon payment of the prescribed fees.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by PNC with the Commission are incorporated herein by reference:

(1) PNC's Annual Report on Form 10-K for the year ended December 31, 1996, as amended by Form 10-K/A (Amendment No. 1) filed on June 30, 1997;

(2) Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 1997 and June 30, 1997;

(3) Current Reports on Form 8-K dated as of April 15, 1997, July 9, 1997 and July 16, 1997; and

(4) Description of PNC's Common Stock and certain series of Preferred Stock contained in the Form 8-A filed on September 24, 1987.

All documents filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated by reference or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein 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 such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

PNC will provide without charge to each person to whom this Prospectus is delivered, on the written or oral request of such person, a copy of any or all documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents). Written requests should be directed to: Glenn Davies, Vice President Financial Reporting, PNC Bank Corp., One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222 or "gdavies@usaor.net" on

2

the Internet. Telephone requests may be directed to (412)762-1553. PNC's Exchange Act filings are also electronically available to the public at its World Wide Web site at <http://www.pncbank.com>.

PNC BANK CORP.

PNC is a bank holding company registered under the Bank Holding Company Act of 1956, as amended (the "BHC Act"). PNC was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC has diversified its geographic presence and product capabilities through strategic bank and nonbank acquisitions and the formation of various nonbank subsidiaries.

PNC is one of the largest diversified financial service companies in the United States. The Corporation operates through five lines of business: Consumer Banking, Corporate Banking, Real Estate Banking, Mortgage Banking and Asset Management. Each line of business focuses on specific customer segments and offers financial products and services in PNC's primary geographic markets in

Pennsylvania, New Jersey, Delaware, Ohio and Kentucky and nationally through retail distribution networks and alternative delivery channels. At June 30, 1997, the Corporation's consolidated assets, loans (net of unearned income), deposits, and shareholders' equity were \$72.0 billion, \$53.5 billion, \$45.2 billion and \$5.4 billion, respectively.

While the Corporation manages five lines of business, the corporate legal structure consists of 10 subsidiary banks and over 110 active nonbank subsidiaries. PNC Bank, National Association, headquartered in Pittsburgh, Pennsylvania ("PNC Bank"), is the Corporation's principal bank subsidiary. At June 30, 1997, PNC Bank had total assets of \$57.5 billion, representing approximately 80% of the Corporation's consolidated assets.

PNC's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222, and its telephone number is (412)762-1553.

PNC FUNDING CORP

PNC Funding is a wholly-owned indirect subsidiary of PNC. PNC Funding was incorporated under the laws of the Commonwealth of Pennsylvania 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 1600 Market Street, Philadelphia, Pennsylvania 19101, and its telephone number is (215)585-5000.

SUPERVISION, REGULATION AND OTHER MATTERS

The Corporation and its subsidiaries are subject to extensive governmental regulation. The coverage of the regulations range from activity, investment and dividend limitations on the bank holding company and its subsidiaries to consumer-related protections for loans, deposits, brokerage and mutual fund customers. The following information is not intended to be an exhaustive description of the statutes and regulations applicable to PNC. The discussion is qualified in its entirety by reference to all particular statutory or regulatory provisions. Additional information regarding supervision and regulation is included in the incorporated documents. See "Incorporation of Certain Documents by Reference."

As a bank holding company registered under the BHC Act, PNC's primary bank regulatory authority is the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Under Federal Reserve policy, a bank holding company is expected to act as a source of strength to each of its subsidiary banks and to commit resources to support each such bank. As a result of that policy, PNC may be required to commit resources to its subsidiary banks in circumstances where it might not otherwise do so. Moreover, the actions and policy directives of the Federal Reserve determine to a significant degree the cost and the availability of funds obtained from money market sources for lending and investing. The Federal Reserve's policies and regulations also influence, directly and indirectly, the rates of interest paid by commercial banks on their time and savings deposits. The nature and impact on PNC of future changes in monetary and other policies of the

3

Federal Reserve are not predictable, as such changes also depend on economic conditions and domestic and foreign governmental policies, among other factors.

PNC is a legal entity separate and distinct from PNC Funding, PNC Bank and its other subsidiaries and affiliates. Such subsidiaries and affiliates are also subject to supervision and examination by various federal and state regulatory agencies, including the Office of the Comptroller of the Currency ("OCC") with respect to PNC Bank. Because PNC is a holding company, its rights and the rights of its creditors and shareholders, including the holders of the Securities, to participate in the assets of any subsidiary upon the latter's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors, except to the extent that PNC may itself be a creditor with recognized claims against the subsidiary.

PNC derives substantially all of its income from payment of dividends by its bank and non-bank subsidiaries. There are various legal limitations on the extent to which PNC's bank subsidiaries may extend credit, pay dividends or otherwise supply funds to PNC. For example, the approval of the OCC is required if total dividends by a national bank in any calendar year exceed net profits (as defined) for that year combined with its retained profits for the preceding two years. In addition, dividends for such a bank may not be paid in excess of the bank's undivided profits. State-chartered bank subsidiaries are subject to dividend limitations imposed by applicable state law. The approval of the Office of Thrift Supervision may be required if total dividends declared by PNC's savings association subsidiary in any calendar year exceed amounts specified in that agency's regulations. In determining whether and to what extent to pay dividends, each bank subsidiary must also consider the effect of dividend payments on applicable risk-based capital and leverage requirements (as

described below) as well as policy statements of the federal regulatory agencies that indicate that banking organizations should generally pay dividends out of current operating earnings. Contractual restrictions may also limit the ability to pay dividends, such as those contained in documentation relating to mandatorily redeemable capital securities in the event of a default.

The U.S. federal bank regulatory authorities have each adopted risk-based capital guidelines to which the Corporation and its insured depository institutions subsidiaries are subject. These guidelines are based on an international agreement developed by the Basle Committee on Banking Regulations and Supervisory Practices, which consists of representatives of central banks and supervisory authorities in 12 countries including the United States of America. 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 exposures into explicit account in assessing capital adequacy and minimizes disincentives to holding liquid, low-risk assets. Risk-based assets are determined by allocating assets and specified off-balance sheet commitments and exposures into four weighted categories, with higher levels of capital being required for the categories perceived as representing greater risk. From time to time, the federal regulatory agencies propose amendments to and issue interpretations of their risk-based capital guidelines and reporting instructions, which can affect reported capital ratios and net risk-adjusted assets.

Each of the Corporation's subsidiary banks is required to maintain a minimum total risk-based ratio of 8%, of which half (4%) must be "Tier I" capital. In addition, U.S. federal bank regulators have established leverage ratio (Tier I capital to average total adjusted assets) guidelines providing for a minimum leverage ratio of 3% for banks meeting certain specified criteria, including excellent asset quality, high liquidity, low interest rate exposure and the highest regulatory rating. Institutions not meeting these criteria are expected to maintain a ratio which exceeds the 3% minimum by at least 100 to 200 basis points. The federal bank regulatory authorities may, however, set higher capital requirements when a bank's particular circumstances warrant.

The federal banking agencies possess broad powers to take corrective action as deemed appropriate for an insured depository institution and its holding companies. The extent of these powers depends upon whether the institution in question is considered "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Generally, as an institution is deemed to be less well capitalized, the scope and severity of the agencies' powers increase. The agencies' corrective powers can include, among other things, requiring an insured financial institution to adopt a capital restoration plan which cannot be approved unless guaranteed by the institution's parent holding company; placing limits on asset

4

growth and restrictions on activities; placing restrictions on transactions with affiliates; restricting the interest rates the institution may pay on deposits; prohibiting the institution from accepting deposits from correspondent banks; prohibiting the payment of principal or interest on subordinated debt; prohibiting the holding company from making capital distributions without prior regulatory approval; and, ultimately, appointing a receiver for the institution. Business activities may also be influenced by an institution's capital classification. For instance, only a "well capitalized" depository institution may accept brokered deposits without prior regulatory approval and only an "adequately capitalized" depository institution may accept brokered deposits with prior regulatory approval. At June 30, 1997, each of the Corporation's subsidiary banks exceeded the required ratios for classification as "well capitalized."

The deposits of the Corporation's subsidiary banks are insured by the Federal Deposit Insurance Corporation (the "FDIC") and are subject to FDIC insurance assessments. The amount of FDIC assessments paid by individual insured depository institutions is based on their relative risk as measured by regulatory capital ratios and certain other factors. Currently, the Corporation's bank subsidiaries are not assessed any premium for deposits insured by either the Bank Insurance Fund or by the Savings Association Insurance Fund. The Corporation's bank subsidiaries, however, continue to pay premiums based on deposit levels to service debt on bonds issued by a governmental entity.

Under U.S. federal law, a financial institution insured by the FDIC under common ownership with a failed institution can be required to indemnify the FDIC for its losses resulting from the insolvency of the failed institution, even if such indemnification causes the affiliated institution also to become insolvent. As a result, the Corporation's subsidiary banks could, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured institutions. In addition, 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 to promote the orderly

administration of the institution's affairs. If federal law were construed to permit the FDIC to apply these provisions to debt obligations of an insured depository institution the result could be that such obligations would be prepaid without premium even where by their terms they were not prepayable or prepayable only with a premium. Federal law also 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 priority over the claims of general unsecured creditors of such an institution in the event of a liquidation or other resolution of such institution.

The BHC Act currently permits adequately capitalized and adequately managed bank holding companies from any state to acquire banks and bank holding companies located in any other state, subject to certain conditions. Effective June 1, 1997, the Corporation's bank subsidiaries have the ability, subject to certain restrictions, to consolidate with other banking subsidiaries of the Corporation or to acquire by acquisition or merger branches outside of their home state. The Corporation has taken advantage of such and certain related state actions as evidenced by the September 6, 1996 merger of PNC Bank, National Association and Midlantic Bank, National Association, and may do so again in the future with its bank subsidiaries. Competition may increase as banks branch across state lines and enter new markets.

5

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The following unaudited table presents the consolidated ratio of earnings to fixed charges of PNC. The consolidated ratio of earnings to fixed charges has been computed by dividing income before income taxes and cumulative effect of changes in accounting principles and fixed charges by fixed charges. Fixed charges represent all interest expense (ratios are presented both excluding and including interest on deposits), the portion of net rental expense which is deemed to be equivalent to interest on debt, borrowed funds discount amortization expense and distributions on trust preferred capital securities. Interest expense (other than on deposits) includes interest on bank notes and senior debt, federal funds purchased, repurchase agreements, other borrowed funds and subordinated debt. Since PNC Funding is a provider of funds to PNC and its subsidiaries, fixed charges ratios have been presented on a consolidated basis.

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30, 1997	YEAR ENDED DECEMBER 31,				
		1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding interest on deposits.....	2.40x	2.39x	1.42x	2.10x	2.62x	2.35x
Including interest on deposits.....	1.62	1.60	1.21	1.53	1.67	1.37

</TABLE>

CONSOLIDATED RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following unaudited table presents the consolidated ratio of earnings to combined fixed charges and preferred stock dividends of PNC. The consolidated ratio of earnings to combined fixed charges and preferred stock dividends has been computed by dividing income before income taxes, cumulative effect of changes in accounting principles and fixed charges by fixed charges and preferred stock dividends. Fixed charges represent all interest expense (ratios are presented both excluding and including interest on deposits), the portion of net rental expense which is deemed to be equivalent to interest on debt, borrowed funds discount amortization expense and distributions on trust preferred capital securities. Interest expense (other than on deposits) includes interest on bank notes and senior debt, federal funds purchased, repurchase agreements, other borrowed funds and subordinated debt.

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30, 1997	YEAR ENDED DECEMBER 31,				
		1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Excluding interest on deposits.....	2.36x	2.38x	1.42x	2.09x	2.60x	2.33x
Including interest on deposits.....	1.62	1.60	1.21	1.53	1.66	1.37

</TABLE>

6

Unless otherwise provided in the Prospectus Supplement, PNC Funding and PNC will apply the net proceeds from the sale of the Securities offered hereby to their general funds to be used for corporate financing purposes, including advances to PNC (in the case of PNC Funding) and subsidiaries of PNC (including its bank subsidiaries), financing of possible future acquisitions, repayment of outstanding indebtedness and repurchases of issued and outstanding shares of Common Stock under authorized programs of PNC. The amount and timing of advances will depend on future growth and financing requirements of PNC and its subsidiaries. Pending ultimate application, the net proceeds may be used to make short-term investments or reduce borrowed funds. In view of anticipated funding requirements, PNC Funding or PNC may from time to time engage in additional financings of a character and in amounts to be determined.

DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

The Debt Securities will constitute either Senior Debt Securities of PNC Funding or Subordinated Debt Securities of PNC Funding. The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities and Guarantees offered by any Prospectus Supplement ("Offered Debt Securities") and the extent, if any, to which such general provisions may apply to the Debt Securities and Guarantees so offered will be described in the Prospectus Supplement relating to such Offered Debt Securities.

The Offered Debt Securities are to be issued under an Indenture, dated as of December 1, 1991, as amended by a Supplemental Indenture dated as of February 15, 1993 (as amended, the "Indenture"), a copy of which has been filed with the Commission. The Chase Manhattan Bank, formerly known as Chemical Bank and as successor by merger to Manufacturers Hanover Trust Company, shall be the Trustee under the Indenture ("Trustee"), unless a different Trustee for a series of Debt Securities is named in the Prospectus Supplement. For each series of Debt Securities, a supplemental indenture may be entered into among PNC Funding, PNC and The Chase Manhattan Bank or such other Trustee as may be named in the Prospectus Supplement relating to such series of Debt Securities. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indenture, including the definitions therein of certain terms. Wherever particular sections or defined terms of the Indenture are referred to, it is intended that such sections or defined terms shall be incorporated herein by reference.

GENERAL

The Debt Securities will be unsecured obligations of PNC Funding.

Although the amount of Offered Debt Securities will be limited to the amount that will result in net proceeds to PNC Funding as described on the cover page of this Prospectus, the Indenture does not limit the aggregate principal amount of debt securities that may be issued thereunder from time to time in one or more series.

Reference is made to the Prospectus Supplement relating to the particular series of Debt Securities offered thereby for the terms of the Offered Debt Securities, including, where applicable; (1) the form, title and denomination of the Debt Securities; (2) the aggregate principal amount of the Debt Securities; (3) the date or dates on which Debt Securities may be issued; (4) the date or dates on which the principal of, and premium, if any, on the Debt Securities shall be payable; (5) the rate or rates, or the method of determination thereof, at which the Debt Securities shall bear interest, if any, the date or dates from which such interest shall accrue, and the Interest Payment Dates on which such interest shall be payable; (6) the priority of payment of such Debt Securities and thus whether they shall be designated as Senior Debt Securities or Subordinated Debt Securities; (7) the place or places where the principal of, and premium, if any, and interest on Debt Securities of the series shall be payable; (8) the provisions, if any, for optional or mandatory redemption of the Debt Securities, including any sinking fund provisions; (9) if other than the principal amount thereof, the

7

portion of the principal amount of Debt Securities which shall be payable upon declaration of acceleration of the Maturity thereof in accordance with the provisions of the Indenture; (10) whether payment of the principal of, premium, if any, and interest, if any, on the Debt Securities shall be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by Holders; (11) any Events of Default or Defaults with respect to the Debt Securities that differ from those set forth in the Indenture; (12) whether the securities of such series are to be issued in a form registered as to principal ("Registered Securities") (with or without interest coupons ("Coupons")) or in a form registered with regard to principal and interest ("Fully Registered Securities") or in bearer form ("Unregistered Securities"), or as both Registered Securities and Unregistered Securities; (13) the currency or currencies, or currency unit

or currency units in which the principal of, and premium, if any, and interest, if any, on the Debt Securities are to be denominated, payable, redeemable or repurchaseable, as the case may be; (14) if other than as set forth in the Indenture, provisions the satisfaction and discharge of the indebtedness represented by the Debt Securities; (15) whether the Debt Securities of such series are issuable as a global security and, in such case, the identity of the depositary for such series; (16) any trustees, paying agents, transfer agents or registrars for the Debt Securities; (17) with regard to Debt Securities that do not bear interest, the dates for certain required reports to the Trustee; (18) any special federal income tax considerations applicable to any Offered Debt Securities; and (19) any other terms of such Debt Securities.

Any Subordinated Debt Securities offered are intended to be included as regulatory capital under recent interpretations of the Federal Reserve Board and, as a result, contain subordination and acceleration provisions different from, and covenants more limited than in, prior issuances of PNC Funding's Subordinated Securities.

If any of the Debt Securities are sold for foreign currencies or foreign currency units or if the principal of or any interest on any series of Debt Securities is payable in foreign currencies or foreign currency units, the restrictions, elections, tax consequences, specific terms and other information with respect to such issue of Debt Securities and such currencies or currency units will be set forth in the Prospectus Supplement relating thereto.

Although the Indenture provides that Debt Securities may be issued as Registered Securities, with or without Coupons, or Unregistered Securities, each series of Debt Securities will be issued as Fully Registered Securities unless the Prospectus Supplement provides otherwise. Debt Securities that are not registered as to interest shall have Coupons attached, unless issued as Original Issue Discount Securities. All references to the Debt Securities shall, where applicable, include the Coupons, if any, appertaining thereto.

Principal of, and premium, if any, and interest on Fully Registered Securities will be payable at the Place of Payment designated for such Debt Securities; provided that payment of interest may, at the option of PNC Funding, be made by check mailed to the address of the person entitled thereto as it appears in the Security Register at the close of business on the day or days specified in the Prospectus Supplement relating to such Debt Securities. The principal of, and premium, if any, and interest on any Debt Securities in other forms will be payable in such manner and at such place or places as may be designated by PNC Funding and specified in the Prospectus Supplement relating to such Debt Securities. (Sections 3.01 and 5.01)

The Debt Securities may be exchanged, and Registered Securities may be transferred, at the Corporate Trust Office of the Trustee for such series of Debt Securities or at any other office or agency maintained by PNC Funding or PNC for such purposes. Unregistered Securities and Coupons shall be transferred by delivery. No service charge will be made for any transfer or exchange of the Debt Securities, but PNC Funding may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 3.05)

Unless the Prospectus Supplement provides otherwise, each series of the Debt Securities will be issued only in denominations of \$1,000 or any integral multiple thereof and payable in Dollars. (Section 3.02) Under the Indenture, however, Debt Securities may be issued in any denomination and payable in a foreign currency or currency unit. (Section 3.01)

8

Debt Securities may be issued with "original issue discount" (within the meaning of the Internal Revenue Code). Federal income tax consequences and other special considerations applicable to any such securities issued with original issue discount will be described in the Prospectus Supplement relating thereto.

SENIOR DEBT SECURITIES

The Senior Debt Securities will rank equally with all Senior Indebtedness of PNC Funding. At June 30, 1997, such outstanding Senior Indebtedness of PNC Funding was approximately \$513.7 million.

Senior Indebtedness of PNC Funding, defined in the Indenture as "Senior Company Indebtedness," means the principal of, and premium, if any, and interest on (i) all indebtedness for money borrowed, whether outstanding on the date of execution of the Indenture or thereafter created, assumed or incurred, except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to the Subordinated Debt Securities or to rank pari passu with the Subordinated Debt Securities, and (B) PNC Funding's 9 7/8% Subordinated Notes Due 2001, 6 7/8% Subordinated Notes Due 2003, 6 1/8% Subordinated Notes Due 2003, 7 3/4% Subordinated Notes Due 2004 and 6 7/8% Subordinated Notes Due 2007 and CCNB Corporation's 10.55% Equity Commitment Notes Due 1998 assumed by PNC Funding and PNC in connection with the acquisition of CCNB Corporation on October 23, 1992 and (ii) any deferrals, renewals or extensions of any such Senior Indebtedness of PNC Funding. The term "indebtedness for money borrowed"

as used in the prior sentence means any obligation of, or any obligation guaranteed by, PNC Funding for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets. Senior Indebtedness of PNC Funding would include any borrowings under the \$500 million credit facility under an Amended and Restated Credit Agreement dated as of March 18, 1996 (the "\$500 Million Credit Facility"), under which no amounts are outstanding as of the date of this Prospectus. There is no limitation under the Indenture on the issuance of additional Senior Indebtedness of PNC Funding.

SUBORDINATED DEBT SECURITIES

The payment of the principal of and interest on the Subordinated Debt Securities will, to the extent set forth in the Indenture, be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of PNC Funding. (Section 12.01) In certain events of insolvency, the payment of the principal of and interest on the Subordinated Debt Securities will, to the extent set forth in the Indenture, also be effectively subordinated in right of payment to the prior payment in full of all Other Company Obligations (as defined in the Indenture). (Section 12.13) Other Company Obligations means obligations of PNC Funding associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts or any similar arrangements, unless the instrument by which PNC Funding incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC Funding. At June 30, 1997, there were no Other Company Obligations of PNC Funding. (Section 1.01)

Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency or similar proceedings of PNC Funding, the holders of all Senior Indebtedness of PNC Funding will first be entitled to receive payment in full of all amounts due or to become due thereon before the Holders of the Subordinated Debt Securities will be entitled to receive any payment in respect of the principal of or interest on the Subordinated Debt Securities. If upon any such payment or distribution of assets to creditors there remain, after giving effect to such subordination provisions in favor of the holders of Senior Indebtedness of PNC Funding, any amounts of cash, property or securities available for payment or distribution in respect of Subordinated Debt Securities (as defined in the Indenture, "Excess Proceeds"), and if, at such time, any creditors in respect of Other Company Obligations have not received payment in full of all amounts due or to become due on or in respect of such Other Company Obligations, then such Excess Proceeds shall first be applied to pay or provide for the payment in full of such Other Company Obligations before any payment or distribution may be made in respect of the Subordinated Debt Securities. In addition, no payment may be

9

made of the principal of or interest on the Subordinated Debt Securities, or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities at any time when (i) there is a default in the payment of the principal of, or premium, if any, or interest on or otherwise in respect of any Senior Indebtedness of PNC Funding or (ii) any event of default with respect to any Senior Indebtedness of PNC Funding has occurred and is continuing, or would occur as a result of such payment on the Subordinated Debt Securities or any retirement, purchase or other acquisition of any of the Subordinated Debt Securities permitting the holders of such Senior Indebtedness of PNC Funding to accelerate the maturity thereof. Except as described above, the obligation of PNC Funding to make payment of the principal of or interest on the Subordinated Debt Securities will not be affected. By reason of such subordination, in the event of insolvency, holders of the Subordinated Debt Securities may recover less, ratably, than holders of Senior Indebtedness of PNC Funding and Other Company Obligations and may also recover less, ratably, than holders of Existing Company Subordinated Indebtedness and other creditors of PNC Funding. (Sections 12.01, 12.02, 12.03, and 12.13)

Existing Company Subordinated Indebtedness means PNC Funding's 9 7/8% Subordinated Notes Due 2001 and CCNB Corporation's 10.55% Equity Commitment Notes Due 1998 assumed by PNC Funding and PNC in connection with the acquisition of CCNB Corporation on October 23, 1992. (Section 1.01) At June 30, 1997, the Existing Company Subordinated Indebtedness was approximately \$101.3 million.

PNC Funding's obligations under the Subordinated Debt Securities shall rank pari passu in right of payment with each other and with the Existing Company Subordinated Indebtedness, subject to the obligations of the Holders of Subordinated Debt Securities to pay over any Excess Proceeds to creditors in respect of Other Company Obligations as provided in the Indenture. (Section 12.13)

GUARANTEES

PNC will unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the Debt Securities when and as

the same shall become due and payable, whether at maturity, upon redemption or otherwise. (Section 3.12)

GUARANTEES OF SENIOR DEBT SECURITIES

The Guarantees of Senior Debt Securities will rank equally with all Senior Indebtedness of PNC. At June 30, 1997, the outstanding Senior Indebtedness of PNC was approximately \$869.9 million, which is inclusive of the guarantee of Senior Indebtedness of PNC Funding.

Senior Indebtedness of PNC, defined in the Indenture as "Senior Guarantor Indebtedness," means the principal of, and premium, if any, and interest on (i) all indebtedness of PNC for money borrowed, whether outstanding on the date of execution of the Indenture or thereafter created, assumed or incurred, except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to the Subordinated Guarantees or to rank pari passu with the Subordinated Guarantees, (B) PNC's 8 1/4% Convertible Subordinated Debentures Due 2008 and PNC's 8 1/2% Convertible Subordinated Debentures Due 2005 originally issued by Citizens Fidelity Corporation, and (C) PNC's Guarantee of PNC Funding's 9 7/8% Subordinated Notes Due 2001, 6 7/8% Subordinated Notes Due 2003, 6 1/8% Subordinated Notes Due 2003, 7 3/4% Subordinated Notes Due 2004 and 6 7/8% Subordinated Notes Due 2007 and CCNB Corporation's 10.55% Equity Commitment Notes Due 1998 assumed by PNC Funding and PNC in connection with the acquisition of CCNB Corporation on October 23, 1992, and (ii) any deferrals, renewals or extensions of any such Senior Indebtedness of PNC. The term "indebtedness for money borrowed" as used in the prior sentence means any obligation of, or any obligation guaranteed by, PNC for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets. Senior Indebtedness of PNC includes PNC's Guarantee of PNC Funding's 4.93% Senior Notes Due 1998, 5.43% Senior Notes Due 2000 and 5.18% Senior Notes Due 1999 and the following joint and several obligations of PNC and PNC Bancorp, Inc. assumed in connection with the merger of Midlantic Corporation with PNC Bancorp, Inc. at December 31, 1996: 8 1/4% Convertible Subordinated Debentures Due 2010, 9.875% Subordinated Capital

10

Notes Due 1999, 9.20% Subordinated Capital Notes Due 2001 and 9.25% Senior Notes Due 1999. Senior Indebtedness of PNC would also include PNC's Guarantee of any borrowings under the \$500 Million Credit Facility. There is no limitation under the Indenture on the issuance of additional Senior Indebtedness of PNC.

GUARANTEES OF SUBORDINATED DEBT SECURITIES

The payment of the principal of and interest on the Subordinated Debt Securities pursuant to the Guarantees of the Subordinated Debt Securities ("Subordinated Guarantees") will, to the extent set forth in the Indenture, be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of PNC. (Section 12.04) In certain events of insolvency, the payment of the principal of and interest on the Subordinated Guarantees will, to the extent set forth in the Indenture, also be effectively subordinated in right of payment to the prior payment in full of all Other Guarantor Obligations (as defined in the Indenture). (Section 12.05) Other Guarantor Obligations means obligations of PNC associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts or any similar arrangements, unless the instrument by which PNC incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC. (Section 1.01) At June 30, 1997, there were no Other Guarantor Obligations of PNC.

Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshalling of assets or any bankruptcy, insolvency or similar proceedings of PNC, the holders of all Senior Indebtedness of PNC will first be entitled to receive payment in full of all amounts due or to become due thereon before the Holders of the Subordinated Guarantees will be entitled to receive any payment in respect of the principal of or interest on the Subordinated Debt Securities pursuant to the Subordinated Guarantees. If upon any such payment or distribution of assets to creditors there remain, after giving effect to such subordination provisions in favor of the holders of Senior Indebtedness of PNC, any amounts of cash, property or securities available for payment or distribution in respect of Subordinated Guarantees (as defined in the Indenture, "Excess Proceeds"), and if, at such time, any creditors in respect of Other Guarantor Obligations have not received payment in full of all amounts due or to become due on or in respect of such Other Guarantor Obligations, then such Excess Proceeds shall first be applied to pay or provide for the payment in full of such Other Guarantor Obligations before any payment or distribution may be made in respect of the Subordinated Guarantees. In addition, no payment may be made of the principal of or interest on the Subordinated Debt Securities pursuant to the Subordinated Guarantees or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities pursuant to the Subordinated Guarantees, at any time when (i) there is a default in the payment of the principal of, premium, if any, or interest on or otherwise in respect of any Senior Indebtedness of PNC or (ii) any event of default with

respect to any Senior Indebtedness of PNC has occurred and is continuing, or would occur as a result of such payment on the Subordinated Debt Securities pursuant to the Subordinated Guarantees or any retirement, purchase or other acquisition of any of the Subordinated Debt Securities pursuant to the Subordinated Guarantees, permitting the holders of such Senior Indebtedness of PNC to accelerate the maturity thereof. Except as described above, the obligation of PNC to make payment under the Subordinated Guarantees will not be affected. By reason of such subordination, in the event of insolvency, holders of Subordinated Guarantees of PNC may recover less, ratably, than holders of Senior Indebtedness of PNC and Other Guarantor Obligations and may also recover less, ratably, than holders of Existing Guarantor Subordinated Indebtedness (as defined in the Indenture) and other creditors of PNC. (Section 3.12, 12.04, 12.05, 12.06 and 12.14)

Existing Guarantor Subordinated Indebtedness means the Guarantor's 8 1/4% Convertible Subordinated Debentures Due 2008, PNC's Convertible Subordinated Debentures Due 2005 originally issued by Citizens Fidelity Corporation, PNC's Guarantee of PNC Funding's 9 7/8% Subordinated Notes Due 2001, and CCNB Corporation's 10.55% Equity Commitment Notes Due 1998 assumed by PNC Funding and PNC in connection with the acquisition of CCNB on October 23, 1992. (Section 1.01) At June 30, 1997, the Existing Guarantor Subordinated Indebtedness was approximately \$102.1 million. PNC's 8.315% Junior Subordinated Debentures Due 2027, in the aggregate principal amount of \$300 million, issued on May 12, 1997 would be subordinated to the Debt Securities and the Existing Guarantor Subordinated Indebtedness.

11

PNC's obligations under the Subordinated Guarantees shall rank pari passu in right of payment with each other and with the Existing Guarantor Subordinated Indebtedness, subject to the obligations of the Holders of Subordinated Guarantees to pay over any Excess Proceeds to creditors in respect of Other Guarantor Obligations as provided in the Indenture. (Section 12.14)

Since PNC is a holding company separate from its subsidiaries, the rights of PNC to share in the distribution of the assets of any subsidiary upon the subsidiary's liquidation, reorganization or otherwise will be subject to the prior claims of the subsidiary's creditors (including in the case of any bank subsidiary, its depositors), except to the extent that PNC may itself be a creditor with recognized claims against the subsidiary. In addition, there are certain regulatory and other limitations on the payment of dividends and on loans and other transfers of funds to PNC by its bank subsidiaries. See "Supervision, Regulation and Other Matters."

CERTAIN COVENANTS

The Indenture contains certain covenants that impose various restrictions on PNC Funding and PNC and, as a result, afford the holders of Debt Securities certain protections. Although statements have been included as to the general purpose and effect of the covenants, investors must review the full text of the covenants to be able to meaningfully evaluate the covenants.

Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank

The covenant described below is designed to ensure that, for so long as any Senior Debt Securities are issued and outstanding, PNC will continue directly or indirectly to own and thus serve as the holding company for its Principal Subsidiary Banks (defined as each of (i) PNC Bank, (ii) any other Subsidiary Bank the consolidated assets of which constitute 20% or more of the consolidated assets of PNC and its subsidiaries, (iii) any other Subsidiary Bank designated as a Principal Subsidiary Bank by the board of directors of PNC, or (iv) any Subsidiary that owns any Voting Shares or certain rights to acquire Voting Shares of any Principal Subsidiary Bank, and their respective successors, provided any such successor is a Subsidiary Bank or a Subsidiary, as appropriate). Principal Subsidiary Banks, in the past, have provided PNC income in the form of dividends. See "Supervision, Regulation and Other Matters." The Indenture prohibits PNC, unless debtholder consent is obtained from the holders of Senior Debt Securities, from (i) selling or otherwise disposing of, and permitting a Principal Subsidiary Bank to issue, Voting Shares or certain rights to acquire Voting Shares of a Principal Subsidiary Bank, (ii) permitting the merger or consolidation of a Principal Subsidiary Bank with or into any other corporation, or (iii) permitting the sale or other disposition of all or substantially all the assets of any Principal Subsidiary Bank, if after giving effect to any one of such transactions and the issuance of the maximum number of Voting Shares issuable upon the exercise of all such rights to acquire Voting Shares of a Principal Subsidiary Bank, PNC would own directly or indirectly less than 80% of the Voting Shares of such Principal Subsidiary Bank, with the following exceptions: (i) transactions required by any law, or any regulation or order of any governmental authority; (ii) transactions required as a condition imposed by any governmental authority to the acquisition by PNC, directly or indirectly, or any other corporation or entity if thereafter, (a) PNC would own at least 80% of the Voting Shares of such other corporation or entity, (b) the Consolidated Banking Assets of PNC would be at least equal to those prior thereto, and (c) the board of directors of PNC shall have designated such other corporation or entity a Principal Subsidiary Bank; (iii) transactions that do

not reduce the percentage of Voting Shares of such Principal Subsidiary Bank owned directly or indirectly by PNC; and (iv) transactions where the proceeds are invested within 180 days after such transaction in any one or more Subsidiary Banks. However, the Indenture permits the merger of a Principal Subsidiary Bank with and into a Principal Subsidiary Bank or PNC, the consolidation of Principal Subsidiary Banks into a Principal Subsidiary Bank or PNC, or the sale or other disposition of all or substantially all of the assets of any Principal Subsidiary Bank to another Principal Subsidiary Bank or PNC, if, in any such case in which the surviving, resulting or acquiring entity is not PNC, PNC would own, directly or indirectly, at least 80% of the Voting Shares of the Principal Subsidiary Bank surviving such merger, resulting from such consolidation or acquiring such assets. (Section 5.06)

12

Ownership of PNC Funding

The Indenture contains a covenant that, so long as any of the Debt Securities are outstanding and subject to certain rights described below under "Consolidation or Merger," PNC will continue to own, directly or indirectly, all of the outstanding voting shares of PNC Funding. (Section 5.07)

Restriction on Liens

The purpose of the restriction on liens covenant is to preserve PNC's direct or indirect interest in Voting Shares of Principal Subsidiary Banks free of security interests of other creditors. The covenant permits certain specified liens and liens where the Senior Debt Securities are equally secured. The Indenture prohibits PNC and its subsidiaries from creating or permitting any liens (other than certain tax and judgment liens) upon Voting Shares of any Principal Subsidiary Bank to secure indebtedness for borrowed money without making effective provision whereby the Senior Debt Securities shall be equally and ratably secured, except that PNC may create or permit (i) purchase money liens and liens on Voting Shares of any Principal Subsidiary Bank existing at the time such Voting Shares are acquired or created within 120 days thereafter; (ii) the acquisition of any Voting Shares of any Principal Subsidiary Bank subject to liens at the time of acquisition or the assumption of obligations secured by a lien on such Voting Shares; (iii) under certain circumstances, renewals, extensions or refunding of the liens described in (i) and (ii) above; and (iv) liens to secure loans or other extensions of credit under Section 23A of the Federal Reserve Act or any successor or similar federal law or regulation. (Section 5.08)

Consolidation or Merger

The covenant described below protects the holders of Debt Securities upon certain transactions involving PNC Funding or PNC by requiring any successor to PNC Funding or PNC to assume the predecessor's obligations under the Indenture, and prohibits transactions that would result in an Event of Default, a Default or an event which could become an Event of Default or Default under the Indenture. PNC Funding or PNC may consolidate with, merge into, or transfer substantially all of its properties to, any other corporation organized under the laws of any domestic jurisdiction, provided that the successor corporation assumes all obligations of PNC Funding or PNC, as the case may be, under the Debt Securities and the Guarantees and under the Indenture, that after giving effect to the transaction no Event of Default or Default, and no event which, after notice or lapse of time, would become an Event of Default or Default, shall have occurred and be continuing, and that certain other conditions are met. (Sections 10.01 and 10.03)

Except as may be disclosed in a Prospectus Supplement and other than the restrictions on liens on Voting Shares of Principal Subsidiary Banks and on certain dispositions of Principal Subsidiary Banks described above, the Indenture and the Debt Securities do not contain any covenants or other provisions designed to afford holders of the Debt Securities protection in the event of a highly leveraged transaction involving PNC.

MODIFICATION AND WAIVER

Modifications of the Indenture may be made by PNC Funding, PNC and the Trustee with the consent of the Holders of the majority in aggregate principal amount of Outstanding Debt Securities of each series affected thereby; provided, however, that no such modification may, without the consent of the Holder of each Outstanding Debt Security affected thereby: (i) change the Maturity of the principal of, or the stated Maturity of any installment of interest on, any such Debt Security; (ii) reduce the principal amount of, or the premium, if any, or the interest on such Debt Security (including, in the case of an Original Issue Discount Security, the amount payable upon acceleration of the maturity thereof); (iii) change the place or currency of payment of principal of or premium, if any, or interest on any such Debt Security; (iv) impair the right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (v) reduce the aforesaid percentage in principal amount of Outstanding Debt Securities of any series necessary to modify the Indenture or the percentage in principal amount of Outstanding Debt Securities necessary for any waiver of compliance with conditions and defaults thereunder; or (vi) modify

or affect in any manner adverse to a Holder the terms and conditions of the Guarantees. (Section 9.02)

13

Modification and amendment of the Indenture may be made by PNC Funding, PNC, and the Trustee without the consent of any Holder of Debt Securities for any of the following purposes: (i) to evidence the succession of another corporation to PNC Funding or PNC; (ii) to provide for the acceptance of appointment of a successor Trustee; (iii) to add to the covenants of PNC Funding or PNC for the benefit of the Holders of Debt Securities; (iv) to cure any ambiguity, defect or inconsistency in the Indenture, provided such action does not adversely affect the Holders of Debt Securities in any material respect; (v) to secure the Debt Securities under applicable provisions of the Indenture; (vi) to establish the form or terms of Debt Securities; (vii) to permit the payment in the United States of principal, premium or interest on Unregistered Securities; or (viii) to provide for the issuance of uncertificated Debt Securities in place of certificated Debt Securities. (Section 9.01)

The Holders of a majority in principal amount of Outstanding Debt Securities of any series may waive, insofar as that series is concerned, compliance with certain covenants, including those described under the captions above entitled "Restriction on Sale or Issuance of Capital Stock of a Principal Subsidiary Bank," "Ownership of PNC Funding" and "Restriction on Liens." (Section 5.09) No waiver by the Holders of any series of Subordinated Debt Securities is required with respect to the covenant described under the caption above entitled "Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank." (Section 5.10) Covenants concerning the payment of principal, premium, if any, and interest on the Debt Securities, compliance with the terms of the Indenture, maintenance of an agency and certain monies held in trust, may only be waived pursuant to a supplemental indenture executed with the consent of each Holder of Debt Securities affected by such waiver. The covenant concerning certain reports required by federal law may not be waived.

EVENTS OF DEFAULT, DEFAULTS, WAIVERS

The Indenture defines an Event of Default with respect to any series of Senior Debt Securities as being any one of the following events and such other event as may be established for the Debt Securities of a particular series: (i) default for 30 days in the payment of interest on such series; (ii) default in any payment of principal or premium, if any, on such series; (iii) default in the payment of any sinking fund installment with respect to such series; (iv) default for 90 days after appropriate notice in performance of any other covenant or warranty in the Indenture (other than a covenant or warranty included in the Indenture solely for the benefit of a series of Debt Securities other than that series); (v) the occurrence of certain events relating to bankruptcy, insolvency or reorganization of PNC, PNC Funding or any Principal Subsidiary Bank; or (vi) any other Event of Default provided in the supplemental indenture under which such Senior Debt Securities are issued. (Section 7.01(a))

The Indenture defines an Event of Default with respect to any series of Subordinated Debt Securities as certain events involving the bankruptcy or reorganization of PNC or any Principal Subsidiary Bank. There is no right of acceleration in the case of events involving the bankruptcy, insolvency or reorganization of PNC Funding or of a default in the payment of principal, interest, premium, if any, or any sinking fund payment with respect to a series of Subordinated Debt Securities or in the case of a default in the performance of any other covenant of PNC Funding or PNC in the Indenture. The Indenture defines a Default with respect to any series of Subordinated Debt Securities as any of the items listed in (i) through (iv) of the above paragraph, events involving the bankruptcy, insolvency or reorganization of PNC Funding and such other Default as may be established for the Subordinated Debt Securities of a particular series. A breach of the covenant described under the caption above entitled "Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank" will not result in a default with respect to any Series of Subordinated Debt Securities. (Sections 7.01(b) and (c))

In case an Event of Default shall occur and be continuing with respect to any series of Debt Securities, either the Trustee or the Holders of not less than 25% in principal amount of Outstanding Debt Securities of that series may declare the principal of such series (or if Debt Securities of that series are Original Issue Discount Securities, such portion of the principal as may be specified in the terms of that series) to be due and payable immediately. At any time after a declaration of acceleration has been made but before a judgment or decree for payment of money due has been obtained by the Trustee, the Holders of a majority in principal

14

amount of the Outstanding Debt Securities of such series may rescind any declaration of acceleration and its consequences, if all payments due (other than those due as a result of acceleration) have been made and all Events of Default and Defaults have been remedied or waived. Any Event of Default or Default with respect to a particular series of Debt Securities may be waived by the Holders of a majority in principal amount of the Outstanding Debt Securities

of such series, except in each case of a failure to pay principal of, or premium, if any, or interest on, or any sinking fund installment in respect of, such Debt Securities or in respect of a covenant or provision of the Indenture which cannot be modified without the consent of the Holder of each Outstanding Debt Security affected. (Sections 7.02, 7.08 and 7.13)

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default or a Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of the rights or powers in the Indenture at the request or direction of Holders of Debt Securities, unless such Holders shall have offered to the Trustee reasonable security or indemnity. Subject to such provisions for indemnification and certain limitations contained in the Indenture, the Holders of a majority in principal amount of the Outstanding Debt Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to Debt Securities of such series. (Sections 8.03 and 7.12)

The Indenture provides that in the event of a default of 30 days in the payment of interest upon any Debt Security of any series, or defaults in the payment of any principal of or premium, if any, or any sinking fund installment with respect to any Debt Securities of any series, PNC Funding will, upon demand of the Trustee, pay to it, for the benefit of the Holder of any such Debt Security the whole amount then due and payable on such Debt Security for principal and interest. The Indenture, as amended, further provides that if PNC Funding fails to pay such amount forthwith upon such demand, the Trustee may, among other things, institute a judicial proceeding for the collection thereof. (Section 7.03)

The Indenture requires PNC Funding and PNC to file with the Trustee, on an annual basis, certificates as to the absence of any default and as to compliance with the terms of the Indenture. The Indenture provides that the Trustee may withhold notice to the Holders of Debt Securities of any default (except in payment of principal, premium, if any, interest or sinking fund installment) if the Trustee considers it in the interest of the Holders of Debt Securities to do so. (Sections 5.04 and 8.02)

No Holder of any Debt Security of any series will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default or Default with respect to Debt Securities of that series and unless the Holders of at least 25% in principal amount of the Outstanding Debt Securities of that series shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of the Outstanding Debt Securities of that series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, the Holder of any Debt Security will have an absolute right to receive payment of the principal of, and premium, if any, and interest on such Debt Security on the due dates expressed in such Debt Security and to institute suit for the enforcement of any such payment. (Sections 7.07 and 7.08)

DEFEASANCE

Except as may otherwise be provided in the applicable Prospectus Supplement with respect to the Debt Securities of any series, the Indenture provides that PNC Funding and PNC shall be discharged from their obligations under the Debt Securities of a series at any time prior to the Stated Maturity or redemption thereof when (a) PNC Funding or PNC has irrevocably deposited with the Trustee, in trust, (i) sufficient funds to pay the principal of (and premium, if any), and interest to Stated Maturity (or redemption) on, the Debt Securities of such series, or (ii) such amount of government securities as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay when due the principal of, and premium, if any, and interest to Stated Maturity (or redemption) on, the Debt Securities of such series, and (b) PNC Funding or PNC has paid all other sums payable with respect to the

Debt Securities of such series. Deposited funds shall be in the currency or currency unit in which the Debt Securities are denominated. Deposited government securities shall be direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the government which issued the currency in which the Debt Securities are denominated, and which are not subject to prepayment, redemption or call. Upon such discharge, the Holders of the Debt Securities of such series shall no longer be entitled to the benefits of the Indenture, except for the purposes of registration of transfer and exchange of the Debt Securities of such series, and replacement of lost, stolen or mutilated Debt Securities, and shall look only to such deposited funds or obligations for payment. (Sections 11.01 and 11.02)

For federal income tax purposes, the deposit and discharge may, depending on a variety of factors, result in a taxable gain or loss being recognized by

the Holders of the affected Debt Securities. Prospective investors are urged to consult their own tax advisers as to the specific consequences of such a deposit and discharge, including the applicability and effect of tax laws other than federal income tax laws.

GLOBAL SECURITIES

The Debt Securities of a series may be issued in whole or in part in the form of a global security ("Global Security") that will be deposited with, or on behalf, of, a depository (the "Depository"). Such Depository will be The Depository Trust Company ("DTC"), unless otherwise identified in the Prospectus Supplement relating to such series. A Global Security may be issued as either a Registered or Unregistered Security and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing Debt Securities in definitive form represented thereby, a Global Security may not be transferred except as a whole by the Depository for such Global Security or any nominee thereof to a successor of such Depository or a nominee of such successor. (Section 2.05)

If DTC is the Depository for a series of Debt Securities, such series will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Global Security will be issued for such series of Debt Securities, in the aggregate principal amount of such series, and will be deposited with DTC. If, however, the aggregate principal amount of such series of Debt Securities exceeds \$200 million, one Global Security will be issued with respect to each \$200 million of principal amount and an additional Global Security will be issued with respect to any remaining principal amount of such series.

DTC 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 Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of a series of Debt Securities under the DTC system will need to be made by or through Direct Participants, which will receive a credit for the Debt Securities on DTC's records. The ownership interest of each actual purchaser of each Debt Security ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as provide periodic statements of their holdings, from the Direct Participants or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Debt Securities are to be accomplished by entries made on the books of the Participants acting

16

on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Global Security or Global Securities, except in the event that use of the book-entry system for such Debt Securities is discontinued.

To facilitate subsequent transfers, all Global Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Global Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has advised PNC and PNC Funding that DTC will have no knowledge of the actual Beneficial Owners of the Global Securities, and that DTC's records reflect only the identity of the Direct Participants to whose accounts Global Securities are credited, which may or may not be the Beneficial Owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

To the extent any series of Debt Securities is redeemable, redemption notices will be sent to DTC. If less than all of the Debt Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. The applicable Prospectus Supplement for a series of Debt Securities will indicate whether such series is redeemable.

To the extent applicable, neither DTC nor Cede & Co. will consent or vote with respect to any Global Securities deposited with it. Under its usual procedure, DTC will mail an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the Debt Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Global Securities deposited with DTC will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the issuer, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers registered in "street name", and will be the responsibility of such Participant and not DTC or PNC Funding, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. will be the responsibility of the Trustee, who unless otherwise indicated in the applicable Pricing Supplement, will be PNC Funding's paying agent, disbursements of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants. None of PNC Funding, PNC, the Trustee, any paying agent, or the registrar for the Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Global Security or Global Securities for any series of Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

If DTC is at any time unwilling, unable or ineligible to continue as the Depository and a successor depository is not appointed by PNC Funding within 90 days, PNC Funding will issue certificated Debt Securities for each series in definitive form in exchange for each Global Security. If PNC Funding determines not to have a series of Debt Securities represented by a Global Security, which it may do, it will issue certificated Debt Securities for such series in definitive form in exchange for the Global Security. In either instance, a Beneficial Owner will be entitled to physical delivery of certificated Debt Securities for such series in definitive form equal in principal amount to such Beneficial Owner's beneficial interest in the Global Security and to have such certificated Debt Securities for such series registered in such Beneficial Owner's name. Certificated Debt Securities so issued in definitive form will be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only, without coupons.

17

Any other or differing terms of the depository arrangement will be described in the Prospectus Supplement relating to a series of Debt Securities.

REGARDING THE TRUSTEE

In the ordinary course of business, PNC Funding and PNC may maintain lines of credit with one or more Trustees for a series of Debt Securities and the Banks may maintain deposit accounts and conduct other banking transactions with one or more Trustees for a series of Debt Securities.

TRUSTEE'S DUTY TO RESIGN UNDER CERTAIN CIRCUMSTANCES

PNC Funding may issue both Senior and Subordinated Debt Securities under the Indenture. Because the Subordinated Debt Securities will rank junior in right of payment to the Senior Debt Securities, the occurrence of a default under the Indenture with respect to the Subordinated Debt Securities or any Senior Debt Securities could create a conflicting interest under the Trust Indenture Act of 1939, as amended ("1939 Act"), with respect to any Trustee who serves as trustee for both Senior and Subordinated Debt Securities. In addition, upon the occurrence of a default under the Indenture with respect to any series of Debt Securities the Trustee of which maintains banking relationships with PNC Funding or PNC, such Trustee would have a conflicting interest under the 1939 Act as a result of such business relationships. If a default has not been cured or waived within 90 days after the Trustee has or acquires a conflicting interest, the Trustee generally is required by the 1939 Act to eliminate such conflicting interest or resign as Trustee with respect to the Subordinated Debt Securities or the Senior Debt Securities. In the event of the Trustee's resignation, PNC Funding and/or PNC shall promptly appoint a successor trustee with respect to the affected securities.

DESCRIPTION OF COMMON STOCK

PNC is authorized to issue 450,000,000 shares of Common Stock. At June 30, 1997, there were 306,976,545 shares of Common Stock issued and outstanding and 40,407,600 shares held in treasury. For a description of authorized and issued and outstanding shares of Preferred Stock of PNC, see "Description of Preferred Stock--General."

Holders of Common Stock are entitled to one vote per share on all matters submitted to shareholders. Holders of Common Stock have neither cumulative voting rights nor any preemptive rights for the purchase of additional shares of any class of stock of PNC, and are not subject to liability for further calls or assessments. The Common Stock does not have any sinking fund, conversion or redemption provisions.

Holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors of PNC out of funds legally available therefor. The Board of Directors may not pay or set apart dividends on Common Stock until dividends for all past dividend periods on any series of outstanding preferred stock have been paid or declared and set apart for payment.

In the event of dissolution or winding up of the affairs of PNC, holders of Common Stock will be entitled to share ratably in all assets remaining after payments to all creditors and payments required to be made in respect of outstanding preferred stock (including accrued and unpaid dividends thereon).

The Board of Directors of PNC may, except as otherwise required by applicable law, cause the issuance of authorized shares of Common Stock without shareholder approval to such persons and for such consideration as the Board of Directors may determine in connection with acquisitions by PNC or for other corporate purposes.

The Chase Manhattan Bank, New York, New York, is the transfer agent and registrar for PNC's Common Stock. The shares of Common Stock are listed on the New York Stock Exchange under the symbol "PNC". The outstanding shares of Common Stock are, and the shares offered hereby will be, validly issued, fully paid and nonassessable and the holders thereof are not and will not be subject to any liability as shareholders.

18

DESCRIPTION OF PREFERRED STOCK

GENERAL

The Board of Directors of PNC (the "PNC Board") is authorized without further shareholder action to cause the issuance, as of June 30, 1997, of up to 10,662,800 additional shares of Preferred Stock, and such Preferred Stock may be issued in one or more series, each with such preferences, limitations, designations, conversion rights, voting rights, dividend rights, voluntary and involuntary liquidation rights and other rights as the PNC Board may determine at the time of issuance.

Under such authority, PNC has previously designated six series of preferred stock, of which, at June 30, 1997, five series were outstanding, including: 16,048 shares of \$1.80 Cumulative Convertible Preferred Stock, Series A ("Preferred Stock-A"); 4,452 shares of \$1.80 Cumulative Convertible Preferred Stock, Series B ("Preferred Stock-B"); 319,865 shares of \$1.60 Cumulative Convertible Preferred Stock, Series C ("Preferred Stock-C"); 432,310 shares of \$1.80 Cumulative Convertible Preferred Stock, Series D ("Preferred Stock-D"); and 6,000,000 shares of Fixed/Adjustable Rate Noncumulative Preferred Stock, Series F ("Preferred Stock-F"). All shares of a former series of Preferred Stock, designated as \$2.60 Cumulative NonVoting Preferred Stock, Series E, have been redeemed and restored to the status of authorized but unissued Preferred Stock. See "Description of Preferred Stock--Preferred Stock Currently Outstanding" below.

The rights of the holders of PNC's Common Stock are subject to any rights and preferences of such outstanding series of Preferred Stock, and the Preferred Stock herein offered, and would be subject to the rights and preferences of any additional shares of Preferred Stock, or any series thereof, which might be issued in the future.

The existence of authorized but unissued Preferred Stock could have the effect of discouraging an attempt to acquire control of PNC. For example, Preferred Stock could be issued to persons, firms or entities known to be friendly to management.

PREFERRED STOCK OFFERED HEREIN

General

The following description of the terms of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which any Prospectus Supplement may relate. The particular terms of any series of

Preferred Stock offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Preferred Stock so offered will be described in the Prospectus Supplement relating to such Preferred Stock. If so specified in the applicable Prospectus Supplement, the terms of any series of Preferred Stock may differ from the terms set forth below. The description below and in any Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the Designation of Series relating to the Preferred Stock the form of which is incorporated by reference as Exhibit 4.4 to the Registration Statement of which this Prospectus is a part and the definitive form of which will be filed with the Commission.

The Preferred Stock will, when issued, be fully paid and nonassessable. Unless otherwise specified in the applicable Prospectus Supplement, the shares of each series of Preferred Stock will upon issuance rank on a parity in all respects with PNC's existing series of Preferred Stock, described below, and each other then outstanding series of preferred stock of PNC. Holders of the Preferred Stock will have no preemptive rights to subscribe for any additional securities which may be issued by PNC. Unless otherwise specified in the applicable Prospectus Supplement, The Chase Manhattan Bank, New York, New York, will be the transfer agent and registrar for the Preferred Stock.

Because PNC is a holding company, its rights and the rights of holders of its securities, including the holders of Preferred Stock, to participate in the assets of any PNC subsidiary upon the latter's liquidation or recapitalization will be subject to the prior claims of such subsidiary's creditors and preferred shareholders,

19

except to the extent PNC may itself be a creditor with recognized claims against such subsidiary or a holder of preferred shares of such subsidiary. See "Supervision, Regulation and Other Matters"

PNC may, at its option, elect to offer Depositary Shares ("Depositary Shares") evidenced by depositary receipts ("Depositary Receipts"), each representing a fractional interest (to be specified in the Prospectus Supplement relating to the particular series of Preferred Stock) in a share of a particular series of the Preferred Stock issued and deposited with a Depositary (as defined below). See "Description of Depositary Shares" below.

Dividends

The holders of the Preferred Stock will be entitled to receive, when, as and if declared by the Board of Directors of PNC or a duly authorized committee thereof, out of funds legally available therefor, dividends at such rates and on such dates as will be specified in the applicable Prospectus Supplement. Such rates may be fixed or variable or both. If variable, the formula used for determining the dividend rate for each dividend period will be specified in the applicable Prospectus Supplement. Dividends will be payable to the holders of record as they appear on the stock books of PNC on such record dates as will be fixed by the Board of Directors of PNC or a duly authorized committee thereof. Dividends may be paid in the form of cash, Preferred Stock (of the same or a different series) or Common Stock of PNC, in each case as specified in the applicable Prospectus Supplement.

Dividends on any series of Preferred Stock may be cumulative or noncumulative, as specified in the applicable Prospectus Supplement. If the Board of Directors of PNC fails to declare a dividend payable on a dividend payment date on any Preferred Stock for which dividends are noncumulative ("Noncumulative Preferred Stock"), then the holders of such Preferred Stock will have no right to receive a dividend in respect of the dividend period relating to such dividend payment date, and PNC will have no obligation to pay the dividend accrued for such period, whether or not dividends on such Preferred Stock are declared or paid on any future dividend payment dates.

If dividends on a particular series shall have been determined to be cumulative, no dividends shall be paid or set apart for payment or declared on the Common Stock or on any class or series of stock of PNC ranking as to dividends subordinate to such series (other than dividends payable in Common Stock or in any class or series of stock of PNC ranking as to dividends and assets subordinate to such series) and no payment shall be made or set apart for the purchase, redemption or other acquisition for value of any shares of Common Stock or of any class or series of stock of PNC ranking as to dividends or assets subordinate to such series, until dividends (to the extent cumulative) for all past dividend periods on all outstanding shares of such series have been paid, or declared and set apart for payment, in full. In case dividends for any dividend period are not paid in full on all shares of Preferred Stock ranking equally as to dividends, all such shares shall participate ratably in the payment of dividends for such period in proportion to the full amounts of dividends to which they are respectively entitled.

Voting

Except as provided herein or in the applicable Prospectus Supplement, or as required by applicable law, the holders of Preferred Stock have only such voting

rights with regard to matters submitted to a vote of the shareholders of PNC as shall be fixed and determined by PNC's Board of Directors. Except as otherwise required by law or provided by the Board of Directors and described in the applicable Prospectus Supplement, holders of Preferred Stock having voting rights and holders of Common Stock vote together as one class. Holders of Preferred Stock do not have cumulative voting rights.

If PNC shall have failed to pay, or declare and set apart for payment, dividends on all outstanding shares of Preferred Stock in an amount equal to six quarterly dividends at the rates payable upon such shares (whether or not such dividends are cumulative), the number of directors of PNC shall be increased by two at the first annual meeting of the shareholders of PNC held thereafter, and at such meeting and at each subsequent annual meeting until cumulative dividends payable for all past dividend periods and continuous noncumulative dividends for at least one year on all outstanding shares of Preferred Stock entitled thereto

20

shall have been paid, or declared and set apart for payment, in full, the holders of shares of Preferred Stock of all series shall have the right, voting as a class, to elect such two additional members of the Board of Directors to hold office for a term of one year. Upon such payment, or such declaration and setting apart for payment, in full, the terms of the two additional directors so elected shall forthwith terminate, and the number of directors of PNC shall be reduced by two, and such voting right of the holders of shares of Preferred Stock shall cease, subject to increase in the number of directors as aforesaid and to reversion of such voting right in the event of each and every additional failure in the payment of dividends in an amount equal to six quarterly dividends as aforesaid.

PNC shall not, without the affirmative vote at a meeting, or the written consent with or without a meeting, of the holders of at least two-thirds of the then outstanding shares of Preferred Stock of all series (a) create or increase the authorized number of shares of any class of stock ranking as to dividends or assets prior to the Preferred Stock; or (b) change the preferences, qualifications, privileges, limitations, restrictions or special or relative rights granted to or imposed upon the shares of Preferred Stock in any material respect adverse to the holders thereof, provided that if any such change will affect any particular series materially and adversely as contrasted with the effect thereof upon any other series, no such change may be made without, in addition, such vote or consent of the holders of at least two-thirds of the then outstanding shares of the particular series which would be so affected.

Subject to such affirmative vote or consent of the holders of the outstanding shares of Preferred Stock of any series, PNC may, by resolution of its Board of Directors or as otherwise permitted by law, from time to time alter or change the preferences, rights or powers of the Preferred Stock of such series. The holders of the Preferred Stock of such series shall not be entitled to participate in any such vote if, at or prior to the time when any such alteration or change is to take effect, provision is made for the redemption of all the Preferred Stock of such series at the time outstanding. See "Redemption by PNC" below. Nothing in this section shall be taken to require a class vote or consent in connection with the authorization, designation, increase or issuance of any shares of any class or series (including additional Preferred Stock of any series) that rank junior to or on a parity with the Preferred Stock of such series as to dividends and liquidation rights or in connection with the authorization, designation, increase or issuance of any bonds, mortgages, debentures or other obligations of PNC.

Under interpretations adopted by the Federal Reserve or its staff, if the holders of Preferred Stock of any series become entitled to vote for the election of directors because dividends on such series are in arrears as described above, such series may then be deemed a "class of voting securities" and a holder of 25% or more of such series (or a holder of 5% or more if it otherwise exercises a "controlling influence" over PNC) may then be subject to regulation as a bank holding company in accordance with the BHC Act. In addition, at such time as such series is deemed a class of voting securities, any other bank holding company may be required to obtain the prior approval of the Federal Reserve to acquire more than 5% of such series, and any person other than a bank holding company may be required to obtain the prior approval of the Federal Reserve to acquire 10% or more of such series.

Liquidation of PNC

In the event of voluntary or involuntary liquidation of PNC, the holders of shares of each series of Preferred Stock shall be entitled to receive from the assets of PNC (whether capital or surplus), prior to any payment to the holders of Common Stock or of any class or series of stock of PNC ranking as to assets subordinate to such series, the amount fixed by the Board of Directors for such series and described in the applicable Prospectus Supplement, plus, in case dividends on such series shall have been determined to be cumulative, an amount equal to the accrued and unpaid dividends thereon (to the extent cumulative) computed to the date on which payment thereof is made available, whether or not earned or declared. After such payment to the holders of shares of such series, any remaining balance shall be paid to the holders of Common Stock or of any

class or series of stock of PNC ranking as to assets subordinate to such series, as they may be entitled. If, upon liquidation of PNC, its assets are not sufficient to pay in full the amounts so payable to the holders of shares of all series of Preferred Stock ranking equally as to assets, all such shares shall participate ratably in the distribution of assets in proportion to the full amounts to which they are

21

respectively entitled. Neither a merger nor a consolidation of PNC into or with any other corporation nor a sale, transfer or lease of all or part of the assets of PNC shall be deemed a liquidation of PNC within the meaning of this paragraph.

Redemption by PNC

Except as otherwise provided by the Board of Directors and described in the applicable Prospectus Supplement, PNC, at its option to be exercised by its Board of Directors, may redeem the whole or any part of the Preferred Stock or of any series thereof at such times and at the applicable amount for each share which shall have been fixed and determined, plus, in case dividends shall have been determined to be cumulative, an amount equal to the accrued and unpaid dividends thereon (to the extent cumulative) computed to the date fixed for redemption, whether or not earned or declared (hereinafter collectively called the "redemption price"). If at any time less than all of the Preferred Stock then outstanding is to be called for redemption, the Board may select one or more series to be redeemed, and if less than all the outstanding Preferred Stock of any series is to be called for redemption, the shares to be redeemed may be selected by lot or by such other equitable method as the Board in its discretion may determine.

Notice of redemption shall be published at least once in a newspaper of general circulation in Philadelphia, Pennsylvania, or in the Borough of Manhattan, New York, and copies of such notice shall be given by mailing the same to each record holder of the Preferred Stock to be redeemed, not less than 30 nor more than 60 days prior to the date fixed for redemption thereof, to the respective addresses of such holders as the same shall appear on the stock books of PNC. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the Preferred Stock to be redeemed; (iii) the redemption price; and (iv) the place or places where certificates for such Preferred Stock are to be surrendered for payment of the redemption price. If fewer than all the shares of Preferred Stock of any series held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Preferred Stock to be redeemed from such holder.

If notice of redemption of any share of Preferred Stock has been given, from and after the redemption date for such shares (unless default shall be made by PNC in providing money for the payment of the redemption price of such shares), dividends on such shares shall cease to accrue and such shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as shareholders of PNC (except the right to receive the redemption price) shall cease. Failure to give notice by mail or any defect therein or failure of any addressee to receive it shall not affect the validity of the proceedings for redemption. Conversion rights of shares called for redemption shall terminate at the close of business on the date fixed for redemption or at such earlier time as shall have been fixed by the Board of Directors. Upon surrender in accordance with such notice of the certificates representing any such shares (properly endorsed or assigned for transfer, if the Board of Directors of PNC shall so require and the notice shall so state), the redemption price set forth above shall be paid out of the funds provided by PNC. If fewer than all the shares represented by any such certificate are redeemed, a new certificate representing the unredeemed shares shall be issued without cost to the holder thereof.

Except as otherwise provided by the Board of Directors and described in the applicable Prospectus Supplement, PNC shall have the right to acquire Preferred Stock from time to time at such price or prices as PNC may determine, provided that unless dividends (to the extent cumulative) payable for all past quarterly dividend periods on all outstanding shares of Preferred Stock entitled to cumulative dividends have been paid, or declared and set apart for payment, in full, PNC shall not acquire for value any shares of Preferred Stock except in accordance with an offer (which may vary as to terms offered with respect to shares of different series but not with respect to shares of the same series) made in writing or by publication (as determined by the Board of Directors) to all holders of record of shares of Preferred Stock.

22

Conversion

The holders of any series of Preferred Stock will have such rights, if any, to convert such shares into or to exchange such shares for, cash, shares of PNC's Common Stock or any other class of capital securities of PNC as may be set forth in the Prospectus Supplement relating to such series of Preferred Stock.

PREFERRED STOCK CURRENTLY OUTSTANDING

The following summaries of the outstanding Preferred Stock are qualified in their entirety by reference to the corresponding Designations of Series and description of Preferred Stock contained in PNC's Articles of Incorporation, as amended, attached as Exhibits 99.1 and 99.2 (with respect to the Preferred Stock-F) to PNC's Current Report on Form 8-K dated October 7, 1996 and PNC's application for registration of securities on Form 8-A filed September 24, 1987 (File No. 1-9718) and incorporated herein by reference.

Holders of outstanding Preferred Stock are entitled to cumulative dividends at the annual rate of \$1.80 per share for Preferred Stock-A, Preferred Stock-B and Preferred Stock-D and \$1.60 per share for Preferred Stock-C, payable quarterly when and as declared by the Board of Directors of PNC. The Board of Directors may not pay or set apart dividends on Common Stock until dividends for the current period and all past dividend periods on all series of outstanding Preferred Stock have been paid or declared and set apart for payment. Dividends on Preferred Stock-F are payable quarterly at a rate per share of 6.05% per annum through September 29, 2001, and thereafter at the "Applicable Rate" (as defined in the Designation of Series relating to the Preferred Stock-F), which rate will not be less than 6.55% nor greater than 12.55% (unless there are certain changes made to the Internal Revenue Code). Dividends on the Preferred Stock-F are not cumulative and no rights accrue to the holders by reason of the fact that PNC may fail to declare or pay dividends on the Preferred Stock-F in any amount in any year.

Holders of outstanding Preferred Stock, other than Preferred Stock-F, are entitled to a number of votes equal to the number of full shares of Common Stock into which their Preferred Stock is at the time convertible. Holders of outstanding Preferred Stock currently are entitled to the following conversion privileges: (i) one share of Preferred Stock-A or Preferred Stock-B is convertible into eight shares of Common Stock and (ii) 2.4 shares of Preferred Stock-C or Preferred Stock-D are convertible into four shares of Common Stock. Shares of Preferred Stock-F do not have voting rights, except in limited circumstances.

On the liquidation of PNC, holders of outstanding Preferred Stock would be entitled to receive, before any payments are made with respect to Common Stock, a specified amount for each share held by them, plus all dividends accrued and unpaid thereon, or such lesser amount remaining after the claims of all creditors have been satisfied, ratably with holders of other series of Preferred Stock ranking equally as to assets. The liquidation preference is \$40 per share for Preferred Stock-A and Preferred Stock-B, \$20 per share for Preferred Stock-C and Preferred Stock-D and \$50 per share for Preferred Stock-F.

Preferred Stock-A, Preferred Stock-C and Preferred Stock-D are redeemable at any time at the option of PNC at redemption prices equal to the respective liquidation preference amounts stated above, plus accrued and unpaid dividends, if any. Preferred Stock-B is not redeemable. Prior to September 30, 2001, Preferred Stock-F is not redeemable, except in limited circumstances by PNC upon certain changes to the Internal Revenue Code at a declining redemption price ranging from \$52.20 to the liquidation preference amount, plus accrued and unpaid dividends (whether or not earned or declared) from the immediately preceding dividend payment date (but without any cumulation for unpaid dividends for prior dividend periods) to the date fixed for redemption. On and after September 30, 2001, Preferred Stock-F is redeemable at the option of PNC at its liquidation preference amount, plus accrued and unpaid dividends (whether or not earned or declared) from the immediately preceding dividend payment date (but without any cumulation for unpaid dividends for prior dividend periods) to the date fixed for redemption.

All outstanding series of Preferred Stock, other than Preferred Stock-F, are convertible (unless called for redemption and not converted within the time allowed therefor), at any time at the option of the holder. No adjustment will be made for dividends on Preferred Stock converted or on Common Stock issuable upon conversion. The conversion rate of each series of convertible Preferred Stock will be adjusted in certain events,

23

including payment of stock dividends on, or splits or combinations of, the Common Stock or issuance to holders of Common Stock of rights to purchase Common Stock at a price per share less than 90% of Current Market Price as defined in the Articles of Incorporation of PNC. Appropriate adjustments in the conversion provisions also will be made in the event of certain reclassifications, consolidations or mergers or the sale of substantially all of the assets of PNC. Preferred Stock-F is not convertible into shares of Common Stock or any other security of PNC.

PNC shall have the right to acquire outstanding Preferred Stock from time to time at such price or prices as PNC may determine, provided that unless dividends (to the extent cumulative) payable for all past quarterly dividend periods on all outstanding shares of Preferred Stock entitled to cumulative dividends have been paid, or declared and set apart for payment, in full, PNC shall not acquire for value any shares of Preferred Stock except in accordance with an offer (which may vary as to terms offered with respect to shares of

different series but not with respect to shares of the same series) made in writing or by publication (as determined by the Board of Directors) to all holders of record of shares of Preferred Stock.

Preferred Stock-A, Preferred Stock-B and Preferred Stock-F are currently traded in the over-the-counter market. Preferred Stock-C and -D are listed and traded on the New York Stock Exchange. The Chase Manhattan Bank, New York, New York, is transfer agent and registrar for all outstanding series of Preferred Stock.

DESCRIPTION OF DEPOSITARY SHARES

GENERAL

Certain general terms and provisions of the Deposit Agreement (as described below), the Depositary Shares and the Depositary Receipts to which a Prospectus Supplement may relate are set forth below. The particular terms of the Preferred Stock offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Depositary Shares will be described in the Prospectus Supplement relating to such Preferred Stock. The descriptions below and in any Prospectus Supplement do not purport to be complete and are subject to and qualified in their entirety by reference to the Deposit Agreement and the Depositary Receipts, the forms of which are incorporated by reference as Exhibits 4.5 and 4.6, respectively, to the Registration Statement of which this Prospectus is a part and the definitive forms of which will be filed with the Commission.

PNC may, at its option, elect to offer fractional interests in the Preferred Stock, rather than whole shares of such securities. In the event such option is exercised, PNC will provide for the issuance by a Depositary to the public of receipts for Depositary Shares, each of which will represent a fractional interest (to be set forth in the Prospectus Supplement relating to a particular series of the Preferred Stock) in a share of a particular series of the Preferred Stock as described below.

The shares of any series of the Preferred Stock underlying the Depositary Shares will be deposited under a separate Deposit Agreement ("Deposit Agreement") between PNC and a bank or trust company selected by PNC having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000 ("Depositary"). The Prospectus Supplement relating to a series of Depositary Shares will set forth the name and address of the Depositary, which may be one of the Banks. Subject to the terms of the Deposit Agreement, each owner of a Depositary Share will be entitled, in proportion to the applicable fractional interest in a share of Preferred Stock underlying such Depositary Share, to all the rights and preferences of the Preferred Stock underlying such Depositary Share (including dividend, voting, redemption, conversion and liquidation rights).

The Depositary Shares will be evidenced by Depositary Receipts issued pursuant to the Deposit Agreement. Depositary Receipts will be distributed to those persons purchasing the fractional shares of the related series of Preferred Stock in accordance with the terms of the offering described in a related Prospectus Supplement.

24

Pending the preparation of definitive engraved Depositary Receipts, the Depositary may, upon the written order of PNC, issue temporary Depositary Receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive Depositary Receipts but not in definitive form. Definitive Depositary Receipts will be prepared thereafter without unreasonable delay and temporary Depositary Receipts will be exchangeable for definitive Depositary Receipts at PNC's expense.

Upon surrender of Depositary Receipts at the office of the Depositary (unless the Depositary Shares have been previously called for redemption) and upon payment of the charges provided in the Deposit Agreement and subject to the terms thereof, a holder of Depositary Shares is entitled to have the Depositary deliver to such holder the number of whole shares of the related Preferred Stock underlying the Depositary Shares evidenced by the surrendered Depositary Receipts. Partial shares of Preferred Stock will not be issued. Holders of Depositary Shares will be entitled to receive shares of the related series of Preferred Stock as set forth in a related Prospectus Supplement, but holders of such whole shares of such Preferred Stock thus withdrawn will not thereafter be entitled to receive Depositary Shares therefor. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of the related series of Preferred Stock to be withdrawn, the Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. PNC does not expect that there will be any public trading market for the withdrawn shares.

DIVIDENDS AND OTHER DISTRIBUTIONS

The Depositary will distribute all cash dividends or other cash

distributions received in respect of the Preferred Stock to the record holders of Depositary Shares relating to such Preferred Stock in proportion to the numbers of such Depositary Shares owned by such holders on the relevant record date. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any holder of Depositary Shares a fraction of one cent, and any balance not so distributed shall be added to and treated as part of the next sum received by the Depositary for distribution to record holders of Depositary Shares.

In the event of a distribution other than in cash, the Depositary will distribute property received by it to the record holders of Depositary Shares entitled thereto, unless the Depositary determines that it is not feasible to make such distribution, in which case the Depositary may, with the approval of PNC, sell such property and distribute the net proceeds from such sale to such holders.

REDEMPTION OF DEPOSITARY SHARES

If a series of the Preferred Stock underlying the Depositary Shares is subject to redemption, the Depositary Shares will be redeemed from the proceeds received by the Depositary resulting from the redemption, in whole or in part, of such series of the Preferred Stock held by the Depositary. The Depositary shall mail notice of redemption not less than 30 and not more than 60 days prior to the date fixed for redemption to the record holders of the Depositary Shares to be so redeemed at their respective addresses appearing in the Depositary's books. The redemption price per Depositary Share will be equal to the applicable fraction of the redemption price per share payable with respect to such series of the Preferred Stock. Whenever PNC redeems Preferred Stock held by the Depositary, the Depositary will redeem as of the same redemption date the number of Depositary Shares relating to the shares of Preferred Stock so redeemed. If less than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected by lot or pro rata as may be determined by the Depositary.

After the date fixed for redemption, the Depositary Shares so called for redemption will no longer be deemed to be outstanding and all rights of the holder of the Depositary Shares will cease, except the right to receive the monies payable upon such redemption and any money or other property to which the holders of such Depositary Shares were entitled upon such redemption upon surrender to the Depositary of the Depositary Receipts evidencing such Depositary Shares.

25

VOTING THE PREFERRED STOCK

Upon receipt of notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Shares relating to such Preferred Stock. Each record holder of such Depositary Shares on the record date (which will be the same date as the record date for the Preferred Stock) will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Preferred Stock underlying such holder's Depositary Shares. The Depositary will endeavor, insofar as practicable, to vote the amount of Preferred Stock underlying such Depositary Shares in accordance with such instructions, and PNC will agree to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so. The Depositary will abstain from voting Preferred Stock to the extent it does not receive specific instructions from the holders of Depositary Shares relating to such Preferred Stock.

CONVERSION OF PREFERRED STOCK

If a series of the Preferred Stock underlying the Depositary Shares is convertible into shares of PNC's Common Stock or any other class of capital securities of PNC, PNC will accept the delivery of Depositary Receipts for purposes of effecting conversions of the Preferred Stock utilizing the same procedures as those provided for delivery of certificates for the Preferred Stock pursuant to the terms of the series of Preferred Stock. If the Depositary Shares represented by a Depositary Receipt are to be converted in part only, a new Depositary Receipt or Depositary Receipts will be issued by the Depositary for the Depositary Shares not to be converted.

AMENDMENT AND TERMINATION OF THE DEPOSIT AGREEMENT

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between PNC and the Depositary. However, any amendment which materially and adversely alters the rights of the existing holders of Depositary Shares will not be effective unless such amendment has been approved by the record holders of at least a majority of the Depositary Shares then outstanding. A Deposit Agreement may be terminated by PNC or the Depositary only if (i) all outstanding Depositary Shares relating thereto have been redeemed or (ii) there has been a final distribution in respect of the Preferred Stock of the relevant series in connection with any liquidation, dissolution or winding up of PNC.

CHARGES OF DEPOSITARY

PNC will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. PNC will also pay charges of the Depositary in connection with the initial deposit of the Preferred Stock and any redemption of the Preferred Stock. Holders of Depositary Shares will pay other transfer and other taxes and governmental charges and such other charges as are expressly provided in the Deposit Agreement to be for their accounts.

MISCELLANEOUS

The Depositary will forward to the holders of Depositary Shares all reports and communications from PNC which are delivered to the Depositary and which PNC is required to furnish to the holders of the Preferred Stock.

Neither the Depositary nor PNC will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The obligations of PNC and the Depositary under the Deposit Agreement will be limited to performance in good faith of their respective duties thereunder and they will not be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or shares of Preferred Stock unless satisfactory indemnity is furnished. They may rely upon written advice of counsel or accountants, or information provided by persons presenting Preferred Stock for deposit, holders of Depositary Shares or other persons believed to be competent and on documents believed to be genuine.

26

RESIGNATION AND REMOVAL OF DEPOSITARY

The Depositary may resign at any time by delivering to PNC notice of its election to do so, and PNC may at any time remove the Depositary, any such resignation or removal to take effect only upon the appointment of a successor Depositary and its acceptance of such appointment. Such successor Depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

PLAN OF DISTRIBUTION

PNC Funding may offer and sell Debt Securities to or through underwriters, acting as principals for their own accounts or as agents, and also may offer and sell Debt Securities directly to other purchasers. PNC may offer and sell Common Stock and Preferred Stock to or through underwriters, acting as principals for their own accounts or as agents, and also may offer and sell Common Stock and Preferred Stock directly to other purchasers. Any underwriters in connection with Offered Debt Securities, Common Stock or Preferred Stock will be named in the related Prospectus Supplement and any underwriting compensation paid to such underwriters will be set forth therein. Underwritten offerings may involve underwriting syndicates represented by managing underwriters, or underwriters without a syndicate.

The distribution of Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of Securities, underwriters or agents acting on PNC's behalf may receive compensation from PNC Funding, PNC or from purchasers of Securities for whom they may act as agents, in the form of discounts, concessions or commissions. The underwriters, dealers or agents that participate in the distribution of Securities may be deemed to be underwriters and any discounts or commissions received by them and any profit on the resale of Securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. Any such underwriter will be identified and any such compensation will be described in the Prospectus Supplement.

Under agreements which may be entered into with PNC Funding and PNC, underwriters, dealers and agents may be entitled to indemnification by PNC Funding or PNC against certain liabilities, including liabilities under the Securities Act, and to contributions from PNC Funding or PNC in respect of such liabilities. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for PNC Funding or PNC in the ordinary course of business.

If so indicated in the Prospectus Supplement, PNC Funding and/or PNC will authorize underwriters or other persons acting as PNC Funding's agents and/or PNC's agents to solicit offers by certain institutions to purchase Debt Securities from PNC Funding and/or Preferred Stock from PNC pursuant to contracts providing for payment and delivery on a future date or dates stated in the applicable Prospectus Supplement. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such institutions must be approved by PNC Funding or PNC. The

obligations of any purchaser under any such contract will not be subject to any conditions, except that (1) the purchase of the Debt Securities, or the Common Stock or the Preferred Stock shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject, and (2) if Debt Securities or Common Stock or Preferred Stock are also being sold to underwriters, PNC Funding or PNC shall have sold to such underwriters the Debt Securities or the Common Stock or the Preferred Stock not sold for delayed delivery. The underwriters and such other persons will not have any responsibility in respect of the validity or performance of such contracts.

LEGAL OPINIONS

The validity of the Securities and related Guarantees and the Common Stock, the Preferred Stock and the Depositary Shares will be passed upon for PNC Funding and PNC by Melanie S. Cibik, Senior Counsel of PNC, One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222. As of June 30, 1997, Miss Cibik beneficially owned 908 shares of PNC's Common Stock under PNC's employee plans. If the Securities are being distributed in an underwritten offering, the validity of the Securities and related Guarantees and the Common Stock, the Preferred Stock and the Depositary Shares will be passed upon for the underwriters by counsel identified in the Prospectus Supplement.

EXPERTS

The consolidated financial statements of PNC incorporated by reference into the Annual Report on Form 10-K of PNC for the year ended December 31, 1996, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and herein. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

Documents incorporated herein by reference in the future will include financial statements, related schedules (if required) and auditors' reports, which financial statements and schedules will have been audited to the extent and for the periods set forth in such reports by the firm or firms rendering such reports, and, to the extent so audited and consent to incorporation by reference is given, will be incorporated herein by reference in reliance upon such reports given upon the authority of such firms as experts in accounting and auditing.

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THE PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THE PROSPECTUS SUPPLEMENT AND THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THE PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE UNDER THE PROSPECTUS SUPPLEMENT AND THE PROSPECTUS SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF PNC FUNDING CORP OR PNC BANK CORP. SINCE THE DATE HEREOF. THE PROSPECTUS SUPPLEMENT AND THE PROSPECTUS 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 SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

TABLE OF CONTENTS

<TABLE> <CAPTION>	PAGE
<S>	<C>
Available Information.....	2
Incorporation of Certain Documents by Reference.....	2
PNC Bank Corp.....	3
PNC Funding Corp.....	3
Supervision, Regulation and Other Matters.....	3
Consolidated Ratio of Earnings to Fixed Charges.....	6
Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	6
Use of Proceeds.....	7
Description of Debt Securities and	

Guarantees.....	7
Description of Common Stock.....	18
Description of Preferred Stock.....	19
Description of Depositary Shares.....	24
Plan of Distribution.....	27
Legal Opinions.....	28
Experts.....	28

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PNC FUNDING CORP
DEBT SECURITIES

PNC BANK CORP.

UNCONDITIONAL GUARANTEES OF
PNC FUNDING CORP
DEBT SECURITIES, AS TO PAYMENT OF
PRINCIPAL, PREMIUM, IF ANY, AND
INTEREST

COMMON STOCK (\$5.00 PAR VALUE)

PREFERRED STOCK (\$1.00 PAR VALUE)

PROSPECTUS

, 1997

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following expenses will be incurred in connection with the issuance and distribution of the Debt Securities, Common Stock, and Preferred Stock being registered, other than underwriting discounts and commissions:

To be borne by PNC Bank Corp. and PNC Funding Corp:

<TABLE> <S>	<C>
Registration Fee.....	\$ 393,939.40
Legal Fees and Expenses.....	150,000.00*
Indenture Trustee Fees and Expenses.....	100,000.00*
Printing and Engraving.....	200,000.00*
Rating Fees.....	200,000.00*
Accounting Fees.....	150,000.00*
Blue Sky and Legal Investment Fees and Expenses.....	50,000.00*
Listing Fees.....	25,000.00*
Miscellaneous.....	31,060.60*

Total.....	\$1,300,000.00*
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</TABLE>

* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Sections 1741-1743 of the Pennsylvania Business Corporation Law of 1988 (Act of December 21, 1988, P.L. 1444) ("1988 BCL") provide that a business corporation may indemnify directors and officers against liabilities they may incur in such capacities provided certain standards are met, including good faith and the belief that the particular action is in the best interests of the corporation. In general, this power to indemnify does not exist in the case of actions against a director or officer by or in the right of the corporation if the person entitled to indemnification shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duties. A corporation is required to indemnify directors and officers against expenses they may incur in defending actions against them in such capacities if they are successful on the merits or otherwise in the defense of such actions.

Section 1746 of the 1988 BCL provides that the foregoing provisions shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under, among other things, any by-law provision, provided that no indemnification may be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Each of PNC Bank Corp.'s and PNC Funding Corp's By-Laws provide for the mandatory indemnification of directors and officers in accordance with and to the full extent permitted by the Laws of Pennsylvania as in effect at the time of such indemnification. Each of PNC Bank Corp.'s and PNC Funding Corp's By-Laws also eliminate, to the maximum extent permitted by the laws of the Commonwealth of Pennsylvania, the personal liability of directors for monetary damages for any action taken, or any failure to take any action as a director except in any case such elimination is not permitted by law.

PNC Bank Corp. has purchased directors' and officers' liability insurance covering certain liabilities which may be incurred by its respective officers and directors in connection with the performance of their duties. Such insurance covers PNC Funding Corp's directors and officers as well.

ITEM 16. EXHIBITS

The exhibits listed on the Exhibit Index beginning on page II-6 of this Registration Statement are filed herewith, will be filed by amendment, or are incorporated herein by reference to other filings.

II-1

ITEM 17. UNDERTAKINGS

The undersigned Registrants hereby undertake:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a) (3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, that are incorporated by reference in the Registration Statement.
2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
3. To remove from the registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;
4. That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
5. For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrants pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it is declared effective; and
6. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be

deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the provisions set forth in Item 15, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, and will be governed by the final adjudication of such issue.

II-2

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, and Commonwealth of Pennsylvania, on the 29th day of August, 1997.

PNC BANK CORP.

By: /s/ THOMAS H. O'BRIEN

Thomas H. O'Brien
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
----- <C> /s/ THOMAS H. O'BRIEN ----- Thomas H. O'Brien	<S> Chairman, Chief Executive Officer and Director (Principal Executive Officer)	<C> August 29, 1997
----- /s/ ROBERT L. HAUNSCHILD ----- Robert L. Haunschild	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	August 29, 1997
----- /s/ WILLIAM J. JOHNS ----- William J. Johns	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	August 29, 1997
----- * ----- Paul W. Chellgren	Director	August 29, 1997
----- * ----- Robert N. Clay	Director	August 29, 1997
----- * ----- George A. Davidson, Jr.	Director	August 29, 1997
----- * ----- David F. Girard-diCarlo	Director	August 29, 1997
----- * ----- C.G. Grefestette	Director	August 29, 1997
----- * ----- William R. Johnson	Director	August 29, 1997
----- * -----	Director	August 29, 1997

Bruce C. Lindsay	*	Director	August 29, 1997

Thomas Marshall	*	Director	August 29, 1997

W. Craig McClelland	*	Director	August 29, 1997

Jackson H. Randolph	/s/ JAMES E. ROHR	President and Director	August 29, 1997

James E. Rohr			

</TABLE>

II-3

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE

<C>	<S>	<C>
*	Director	August 29, 1997

Roderic H. Ross	*	Director

Vincent A. Sarni	*	Director

Garry J. Scheuring	*	Director

Richard P. Simmons	*	Director

Thomas J. Usher	*	Director

Milton A. Washington	*	Director

Helge H. Wehmeier		

*By: /s/ MELANIE S. CIBIK

Melanie S. Cibik, Attorney-in-Fact,
pursuant to Powers of Attorney filed herewith
Date: August 29, 1997

</TABLE>

II-4

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, and Commonwealth of Pennsylvania, on the 29th day of August, 1997.

PNC FUNDING CORP

By: /s/ ROBERT L. HAUNSCHILD

Robert L. Haunschild
President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

<TABLE>

<CAPTION>	SIGNATURE	TITLE	DATE
<C>	/s/ PAUL L. AUDET Paul L. Audet	Chairman and Director	August 29, 1997
	/s/ ROBERT L. HAUNSCHILD Robert L. Haunschild	President and Director	August 29, 1997
	/s/ RANDALL C. KING Randall C. King	Senior Vice President and Director	August 29, 1997
	/s/ ROBERT C. BARRY, JR. Robert C. Barry, Jr.	Senior Vice President and Chief Financial Officer	August 29, 1997
	/s/ TARA A. HUGHES Tara A. Hughes	Accounting Officer and Assistant Controller	August 29, 1997

II-5

EXHIBIT INDEX

<TABLE> <CAPTION> EXHIBIT NO.	NAME OF DOCUMENT	METHOD OF FILING
<S>	<C>	<C>
1.1	Form of Underwriting Agreement for Debt Securities.	Filed herewith.
1.2	Form of Underwriting Agreement for Common Stock, Preferred Stock and Depositary Shares.	Filed herewith.
3.1	Articles of Incorporation of PNC Bank Corp., as amended.	Incorporated herein by reference to Exhibits 99.1 and 99.2 to Current Report on Form 8-K dated October 7, 1996 of PNC Bank Corp. (File No. 1-9718).
3.2	By-laws of PNC Bank Corp., as amended.	Incorporated herein by reference to Exhibit 99 to Current Report on Form 8-K dated July 9, 1997 of PNC Bank Corp. (File No. 1-9718).
3.3	Articles of Incorporation of PNC Funding Corp, as amended.	Filed herewith.
3.4	By-laws of PNC Funding Corp, as amended.	Filed herewith.
4.1	Form of Certificate for Common Stock.	Filed herewith.
4.2	Form of Certificate for Preferred Stock (with references to PNC Financial Corp now being PNC Bank Corp.).	Incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-3 at File No. 33-40602, in Pre-Effective Amendment No. 2, filed September 24, 1991.
4.3	Article Sixth and Article Seventh of PNC Bank Corp.'s Articles of Incorporation, as amended.	Included in Exhibit 99.1 to Current Report on Form 8-K dated October 7, 1996 of PNC Bank Corp., which is incorporated herein by reference through Exhibit 3.1 to this Registration Statement.
4.4	Form of Statement of Designation with respect to Preferred Stock.	To be filed in documents incorporated herein by reference.
4.5	Form of Deposit Agreement.	Filed herewith.
4.6	Form of Depositary Receipt.	Filed herewith.
4.7	Indenture dated as of December 1, 1991, among PNC Funding Corp, as Issuer, PNC Financial Corp (now PNC Bank Corp.), as Guarantor, and Manufacturers Hanover Trust Company, as Trustee (of which The Chase Manhattan Bank, formerly known as Chemical Bank, is successor trustee).	Filed herewith.
4.8	Supplemental Indenture dated as of February 15, 1993, among PNC Funding Corp, as Issuer, PNC Bank Corp., as Guarantor, and Chemical Bank, as successor by merger to Manufacturers Hanover Trust Company and now known	Filed herewith.

as The Chase Manhattan Bank.

</TABLE>

II-6

<TABLE>
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EXHIBIT

NO.	NAME OF DOCUMENT	METHOD OF FILING
<S>	<C>	<C>
4.9	Form of Debt Security and related Guarantee.	To be filed in documents incorporated herein by reference.
4.10	Form of Subordinated Note and related Guarantee.	Filed herewith.
5	Opinion of Melanie S. Cibik, Esquire, as to the legality of the securities being registered.	Filed herewith.
12.1	Computation of Consolidated Ratio of Earnings to Fixed Charges.	Filed herewith.
12.2	Computation of Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.	Filed herewith.
23.1	Consent of Ernst & Young LLP.	Filed herewith.
23.2	Consent of Melanie S. Cibik.	Filed as part of Exhibit 5 to this Registration Statement.
24.1	Power of Attorney of certain directors and officers of PNC Bank Corp.	Filed herewith.
24.2	Power of Attorney of certain directors and officers of PNC Funding Corp.	Filed herewith.
24.3	Power of Attorney of Robert N. Clay (a director of PNC Bank Corp.)	Filed herewith.
25	Form T-1--Statement of Eligibility Under the Trust Indenture Act of 1939 of The Chase Manhattan Bank to Act as Trustee.	Filed herewith.

</TABLE>

II-7

PNC Funding Corp, Issuer
and
PNC Bank Corp., Guarantor

Underwriting Agreement

New York, New York
[date]

To the Representatives
named in Schedule I
hereto of the
Underwriters named in
Schedule II hereto

Dear Sirs:

PNC Funding Corp, a Pennsylvania corporation (the "Company"), proposes to sell to the underwriters named in Schedule II hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), the principal amount of its securities identified in Schedule I hereto (together with the guarantees mentioned below, the "Securities") to be guaranteed by PNC Bank Corp., a Pennsylvania Corporation (the "Guarantor"), and to be issued under an indenture dated as of December 1, 1991, among the Company, the Guarantor and The Chase Manhattan Bank (formerly known as Chemical Bank, successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), as amended by a Supplemental Indenture dated as of February 15, 1993, among the Company, the Guarantor and the Trustee (as amended, the "Indenture"). If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives," as used herein, shall each be deemed to refer to such firm or firms.

1. Representations and Warranties. The Company and the Guarantor represent and warrant to, and agree with, each Underwriter as set forth below in this Section 1. Certain terms used in this Section 1 are defined in paragraph (c) hereof.

(a) If the offering of the Securities is a Delayed Offering (as specified in Schedule I hereto), paragraph (i) below is applicable and, if

- 2 -

the offering of the Securities is a Non-Delayed Offering (as so specified), paragraph (ii) below is applicable.

(i) The Company and the Guarantor meet the requirements for the use of Form S-3 under the Securities Act of 1933 (the "Act") and have filed with the Securities and Exchange Commission (the "Commission") a registration statement (the file number of which is set forth in Schedule I hereto), on such Form, including a basic prospectus, for registration under the Act of the offering and sale of the Securities. The Company and the Guarantor may have filed one or more amendments thereto, and may have used a Preliminary Final Prospectus, each of which has previously been furnished to you. Such registration statement, as so amended, has become effective. The offering of the Securities is a Delayed Offering and, accordingly, it is not necessary that any further information with respect to the Securities and the offering thereof required by the Act and the rules thereunder to be included in the Final Prospectus have been included in an amendment to such registration statement prior to the Effective Date. The Company and the Guarantor will next file with the Commission pursuant to Rules 415 and 424(b)(2) or (5) a final supplement to the form of prospectus included in such registration statement relating to the Securities and the offering thereof. As filed, such final prospectus supplement shall include all required information with respect to the Securities and the offering thereof and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein.

(ii) The Company and the Guarantor meet the requirements for the use of Form S-3 under

- 3 -

the Act and have filed with the Commission a registration statement (the file number of which is set forth in Schedule I hereto) on such Form, including a basic prospectus, for registration under the Act of the offering and sale of the Securities. The Company and the Guarantor may have filed one or more amendments thereto, including a Preliminary Final Prospectus, each of which has previously been furnished to you. The Company and the Guarantor will next file with the Commission either (x) a final prospectus supplement relating to the Securities in accordance with Rules 430A and 424(b)(1) or (4), or (y) prior to the effectiveness of such registration statement, an amendment to such registration statement, including the form of final prospectus supplement. In the case of clause (x), the Company and the Guarantor included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in the Final Prospectus with respect to the Securities and the offering thereof. As filed, such final prospectus supplement or such amendment and form of final prospectus supplement shall contain all Rule 430A Information, together with all other such required information, with respect to the Securities and the offering thereof and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein.

(b) On the Effective Date, the Registration Statement did or will, and when the Final Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date, the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act and the

- 4 -

Securities Exchange Act of 1934 (the "Exchange Act") and the respective rules thereunder; on the Effective Date, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Final Prospectus, if not filed pursuant to Rule 424(b), did not or will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company and the Guarantor make no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company or the Guarantor by or on behalf of any Underwriter through the Representatives specifically for use in connection with the preparation of the Registration Statement or the Final Prospectus (or any supplement thereto).

(c) The terms which follow, when used in this Agreement, shall have the meanings indicated. The term "the Effective Date" shall mean each date that the Registration Statement and any post effective amendment or amendments thereto became or become effective. "Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto. "Basic Prospectus" shall mean the prospectus referred to in paragraph (a) above contained in the Registration Statement at the Effective Date including, in the case of a Non-Delayed Offering, any Preliminary Final Prospectus. "Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Securities and the offering thereof and is used prior to filing of the Final Prospectus. "Final Prospectus" shall mean the

- 5 -

prospectus supplement relating to the Securities that is first filed pursuant to Rule 424(b) after the Execution Time, together with the Basic Prospectus or, if, in the case of a Non-Delayed Offering, no filing pursuant to Rule 424(b) is required, shall mean the form of final prospectus relating to the Securities, including the Basic Prospectus,

included in the Registration Statement at the Effective Date. "Registration Statement" shall mean the registration statement referred to in paragraph (a) above, including incorporated documents, exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post effective amendment thereto becomes effective prior to the Closing Date (as hereinafter defined), shall also mean such registration statement as so amended. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A. "Rule 415," "Rule 424," "Rule 430A" and "Regulation S-K" refer to such rules or regulation under the Act. "Rule 430A Information" means information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A. Any reference herein to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. A "Non-Delayed Offering" shall mean an offering of securities which is intended to commence promptly after the effective date of a registration statement, with

- 6 -

the result that, pursuant to Rules 415 and 430A, all information (other than Rule 430A Information) with respect to the securities so offered must be included in such registration statement at the effective date thereof. A "Delayed Offering" shall mean an offering of securities pursuant to Rule 415 which does not commence promptly after the effective date of a registration statement, with the result that only information required pursuant to Rule 415 need be included in such registration statement at the effective date thereof with respect to the securities so offered. Whether the offering of the Securities is a Non-Delayed Offering or a Delayed Offering shall be set forth in Schedule I hereto.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to, and the Guarantor agrees to cause the Company to, sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule I hereto the number of shares of the Securities set forth opposite such Underwriter's name in Schedule II hereto, except that, if Schedule I hereto provides for the sale of Securities pursuant to delayed delivery arrangements, the respective principal amounts of Securities to be purchased by the Underwriters shall be as set forth in Schedule II hereto less the respective amounts of Contract Securities determined as provided below. Securities to be purchased by the Underwriters are herein sometimes called the "Underwriters' Securities" and Securities to be purchased pursuant to Delayed Delivery Contracts as hereinafter provided are herein called "Contract Securities."

If so provided in Schedule I hereto, the Underwriters are authorized to solicit offers to purchase Securities from the Company pursuant to delayed delivery contracts ("Delayed Delivery Contracts"), substantially in the form of Schedule III hereto but with such changes therein as the Company and the Guarantor may authorize or approve. The Underwriters will endeavor to make such arrangements and, as compensation therefor, the Company will pay, and the Guarantor will cause the Company to pay, to the Representatives, for the account of the Underwriters, on the Closing Date, the percentage set forth in Schedule I hereto of the principal amount of the Securities for which Delayed Delivery Contracts are made. Delayed

- 7 -

Delivery Contracts are to be with institutional investors, including commercial and savings banks, insurance companies, pension funds, investment companies and educational and charitable institutions. The Company will enter into, and the Guarantor will cause the Company to enter into, Delayed Delivery Contracts in all cases where sales of Contract Securities arranged by the Underwriters have been approved by the Company but, except as the Company may otherwise agree, each such Delayed Delivery Contract must be for not less than the minimum principal amount set forth in Schedule I hereto and the aggregate principal

amount of Contract Securities may not exceed the maximum aggregate principal amount set forth in Schedule I hereto. The Underwriters will not have any responsibility in respect of the validity or performance of Delayed Delivery Contracts. The principal amount of Securities to be purchased by each Underwriter as set forth in Schedule II hereto shall be reduced by an amount which shall bear the same proportion to the total principal amount of Contract Securities as the principal amount of Securities set forth opposite the name of such Underwriter bears to the aggregate principal amount set forth in Schedule II hereto, except to the extent that you determine that such reduction shall be otherwise than in such proportion and so advise the Company in writing; provided, however, that the total principal amount of Securities to be purchased by all Underwriters shall be the aggregate principal amount set forth in Schedule II hereto less the aggregate principal amount of Contract Securities.

3. Delivery and Payment. Delivery of and payment for the Underwriters' Securities shall be made on the date and at the time specified in Schedule I hereto (or such later date not later than five business days after such specified date as the Representatives shall designate), which date and time may be postponed by agreement among the Representatives, the Company and the Guarantor or as provided in Section 8 hereof (such date and time of delivery and payment for the Underwriters' Securities being herein called the "Closing Date"). Delivery of the Underwriters' Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer of immediately available funds. Delivery of the Underwriters' Securities shall be made at such location in The City of New York as the Representatives shall reasonably

- 8 -

designate at least one business day in advance of the Closing Date and payment for the Securities shall be made at the office specified in Schedule I hereto. Certificates for the Underwriters' Securities shall be registered in such names (including the nominee for any depository which will hold Securities to be established for "book entry" issuance and transfer) and in such denominations as the Representatives may request not less than two full business days in advance of the Closing Date.

The Company and the Guarantor agree to have the Underwriters' Securities available for inspection, checking and packaging by the Representatives in New York, New York, not later than 1:00 p.m. on the business day prior to the Closing Date.

4. Agreements. The Company and the Guarantor jointly and severally agree with the several Underwriters that:

(a) The Company and the Guarantor will use their best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendment thereto, to become effective. Prior to the termination of the offering of the Securities, the Company and the Guarantor will not file any amendment to the Registration Statement or supplement (including the Final Prospectus or any Preliminary Final Prospectus) to the Basic Prospectus unless the Company and the Guarantor have furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. Subject to the foregoing sentence, the Company and the Guarantor will cause the Final Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company and the Guarantor will promptly advise the Representatives (i) when the Registration Statement, if not effective at the Execution Time, and any amendment thereto, shall have become effective, (ii) when the Final Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b), (iii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or

- 9 -

become effective, (iv) of any request by the Commission for any amendment of the Registration Statement or supplement to the Final Prospectus or for any additional information, (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (vi) of the receipt by the Company or the Guarantor of any notification with respect to the suspension of the qualification of the Securities for sale

in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company and the Guarantor will use their best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company and the Guarantor promptly will prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 4, an amendment or supplement which will correct such statement or omission or effect such compliance.

(c) As soon as practicable, the Guarantor will make generally available to its security holders and to the Representatives an earnings statement or statements of the Guarantor and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Company and the Guarantor will furnish to the Representatives and counsel for the Underwriters, without charge, copies of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of any Preliminary Final Prospectus and the Final Prospectus and any supplement thereto

- 10 -

as the Representatives may reasonably request. The Company and the Guarantor will pay the expenses of printing or other production of all documents relating to the offering.

(e) The Company and the Guarantor will use their best efforts to arrange for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the Securities and will arrange for the determination of the legality of the Securities for purchase by institutional investors; provided, however, that neither the Company nor the Guarantor shall be required to qualify to do business in any jurisdiction where it is not now qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where they are not now subject.

(f) Until the business day following the Closing Date, the Company and the Guarantor will not, without the consent of the Representatives, offer, sell or contract to sell, or announce the offering of, any debt securities covered by the Registration Statement or any other registration statement filed under the Act.

5. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwriters' Securities shall be subject to the accuracy in all material respects of the representations and warranties on the part of the Company and the Guarantor contained herein as of the Execution Time and the Closing Date, to the accuracy in all material respects of the statements of the Company and the Guarantor made in any certificates pursuant to the provisions hereof, to the performance in all material respects by the Company and the Guarantor of their obligations hereunder and to the following additional conditions:

(a) If the Registration Statement has not become effective prior to the Execution Time, unless the Representatives agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 p.m. New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 p.m. New York City

- 11 -

time on such date or (ii) 12:00 Noon on the business day following the day on which the public offering price was determined, if such determination occurred after 3:00 p.m. New York City time on such date; if filing of the Final Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Final Prospectus, and any such supplement, shall have been filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration

Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company and the Guarantor shall have furnished to the Representatives the opinion of Melanie S. Cibik, Esq., Senior Counsel of the Guarantor, dated the Closing Date, to the effect that:

(i) Each of the Company and the Guarantor is a corporation validly organized and presently subsisting under the laws of the Commonwealth of Pennsylvania with all requisite corporate power and authority to own its properties and conduct its business as described in the Final Prospectus, except for such power and authority the absence of which would not have a material adverse effect on the Guarantor or the Company, as the case may be; and the Guarantor is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended;

(ii) PNC Bank, National Association ("PNC Bank, N.A.") is a national banking organization validly existing in good standing under the laws of the United States, with all requisite corporate power and authority to own, lease and operate its properties and conduct its business as described in the Final Prospectus, except for such power and authority the absence of which would not have a material adverse effect on PNC Bank, N.A.;

(iii) all the outstanding shares of capital stock of PNC Bank, N.A. have been duly and validly authorized and issued and (except as provided in 12 U.S.C. Section 55) are fully paid and nonassessable, and, except as otherwise set forth in the Final Prospectus, all

- 12 -

outstanding shares of capital stock of PNC Bank, N.A. are owned by the Guarantor either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, any other security interests, claims, liens or encumbrances;

(iv) the Guarantor's authorized equity capitalization, if set forth in the Final Prospectus, is as set forth in the Final Prospectus; the Securities conform in all material respects to the description thereof contained in the Final Prospectus; and, if the Securities are to be listed on any stock exchange, authorization therefor has been given, subject to official notice of issuance and evidence of satisfactory distribution, or the Company and the Guarantor have filed a preliminary listing application and all required supporting documents with respect to the Securities with such stock exchange and nothing has caused such counsel to believe that the Securities will not be authorized for listing, subject to official notice of issuance and evidence of satisfactory distribution;

(v) the Indenture has been duly authorized, executed and delivered, has been duly qualified under the Trust Indenture Act, and constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, receivership, readjustment of debt, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally or general equitable principles (whether considered in a proceeding in equity or at law); and the Securities have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement, in the case of the Underwriters' Securities, or by the purchasers thereof pursuant to Delayed Delivery Contracts, in the case of any Contract Securities, will constitute legal, valid and

- 13 -

binding obligations of the Company and the Guarantor entitled to the benefits of the Indenture;

(vi) to the best knowledge of such counsel, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Guarantor or any of its subsidiaries, of a character required to

be disclosed in the Registration Statement which is not adequately disclosed in the Final Prospectus, and there is no franchise, contract or other document of a character required to be described in the Registration Statement or Final Prospectus, or to be filed as an exhibit, which is not described or filed as required; and the statements included or incorporated in the Final Prospectus describing any legal proceedings or material contracts or agreements relating to the Guarantor or any of its subsidiaries fairly summarize such matters in all material respects;

(vii) the Registration Statement has become effective under the Act; any required filing of the Basic Prospectus, any Preliminary Final Prospectus and the Final Prospectus, and any supplements thereto, pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to the best knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued, no proceedings for that purpose have been instituted or threatened, and the Registration Statement and the Final Prospectus (other than the financial statements and other financial and statistical information contained or incorporated therein, and that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Trust Indenture Act, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of that Act and the Exchange Act and the respective rules thereunder; and nothing has come to the attention of such counsel that has caused such

- 14 -

counsel to believe that at the Effective Date the Registration Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Final Prospectus includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading except that such counsel does not express any opinion or belief as to the financial statements or schedules or other data of a statistical or financial nature included or incorporated therein or as to that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Trust Indenture Act; or

(viii) this Agreement and any Delayed Delivery Contracts have been duly authorized, executed and delivered by the Company and the Guarantor;

(ix) no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated herein or in any Delayed Delivery Contracts, except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters and such other approvals (specified in such opinion) as have been obtained;

(x) neither the issue and sale of the Securities, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof or of any Delayed Delivery Contracts will (A) violate the charter or by-laws of the Company or the Guarantor, or (B) violate, result in a breach of, or constitute a default under the terms of any material indenture or other material agreement or instrument known to such counsel and to which the Company, the Guarantor or PNC Bank, N.A. is a party or bound, or (C) violate

- 15 -

any material order or regulation known to such counsel to be applicable to the Company, the Guarantor or PNC Bank, N.A. of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over the Company, or the Guarantor or PNC Bank, N.A.; and

(xi) no holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

In rendering such opinion, such counsel will opine only as to matters involving the application of the laws of the Commonwealth of Pennsylvania or the United States and may rely (A) as to matters involving the application of laws of any jurisdiction other than the Commonwealth of Pennsylvania or the United States, to the extent deemed proper and specified in such opinion, upon the opinion of other counsel of good standing believed to be reliable and who are reasonably satisfactory to counsel for the Underwriters, except that it will not be required that such counsel obtain an opinion of New York counsel as to matters of New York law in order to render such opinion or that such counsel express an opinion as to matters arising under the laws of any jurisdiction other than the laws of the Commonwealth of Pennsylvania and matters of federal law arising under the laws of the United States of America, and (B) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Corporation and public officials. References to the Final Prospectus in this paragraph (b) include any supplements thereto at the Closing Date.

(c) The Representatives shall have received from Cravath, Swaine & Moore, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Securities, any Delayed Delivery Contracts, the Registration Statement, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Guarantor shall have furnished to the Representatives a certificate of the Guarantor,

- 16 -

signed by the Chairman of the Board, the President, a Vice Chairman of the Board or any Executive or Senior Vice President and the principal financial or accounting officer of the Guarantor, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Final Prospectus, any supplement to the Final Prospectus and this Agreement and that:

(i) the representations and warranties of the Company and the Guarantor in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and the Company and the Guarantor have complied in all material respects with all the agreements and satisfied in all material respects all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Guarantor's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Final Prospectus (exclusive of any supplement thereto), there has been no material adverse change in the condition (financial or other), earnings, business or properties of the Guarantor and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto).

(e) At the Closing Date, Ernst & Young shall have furnished to the Representatives a letter or letters (which may refer to letters previously delivered to one or more of the Representatives), dated as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable published rules and regulations thereunder and stating in effect that:

- 17 -

(i) in their opinion the audited consolidated financial statements and financial statement schedules included or incorporated in the Registration Statement and the Final Prospectus and reported on by them comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(ii) on the basis of a reading of the latest unaudited consolidated financial statements made available by the Guarantor and its subsidiaries; carrying out certain specified procedures (but not an audit in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the shareholders and directors of the Guarantor and the audit and executive committees thereof and inquiries of certain officials of the Guarantor who have responsibility for financial and accounting matters of the Guarantor and its subsidiaries as to transactions and events subsequent to the date of the most recent audited consolidated financial statements in or incorporated in the Final Prospectus, nothing came to their attention which caused them to believe that: (1) any unaudited consolidated financial statements included or incorporated in the Registration Statement and the Final Prospectus do not comply in form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect to the financial statements included or incorporated in quarterly reports on Form 10-Q under the Exchange Act; and said unaudited consolidated financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included or incorporated in the Registration Statement and the Final Prospectus; or (2) with respect to the period subsequent to the date of the most recent audited consolidated financial

- 18 -

statements incorporated in the Registration Statement and the Final Prospectus, there were, at a specified date not more than five business days prior to the date of the letter, any increases in borrowed funds of the Guarantor and its subsidiaries or any decreases in the capital stock (defined as each of the individual dollar amounts of preferred stock, common stock, and capital surplus) of the Guarantor or the stockholders' equity of the Guarantor as compared with the amounts shown on the most recent consolidated balance sheet incorporated in the Registration Statement and the Final Prospectus, or for the period from the date of the most recent audited or unaudited consolidated financial statements incorporated in the Registration Statement and the Final Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in total or per share amounts of consolidated net income of the Guarantor or consolidated net interest income except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Guarantor as to the significance thereof unless said explanation is not deemed necessary by the Representative; and

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Guarantor and its subsidiaries) set forth in the Registration Statement and the Final Prospectus, including the information included or incorporated in Items 1, 5, 6 and 7 of the Guarantor's Annual Report on Form 10-K for the most recent fiscal year incorporated in the Registration Statement and the Final Prospectus, and the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included or incorporated in the Guarantor's Quarterly Reports on Form 10-Q, incorporated in the Registration Statement and Final Prospectus, agrees with the accounting records

- 19 -

of the Guarantor and its subsidiaries, excluding any questions of legal interpretation.

References to the Final Prospectus in this paragraph (e) include any supplement thereto at the date of the letter.

If provided for in Schedule I hereto, at the Execution Time, Ernst & Young shall have furnished to the Representatives a letter or letters, dated as of the Execution Time, in form and substance satisfactory to the

Representatives, to the effect set forth above.

(f) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (e) of this Section 5 or (ii) any change, or any development involving a prospective change, in or affecting the business or properties of the Guarantor and its subsidiaries the effect of which, in any case referred to in clause (i) or (ii) above, is, in the judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or the delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto).

(g) Subsequent to the Execution Time, there shall not have been any decrease in the ratings of any of the Guarantor's debt securities by Moody's Investors Service, Inc., or Standard & Poor's Corporation.

(h) Prior to the Closing Date, the Company and the Guarantor shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request in connection with the offering of the Securities.

(i) The Company and the Guarantor shall have accepted Delayed Delivery Contracts in any case where sales of Contract Securities arranged by the Underwriters have been approved by the Company.

- 20 -

If any of the conditions specified in this Section 5 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing or by telephone or telegraph confirmed in writing.

6. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 5 hereof is not satisfied, because of any termination pursuant to Section 9 hereof or because of any refusal, inability or failure on the part of the Company or the Guarantor to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company and the Guarantor will reimburse the Underwriters severally upon demand for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities. In no event shall the Company or the Guarantor be liable to the Underwriters for loss of anticipated profits from the transactions contemplated by this Agreement.

7. Indemnification and Contribution. (a) The Company and the Guarantor agree to indemnify and hold harmless each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities and any related Depository Shares as originally filed or in any amendment thereof, or in the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or

- 21 -

alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or

defending any such loss, claim, damage, liability or action; provided, however, that (i) the Company and the Guarantor will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company and the Guarantor by or on behalf of any Underwriter through the Representatives specifically for use in connection with the preparation thereof, or that part of the Registration Statement constituting the "Statement of Eligibility and Qualification" (Form T-1) of the Trustee under the Trust Indenture Act, and (ii) such indemnity with respect to the Basic Prospectus or any Preliminary Final Prospectus shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) from whom the person asserting any such loss, claim, damage or liability purchased the Securities or any related Depository Shares which are the subject thereof if such person did not receive a copy of the Final Prospectus (or the Final Prospectus as supplemented) excluding documents incorporated therein by reference at or prior to the confirmation of the sale of such Securities or Depository Shares, if any, to such person in any case where such delivery is required by the Act and the untrue statement or omission of a material fact contained in the Basic Prospectus or any Preliminary Final Prospectus was corrected in the Final Prospectus (or the Final Prospectus as supplemented). This indemnity agreement will be in addition to any liability which the Company and the Guarantor may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company and the Guarantor, each of their respective directors, each of their respective officers who signs the Registration Statement, and each person who controls the Company or the Guarantor within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company and the Guarantor to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company and the Guarantor by or on behalf of such Underwriter through the Representatives specifically for use in the preparation of the documents referred to in

- 22 -

the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company and the Guarantor acknowledge that the statements set forth in the last paragraph of the cover page, the first paragraph of the second page and under the heading "Underwriting" or "Plan of Distribution" and, if Schedule I hereto provides for sales of Securities pursuant to delayed delivery arrangements, in the last sentence under the heading "Delayed Delivery Arrangements" in any Preliminary Final Prospectus or the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the documents referred to in the foregoing indemnity, and you, as the Representatives, confirm that such statements are correct.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of such counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or

- 23 -

other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed

separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (plus any local counsel), approved by the Representatives in the case of paragraph (a) of this Section 7, representing the indemnified parties under such paragraph (a) who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) of this Section 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Company or the Guarantor on grounds of policy or otherwise, the Company and the Guarantor, on the one hand, and the Underwriters, on the other hand, shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Company, the Guarantor and one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount bears to the sum of such discount and the purchase price of the Securities specified in Schedule I hereto and the Company and the Guarantor are responsible for the balance; provided, however, that (y) in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount applicable to the Securities purchased by such Underwriter hereunder and (z) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls an Underwriter within the meaning of

- 24 -

the Act shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company and the Guarantor who shall have signed the Registration Statement and each director of the Company and the Guarantor shall have the same rights to contribution as the Company and the Guarantor, subject in each case to clauses (y) and (z) of this paragraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (d).

8. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule II hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such non defaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any non defaulting Underwriter or the Company or the Guarantor. In the event of a default by any Underwriter as set forth in this Section 8, the Closing Date shall be postponed for such period, not exceeding seven days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected.

- 25 -

Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any non defaulting Underwriter for damages occasioned by its default hereunder.

9. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company and the Guarantor prior to delivery of and payment for the Securities, if prior to such time (i) trading in the Guarantor's Common Stock shall have been suspended by the Commission or the New York Stock Exchange or trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange, (ii) a banking moratorium shall have been declared either by Federal, New York State or Pennsylvania authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the judgment of the Representatives, impracticable to market the Securities.

10. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company, the Guarantor or their respective officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or the Guarantor or any of the officers, directors or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 6 and 7 hereof shall survive the termination or cancellation of this Agreement.

11. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or transmitted by any standard form of telecommunication, at the address specified in Schedule I hereto; or, if sent to the Company or the Guarantor, will be mailed, delivered or transmitted by any standard form of telecommunication to it at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222, attention of the Senior Vice President and Chief Financial Officer of the Guarantor.

- 26 -

12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder.

13. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

- 27 -

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, the Guarantor and the several Underwriters.

Very truly yours,

PNC Funding Corp

By: _____
Name:
Title:

PNC Bank Corp.

By: _____
Name:
Title:

Confirmed and accepted,
intending to be legally
bound, as of the date specified
in Schedule I hereto.

By:

By: _____

Name:
Title:

For itself and the other several Underwriters, if any, named in Schedule II to the foregoing Agreement.

SCHEDULE I

Underwriting Agreement dated

Registration Statement No.

Representatives:

Title, Purchase Price and Description of Securities:

Title:

Principal Amount:

Public offering price:

Purchase price:

Sinking fund provisions:

Redemption provisions:

Other provisions:

Closing Date, Time and Location:

Type of Offering:

Delayed Delivery Arrangements:

Fee:

Minimum principal amount of each contract:

Maximum aggregate principal amount of all contracts:

Modification of items to be covered by the letter from Ernst & Young delivered pursuant to Section 5(e):

SCHEDULE II

<TABLE>
<CAPTION>

Underwriters	Principal Amount of Securities To Be Purchased
----- <S>	----- <C>

Total	=====

</TABLE>

PNC Bank Corp.

[Preferred Stock
(\$1.00 par value)]

[Common Stock
(\$5.00 par value)]

Underwriting Agreement

New York, New York
[date]

To the Representatives
named in Schedule I
hereto of the
Underwriters named in
Schedule II hereto

Dear Sirs:

PNC Bank Corp., a Pennsylvania corporation (the "Corporation"), proposes to sell to the underwriters named in Schedule II hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), the number of shares of preferred stock and/or common stock of the Corporation identified in Schedule I hereto (said shares to be issued and sold by the Corporation being hereinafter called the "Underwritten Securities"). The Corporation also proposes to grant to the Underwriters an option to purchase up to such additional number of shares of preferred stock and/or common stock of the Corporation as is specified in Schedule I hereto (the "Option Securities"; together with the Underwritten Securities, the "Securities") to cover over-allotments. If "Depositary Receipt Arrangements" is specified in Schedule I hereto, the Securities are to be deposited by you or on your behalf against delivery of Depositary Receipts (the "Depositary Receipts") to be issued by the bank or trust company identified in Schedule I hereto as Depositary (the "Depositary"), under the deposit agreement described in Schedule I hereto (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts issued thereunder. Any Depositary Receipts will

- 2 -

evidence Depositary Shares (the "Depositary Shares") and each Depositary Share will represent a fraction of a Security, as specified in Schedule I hereto. Except where the context otherwise requires, references to Securities herein shall include any related Depositary Shares and associated Depositary Receipts. If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives," as used herein, shall each be deemed to refer to such firm or firms.

1. Representations and Warranties. The Corporation represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1. Certain terms used in this Section 1 are defined in paragraph (c) hereof.

(a) If the offering of the Securities is a Delayed Offering (as specified in Schedule I hereto), paragraph (i) below is applicable and, if the offering of the Securities is a Non-Delayed Offering (as so specified), paragraph (ii) below is applicable.

(i) The Corporation meets the requirements for the use of Form S-3 under the Securities Act of 1933 (the "Act") and has filed with the Securities and Exchange Commission (the "Commission") a registration statement (the file number of which is set forth in Schedule I hereto), on such Form, including a basic prospectus, for registration under the Act of the offering and sale of the Securities. The Corporation may have filed one or more amendments thereto, and may have used a Preliminary Final Prospectus, each of which has previously been furnished to you. Such registration statement, as so amended, has become effective. The offering of the Securities is a Delayed Offering and, accordingly, it is not necessary that any further information with respect to the Securities and the offering thereof required by the Act and the rules thereunder to be included in the Final Prospectus have been included in an amendment to such registration statement prior to the Effective Date. The Corporation will next file with the Commission pursuant to Rules

- 3 -

included in such registration statement relating to the Securities and the offering thereof. As filed, such final prospectus supplement shall include all required information with respect to the Securities and the offering thereof and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Corporation has advised you, prior to the Execution Time, will be included or made therein.

(ii) The Corporation meets the requirements for the use of Form S-3 under the Act and has filed with the Commission a registration statement (the file number of which is set forth in Schedule I hereto) on such Form, including a basic prospectus, for registration under the Act of the offering and sale of the Securities. The Corporation may have filed one or more amendments thereto, including a Preliminary Final Prospectus, each of which has previously been furnished to you. The Corporation will next file with the Commission either (x) a final prospectus supplement relating to the Securities in accordance with Rules 430A and 424(b)(1) or (4), or (y) prior to the effectiveness of such registration statement, an amendment to such registration statement, including the form of final prospectus supplement. In the case of clause (x), the Corporation included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in the Final Prospectus with respect to the Securities and the offering thereof. As filed, such final prospectus supplement or such amendment and form of final prospectus supplement shall contain all Rule 430A Information, together with all other such required information, with respect to the Securities and the offering thereof and, except to the extent the Representatives shall

- 4 -

agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Corporation has advised you, prior to the Execution Time, will be included or made therein.

(b) On the Effective Date, the Registration Statement did or will, and when the Final Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date, the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act and the Securities Exchange Act of 1934 (the "Exchange Act") and the respective rules thereunder; on the Effective Date, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Final Prospectus, if not filed pursuant to Rule 424(b), did not or will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Corporation makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Corporation by or on behalf of any Underwriter through the Representatives specifically for use in connection with the preparation of the Registration Statement or the Final Prospectus (or any supplement thereto).

(c) The terms which follow, when used in this Agreement, shall have the meanings indicated. The term "the Effective Date" shall mean each date that the Registration Statement and any post effective amendment or amendments thereto became or become effective. "Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto. "Basic Prospectus" shall mean the prospectus referred to in paragraph (a) above contained in the Registration Statement at the Effective Date including, in the case of a Non-Delayed Offering, any Preliminary Final Prospectus. "Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Securities and the offering thereof and is used prior to filing of the Final Prospectus. "Final Prospectus" shall mean the prospectus supplement relating to the Securities that is first filed pursuant to Rule 424(b) after the Execution Time, together with the Basic Prospectus or, if, in the case of a Non-Delayed Offering, no filing pursuant to Rule 424(b) is required, shall mean the form of final prospectus relating to the Securities, including the Basic Prospectus, included in the Registration Statement at the Effective Date. "Registration Statement" shall mean the registration statement referred to in paragraph (a) above, including incorporated documents, exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post effective amendment thereto becomes effective prior to the Closing Date (as hereinafter defined), shall also mean such registration statement as so amended. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A. "Rule 415," "Rule 424," "Rule 430A" and "Regulation S-K" refer to such rules or regulation under the Act. "Rule 430A Information" means information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A. Any reference herein to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed

under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. A "Non-Delayed Offering" shall mean an offering of securities which is intended to commence promptly after the effective date of a registration statement, with the result that, pursuant to Rules 415 and 430A, all information (other than Rule 430A Information) with respect to the securities so offered must be included in such registration statement at the effective date thereof. A "Delayed Offering" shall mean an offering of securities pursuant to Rule 415 which does not commence promptly after the effective date of a registration statement, with the result that only information required pursuant to Rule 415 need be included in such registration statement at the effective date thereof with respect to the securities so offered. Whether the offering of the Securities is a Non-Delayed Offering or a Delayed Offering shall be set forth in Schedule I hereto.

2. Purchase and Sale. (a) (i) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Corporation agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Corporation, at the purchase price set forth in Schedule I hereto the number of shares of the Securities set forth opposite such Underwriter's name in Schedule II hereto, except that, if Schedule I hereto provides for the sale of Securities pursuant to delayed delivery arrangements, the respective number of shares of Securities to be purchased by the Underwriters shall be as set forth in Schedule II hereto less the respective number of shares of Contract Securities determined as provided below. Securities to be purchased by the Underwriters are herein sometimes called the "Underwriters' Securities" and Securities to

be purchased pursuant to Delayed Delivery Contracts as hereinafter provided are herein called "Contract Securities."

(a) (ii) If so provided in Schedule I hereto, the Underwriters are authorized to solicit offers to purchase Securities from the Corporation pursuant to delayed delivery contracts ("Delayed Delivery Contracts"), substantially in the form of Schedule III hereto but with such changes therein as the Corporation may authorize or approve. The Underwriters will endeavor to make such arrangements and, as compensation therefor, the Corporation will pay to the Representatives, for the account of the Underwriters, on the Closing Date, the percentage set forth in Schedule I hereto of the aggregate liquidation preference of the Securities for which Delayed Delivery Contracts are made. Delayed Delivery Contracts are to be with institutional investors, including commercial and savings banks, insurance companies, pension funds, investment companies and educational and charitable institutions. The Corporation will enter into Delayed Delivery Contracts in all cases where sales of Contract Securities arranged by the Underwriters have been approved by the Corporation but, except as the Corporation may otherwise agree, each such Delayed Delivery Contract must be for not less than the minimum number of shares set forth in Schedule I hereto and the aggregate number of shares of Contract Securities may not exceed the maximum aggregate number of shares set forth in Schedule I hereto. The Underwriters will not have any responsibility in respect of the validity or performance of Delayed Delivery Contracts. The number of shares of Securities to be purchased by each Underwriter as set forth in Schedule II hereto shall be reduced by the number of shares which shall bear the same proportion to the total number of shares of Contract Securities as the number of shares of Securities set forth opposite the name of such Underwriter bears to the aggregate number of shares set forth in Schedule II hereto, except to the extent that you determine that such reduction shall be otherwise than in such proportion and so advise the Corporation in writing; provided, however, that the total number of shares of Securities to be purchased by all Underwriters shall be the aggregate number of shares set forth in Schedule II hereto less the aggregate number of shares of Contract Securities.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties

- 8 -

herein set forth, the Corporation hereby grants an option to the several Underwriters to purchase, severally and not jointly, the Option Securities at the same purchase price per share as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised only to cover over-allotments in the sale of the Underwritten Securities by the Underwriters. Said option may be exercised in whole or in part at any time (but not more than once) on or before the 30th day after the date of the Final Prospectus upon written or telegraphic notice by the Representatives to the Corporation setting forth the number of shares of the Option Securities as to which the several Underwriters are exercising the option and the settlement date. Delivery of certificates for the shares of Option Securities, and payment therefor, shall be made as provided in Section 3 hereof. The number of shares of the Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of shares of the Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional shares.

3. Delivery and Payment. Delivery of and payment for the Underwriters' Securities shall be made on the date and at the time specified in Schedule I hereto (or such later date not later than five business days after such specified date as the Representatives shall designate), which date and time may be postponed by agreement among the Representatives, the Corporation or as provided in Section 8 hereof (such date and time of delivery and payment for the Underwriters' Securities being herein called the "Closing Date"). Delivery of the Underwriters' Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Corporation by wire transfer of immediately available funds. Delivery of the Underwriters' Securities shall be made at such location in The City of New York as the Representatives shall reasonably designate at least one business day in advance of the Closing Date and payment for the Securities shall be made at the office specified in Schedule I hereto. Certificates for the Underwriters' Securities shall be registered in such names (including the nominee for any depository which will hold Securities to be established for "book entry" issuance

- 9 -

and transfer) and in such denominations as the Representatives may request not less than two full business days in advance of the Closing Date.

The Corporation agrees to have the Underwriters' Securities available for inspection, checking and packaging by the Representatives in New York, New York, not later than 1:00 p.m. on the business day prior to the Closing Date.

If the option provided for in Section 2(b) hereof is exercised after the third business day prior to the Closing Date, the Corporation will deliver (at the expense of the Corporation) to the Representatives, at such location in The City of New York as the Representatives shall reasonably designate, on the date specified by the Representative (which shall be within three business days after exercise of said option), certificates for the Option Securities in such names and denominations as the Representatives shall have requested against payment of the purchase price thereof to or upon the order of the Corporation by wire transfer of immediately available funds. If settlement for the Option Securities occurs after the Closing Date, the Corporation will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 5 hereof.

Notwithstanding the preceding paragraphs, if "Depositary Receipt Arrangements" is specified in Schedule I hereto, certificates representing Securities shall be delivered in the names of the Representatives. Such certificates shall be delivered by the Representatives to the Depositary against delivery of Depositary Receipts representing Depositary Shares. Such Depositary Receipts shall be issued in such denominations and registered in such names as the Representatives shall request and shall be made available for inspection, checking and packaging by the Representatives in New York, New York not later than 1:00 p.m. on the business day prior to the due date for delivery hereof.

- 10 -

4. Agreements. The Corporation agrees with the several Underwriters that:

(a) The Corporation will use its best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendment thereto, to become effective. Prior to the termination of the offering of the Securities, the Corporation will not file any amendment to the Registration Statement or supplement (including the Final Prospectus or any Preliminary Final Prospectus) to the Basic Prospectus unless the Corporation has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. Subject to the foregoing sentence, the Corporation will cause the Final Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Corporation will promptly advise the Representatives (i) when the Registration Statement, if not effective at the Execution Time, and any amendment thereto, shall have become effective, (ii) when the Final Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b), (iii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iv) of any request by the Commission for any amendment of the Registration Statement or supplement to the Final Prospectus or for any additional information, (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (vi) of the receipt by the Corporation of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Corporation will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be

- 11 -

delivered under the Act, any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Corporation promptly will prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 4, an amendment or supplement which will correct such statement or omission or effect such compliance.

(c) As soon as practicable, the Corporation will make generally available to its security holders and to the Representatives an earnings statement or statements of the Corporation and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Corporation will furnish to the Representatives and counsel for the Underwriters, without charge, copies of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of any Preliminary Final Prospectus and the Final Prospectus and any supplement thereto as the Representatives may reasonably request. The Corporation will pay the expenses of printing or other production of all documents relating to the offering.

(e) The Corporation will use its best efforts to arrange for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the Securities and will arrange for the determination of the legality of the Securities for purchase by institutional investors; provided, however, that the Corporation shall not be required to qualify to do business in any jurisdiction where it is not now qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where they are not now subject.

- 12 -

(f) Until the date specified on Schedule I hereto, the Corporation will not, without the consent of the Representatives, offer, sell or contract to sell, or announce the offering of, (i) any shares of preferred stock or common stock covered by the Registration Statement or any other registration statement filed under the Act, or (ii) if the Securities are convertible into other securities of the Corporation, any of such other securities, in each case other than shares of common or preferred stock of the Corporation issued pursuant to warrants to purchase any such shares, issued upon conversion of the Corporation's outstanding convertible debentures or issued pursuant to any employee benefit or dividend reinvestment plan of the Corporation in effect at the Execution Time.

5. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwriters' Securities shall be subject to the accuracy in all material respects of the representations and warranties on the part of the Corporation contained herein as of the Execution Time and the Closing Date, to the accuracy in all material respects of the statements of the Corporation made in any certificates pursuant to the provisions hereof, to the performance in all material respects by the Corporation of its obligations hereunder and to the following additional conditions:

(a) If the Registration Statement has not become effective prior to the Execution Time, unless the Representatives agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 p.m. New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 p.m. New York City time on such date or (ii) 12:00 Noon on the business day following the day on which the public offering price was determined, if such determination occurred after 3:00 p.m. New York City time on such date; if filing of the Final Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Final Prospectus, and any such supplement, shall have been filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall

- 13 -

have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Corporation shall have furnished to the Representatives the opinion of Melanie S. Cibik, Esq., Senior Counsel of the Corporation, dated the Closing Date, to the effect that:

(i) the Corporation is a corporation validly organized and presently subsisting under the laws of the Commonwealth of Pennsylvania with all requisite corporate power and authority to own its properties and conduct its business as described in the Final Prospectus, except for such power and authority the absence of which would not have a material adverse effect on the Corporation, and is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended;

(ii) PNC Bank, National Association ("PNC Bank, N.A.") is a national banking organization validly existing in good standing under the laws of the United States, with all requisite corporate power and authority to own, lease and operate its properties and conduct its business as described in the Final Prospectus, except for such power and authority the absence of which would not have a material adverse effect on PNC Bank, N.A.;

(iii) all the outstanding shares of capital stock of PNC Bank, N.A. have been duly and validly authorized and issued and (except as provided in 12 U.S.C. Section 55) are fully paid and nonassessable, and, except as otherwise set forth in the Final Prospectus, all outstanding shares of capital stock of PNC Bank, N.A. are owned by the Corporation either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, any other security interests, claims, liens or encumbrances;

(iv) the Corporation's authorized equity capitalization, if set forth in the Final Prospectus, is as set forth in the Final Prospectus; the Securities and any Depositary Receipts conform in all material respects to

- 14 -

the description thereof contained in the Final Prospectus; the Securities have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and nonassessable and, if the Securities or related Depositary Shares are to be listed on any stock exchange, authorization therefor has been given, subject to official notice of issuance and evidence of satisfactory distribution, or the Corporation has filed a preliminary listing application and all required supporting documents with respect to the Securities or such Depositary Shares, if any, with such stock exchange and nothing has caused such counsel to believe that the Securities or such Depositary Shares, if any, will not be authorized for listing, subject to official notice of issuance and evidence of satisfactory distribution;

(v) to the best knowledge of such counsel, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any of its subsidiaries, of a character required to be disclosed in the Registration Statement which is not adequately disclosed in the Final Prospectus, and there is no franchise, contract or other document of a character required to be described in the Registration Statement or Final Prospectus, or to be filed as an exhibit, which is not described or filed as required; and the statements included or incorporated in the Final Prospectus describing any legal proceedings or material contracts or agreements relating to the Corporation or any of its subsidiaries fairly summarize such matters in all material respects;

(vi) the Registration Statement has become effective under the Act; any required filing of the Basic Prospectus, any Preliminary Final Prospectus and the Final Prospectus, and any supplements thereto, pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to the best knowledge of such counsel, no stop order suspending the

- 15 -

effectiveness of the Registration Statement has been issued, no proceedings for that purpose have been instituted or threatened, and the Registration Statement and the Final Prospectus (other than the financial statements and other financial and statistical information contained or incorporated therein, and that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Trust Indenture Act, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of that Act and the Exchange Act and the respective rules thereunder; and nothing has come to the attention of such counsel that has caused such counsel to believe that at the Effective Date the Registration Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Final Prospectus includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading except that such counsel does not express any opinion or belief as to the financial statements or schedules or other data of a statistical or financial nature included or incorporated therein or as to that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Trust Indenture Act;

(vii) this Agreement and any Delayed Delivery Contracts have been duly authorized, executed and delivered by the Corporation and, if any Depository is also a subsidiary, by such Depository;

(viii) no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated herein or in any Delayed Delivery Contracts, except such as have been obtained under the Act and such as may be required

- 16 -

under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters and such other approvals (specified in such opinion) as have been obtained;

(ix) neither the issue and sale of the Securities, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof or of any Deposit Agreement or Delayed Delivery Contracts will (A) violate the charter or by-laws of the Corporation, or (B) violate, result in a breach of, or constitute a default under the terms of any material indenture or other material agreement or instrument known to such counsel and to which the Corporation or PNC Bank, N.A. is a party or bound, or (C) violate any material order or regulation known to such counsel to be applicable to the Corporation or PNC Bank, N.A. of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over the Corporation or PNC Bank, N.A.; and

(x) no holders of securities of the Corporation have rights to the registration of such securities under the Registration Statement.

In rendering such opinion, such counsel will opine only as to matters involving the application of the laws of the Commonwealth of Pennsylvania or the United States and may rely (A) as to matters involving the application of laws of any jurisdiction other than the Commonwealth of Pennsylvania or the United States, to the extent deemed proper and specified in such opinion, upon the opinion of other counsel of good standing believed to be reliable and who are reasonably satisfactory to counsel for the Underwriters, except that it will not be required that such counsel obtain an opinion of New York counsel as to matters of New York law in order to render such opinion or that such counsel express an opinion as to matters arising under the laws of any jurisdiction other than the laws of the Commonwealth of Pennsylvania and matters of federal law arising under the laws of the United States of America, and (B) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Corporation and public officials. References to the Final Prospectus in this

- 17 -

paragraph (b) include any supplements thereto at the Closing Date.

(c) The Representatives shall have received from Cravath, Swaine & Moore, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Securities, any Delayed Delivery Contracts, the Registration Statement, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Corporation shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Corporation shall have furnished to the Representatives a certificate of the Corporation, signed by the Chairman of the Board, the President, a Vice Chairman of the Board or any Executive or Senior Vice President and the principal financial or accounting officer of the Corporation, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Final Prospectus, any supplement to the Final Prospectus and this Agreement and that:

(i) the representations and warranties of the Corporation in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and the Corporation has complied in all material respects with all the agreements and satisfied in all material respects all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Corporation's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Final Prospectus (exclusive of any supplement thereto), there has been no material adverse change in the condition (financial or other), earnings, business or properties of the

- 18 -

Corporation and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto).

(e) At the Closing Date, Ernst & Young shall have furnished to the Representatives a letter or letters (which may refer to letters previously delivered to one or more of the Representatives), dated as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable published rules and regulations thereunder and stating in effect that:

(i) in their opinion the audited consolidated financial statements and financial statement schedules included or incorporated in the Registration Statement and the Final Prospectus and reported on by them comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(ii) on the basis of a reading of the latest unaudited consolidated financial statements made available by the Corporation and its subsidiaries; carrying out certain specified procedures (but not an audit in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the shareholders and directors of the Corporation and the audit and executive committees thereof and inquiries of certain officials of the Corporation who have responsibility for financial and accounting matters of the Corporation and its subsidiaries as to transactions and events subsequent to the date of the most recent audited consolidated financial statements in or incorporated in the Final Prospectus, nothing came to their attention which caused them to believe that:
(1) any unaudited consolidated financial statements included or incorporated in the

- 19 -

Registration Statement and the Final Prospectus do not comply in form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect to the financial statements included or incorporated in quarterly reports on Form 10-Q under the Exchange Act; and said unaudited consolidated financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included or incorporated in the Registration Statement and the Final Prospectus; or (2) with respect to the period subsequent to the date of the most recent audited consolidated financial statements incorporated in the Registration Statement and the Final Prospectus, there were, at a specified date not more than five business days prior to the date of the letter, any increases in borrowed funds of the Corporation and its subsidiaries or any decreases in the capital stock (defined as each of the individual dollar amounts of preferred stock, common stock and capital surplus) of the Corporation or the stockholders' equity of the Corporation as compared with the amounts shown on the most recent consolidated balance sheet incorporated in the Registration Statement and the Final Prospectus, or for the period from the date of the most recent audited or unaudited consolidated financial statements incorporated in the Registration Statement and the Final Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in total or per share amounts of consolidated net income of the Corporation or consolidated net interest income except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Corporation as to the significance thereof unless said explanation is not deemed necessary by the Representative; and

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an

- 20 -

accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Corporation and its subsidiaries) set forth in the Registration Statement and the Final Prospectus, including the information included or incorporated in Items 1, 5, 6 and 7 of the Corporation's Annual Report on Form 10-K for the most recent fiscal year incorporated in the Registration Statement and the Final Prospectus, and the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included or incorporated in the Corporation's Quarterly Reports on Form 10-Q, incorporated in the Registration Statement and Final Prospectus, agrees with the accounting records of the Corporation and its subsidiaries, excluding any questions of legal interpretation.

References to the Final Prospectus in this paragraph (e) include any supplement thereto at the date of the letter.

If provided for in Schedule I hereto, at the Execution Time, Ernst & Young shall have furnished to the Representatives a letter or letters, dated as of the Execution Time, in form and substance satisfactory to the Representatives, to the effect set forth above.

(f) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (e) of this Section 5 or (ii) any change, or any development involving a prospective change, in or affecting the business or properties of the Corporation and its subsidiaries the effect of which, in any case referred to in clause (i) or (ii) above, is, in the judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or the delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto).

- 21 -

(g) Subsequent to the Execution Time, there shall not have been any decrease in the ratings of any of the Corporation's equity securities by Moody's Investors Service, Inc., or Standard & Poor's Corporation.

(h) Prior to the Closing Date, the Corporation shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request in connection with the offering of the Securities.

(i) The Corporation shall have accepted Delayed Delivery Contracts in any case where sales of Contract Securities arranged by the Underwriters have been approved by the Corporation.

(j) Any Deposit Agreement shall have been duly executed by the Corporation and the Depositary.

If any of the conditions specified in this Section 5 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Corporation in writing or by telephone or telegraph confirmed in writing.

6. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 5 hereof is not satisfied, because of any termination pursuant to Section 9 hereof or because of any refusal, inability or failure on the part of the Corporation to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Corporation will reimburse the Underwriters severally upon demand for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and

- 22 -

sale of the Securities. In no event shall the Corporation be liable to the Underwriters for loss of anticipated profits from the transactions contemplated by this Agreement.

7. Indemnification and Contribution. (a) The Corporation agrees to indemnify and hold harmless each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities and any related Depositary Shares as originally filed or in any amendment thereof, or in the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (i) the Corporation will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Corporation by or on behalf of any Underwriter through the Representatives specifically for use in connection with the preparation thereof, or that part of the Registration Statement constituting the "Statement of Eligibility and Qualification" (Form T-1) of the Trustee under the Trust Indenture Act, and (ii) such indemnity with respect to the Basic Prospectus or any Preliminary Final Prospectus shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) from whom the person asserting any such loss, claim, damage or liability purchased the Securities or any related Depositary Shares which are the subject thereof if such person did not receive a copy of the Final Prospectus (or the Final Prospectus as supplemented) excluding documents incorporated therein by reference at or prior to the

confirmation of the sale of such Securities or Depositary Shares, if any, to such person in any case where such delivery is required by the Act and the untrue statement or omission of a material fact contained in the Basic Prospectus or any Preliminary Final Prospectus was corrected in the Final Prospectus (or the Final Prospectus as supplemented). This indemnity agreement will be in addition to any liability which the Corporation may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Corporation, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Corporation within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Corporation to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Corporation by or on behalf of such Underwriter through the Representatives specifically for use in the preparation of the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Corporation acknowledges that the statements set forth in the last paragraph of the cover page, the first paragraph of the second page and under the heading "Underwriting" or "Plan of Distribution" and, if Schedule I hereto provides for sales of Securities pursuant to delayed delivery arrangements, in the last sentence under the heading "Delayed Delivery Arrangements" in any Preliminary Final Prospectus or the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the documents referred to in the foregoing indemnity, and you, as the Representatives, confirm that such statements are correct.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate

therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of such counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (plus any local counsel), approved by the Representatives in the case of paragraph (a) of this Section 7, representing the indemnified parties under such paragraph (a) who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) of this Section 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation, on the one hand, and the Underwriters, on the other hand, shall contribute to the aggregate losses, claims, damages and liabilities (including legal

or other expenses reasonably incurred in connection with investigating or defending same) to which the Corporation and one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount bears to the sum of such discount and the purchase price of the Securities specified in Schedule I hereto and the Corporation is responsible for the balance; provided, however, that (y) in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount applicable to the Securities purchased by such Underwriter hereunder and (z) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls an Underwriter within the meaning of the Act shall have the same rights to contribution as such Underwriter, and each person who controls the Corporation within the meaning of either the Act or the Exchange Act, each officer of the Corporation who shall have signed the Registration Statement and each director of the Corporation shall have the same rights to contribution as the Corporation, subject in each case to clauses (y) and (z) of this paragraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (d).

8. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule II hereto bears to the aggregate amount of Securities set forth opposite

the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such non defaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any non defaulting Underwriter or the Corporation. In the event of a default by any Underwriter as set forth in this Section 8, the Closing Date shall be postponed for such period, not exceeding seven days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Corporation and any non defaulting Underwriter for damages occasioned by its default hereunder.

9. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Corporation prior to delivery of and payment for the Securities, if prior to such time (i) trading in the Corporation's Common Stock shall have been suspended by the Commission or the New York Stock Exchange or trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange, (ii) a banking moratorium shall have been declared either by Federal, New York State or Pennsylvania authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the judgment of the Representatives, impracticable to market the Securities.

10. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Corporation or its respective officers and of the Underwriters set forth in

or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of

- 27 -

any Underwriter or the Corporation or any of the officers, directors or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 6 and 7 hereof shall survive the termination or cancellation of this Agreement.

11. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or transmitted by any standard form of telecommunication, at the address specified in Schedule I hereto; or, if sent to the Corporation, will be mailed, delivered or transmitted by any standard form of telecommunication to it at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222, attention of the Senior Vice President and Chief Financial Officer of the Corporation.

12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder.

13. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

- 28 -

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Corporation and the several Underwriters.

Very truly yours,

PNC Bank Corp.

By: _____
Name:
Title:

Confirmed and accepted,
intending to be legally
bound, as of the date specified
in Schedule I hereto.

By:

By: _____
Name:
Title:

For itself and the other
several Underwriters, if
any, named in Schedule II
to the foregoing Agreement.

SCHEDULE I

Underwriting Agreement dated

Registration Statement No.

Representative(s):

Designation, Purchase Price and Description of Preferred Stock:

Designation:

Liquidation preference per share:

Number of shares:

Purchase price per share (include accrued dividends, if any):

Over-allotment option for Preferred Stock:

Depository Receipt Arrangements:

Name of Depository:

Date of Deposit Agreement:

Fraction of a Security equal to one Depository Share:

Number of Shares of Common Stock:

Purchase price per share of Common Stock:

Over-allotment option for Common Stock:

Closing Date, Time and Location:

Type of Offering:

Delayed Delivery Arrangements:

Fee:

Minimum number of shares of Securities of each contract:

Maximum aggregate number of shares of Securities of all contracts:

Modification of items to be covered by the letter from Ernst & Young delivered pursuant to Section 5(e):

Date pursuant to Section 4(f):

SCHEDULE II

<TABLE>
<CAPTION>

Underwriters - -----	Number of shares of Preferred Stock To Be Purchased -----
<S>	<C>

Total	=====

</TABLE>

<TABLE>
<CAPTION>

Underwriters - -----	Number of shares of Common Stock To Be Purchased -----
<S>	<C>

Total	=====

</TABLE>

PNC FUNDING CORP
ARTICLES OF INCORPORATION

(Composite, reflecting amendments)

1. The name of the corporation is: "PNC FUNDING CORP".
2. The location and post office address of its registered office in this Commonwealth is 1600 Market Street, Philadelphia, Pennsylvania, Philadelphia County, 19101.
3. The purpose or purposes of the corporation, as initially organized under the Act, are as follows:

To have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania, Act of May 5, 1933, P.L. 364, as amended.
4. The term of its existence is: Perpetual.
5. The aggregate number of shares which the corporation shall have authority to issue is:

Ten (10) shares of Common Stock, having a par value of \$100.00 per share.
6. The names and addresses of each of the incorporators and the number and class of shares subscribed by each are:

NAME -----	ADDRESS -----	NUMBER AND CLASS OF SHARES -----
Everett K. Dilworth	1200 Pittsburgh National Building Pittsburgh, PA 15222	One (1) share of Common Stock, Par Value of \$100.00
James M. Ferguson	1200 Pittsburgh National Building Pittsburgh, PA 15222	One (1) share of Common Stock, Par Value of \$100.00
Henry S. Pool	1200 Pittsburgh National Building Pittsburgh, PA 15222	One (1) share of Common Stock, Par Value of \$100.00

BY-LAWS
OF
PNC FUNDING CORP
Formerly
PITTSBURGH NATIONAL DISCOUNT CORPORATION
(a Pennsylvania Corporation)
Amended 8/21/97

ARTICLE I

Office

Section 1. - The general office of this Corporation shall be located in the Pittsburgh National Building, Pittsburgh, Pennsylvania.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Annual Meeting

Section 1. - The annual meeting of the shareholders of the Corporation shall be held at the general office of the Corporation or at such other place as the Board of Directors may designate on the first Tuesday in May of each year at 11:00 o'clock a.m. or on such other date as may be fixed by the Board of Directors.

Special Meeting of Shareholders

Section 2. - Special meetings of the shareholders may be called at any time by the Board of Directors, the Chairman of the Board, or the President or when requested in writing by one or more shareholders owning in the aggregate not less than twenty (20) per centum of all the shares outstanding and entitled to vote at the particular meeting.

Notice to Shareholders

Section 3. - Written notice of every shareholders' meeting shall be given by mail to each shareholder of record entitled to vote at the meeting, at least five (5) days prior to the day named for the meeting, unless a greater period of notice is required by law to be given in any particular case. Such notice shall state the time and place of such meeting, and, if a special meeting, the purposes of such meeting. Notice of any meeting may be waived in writing by the shareholders

and attendance at the meeting shall itself constitute a waiver of notice of the meeting. The Board of Directors shall fix a date not more than fifty (50) days prior to the date of the meeting as the record date for determining shareholders entitled to vote at any meeting.

Quorum of Shareholders Necessary

Section 4. - The presence, in person or by proxy, of the holders of a majority of the outstanding share entitled to vote shall be necessary to constitute a quorum and a shareholders' meeting shall not be organized for the transaction of business unless a quorum is present. A majority of the votes cast shall decide every question submitted to the shareholders unless otherwise provided by law.

Election of Directors

Section 5. - At the annual meeting of the shareholders the election of Directors for the ensuing year shall be held and such other business transacted as shall properly be brought before the meeting. Election of Directors need not be by ballot.

Consent of Shareholders Without Meeting

Section 6. - Any action which may be taken at a meeting of the shareholders of the corporation may be taken without a meeting if a consent in writing setting forth the action so taken, signed by all the shareholders who would be entitled to vote at a meeting for such purpose, shall be filed with the Secretary of the Corporation.

ARTICLE III

DIRECTORS

Board of Directors

Section 1. - The business and affairs of the Corporation shall be managed by the Board of Directors of not less than three nor more than ten persons who need not be shareholders, as from time to time shall be determined by the Board of Directors or by the majority of the votes to which all shareholders are at the time entitled at any meeting of shareholders at which Directors are elected. If the number of Directors shall not be changed at any such meeting, it shall remain as theretofore established, except that the Board of Directors by vote of a majority of the number of Directors then in office may between annual meetings increase the membership of the Board within the maximum of the above prescribed by not more than two members, and by like vote appoint Directors to fill the vacancies created thereby. The Directors shall hold office until the next succeeding annual meeting and until their successors shall be elected and qualified.

Organization of Board of Directors

Section 2. - After the Board of Directors shall have been elected they shall meet and elect those officers as are authorized by these by-laws. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its best judgment, the best interests of the corporation will be served thereby, without prejudice, however, to any contract rights the person so removed may have.

Vacancy in Board of Directors

Section 3. - Any vacancy in the Board of Directors shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a Director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose.

Directors Meetings

Section 4. - Regular meetings of the Board of Directors may be held without notice at such times and at such places as the Board of Directors, by resolution, shall establish. When a regular meeting falls on a business holiday, it shall be held on the preceding or next following business day, as the Chief Executive Officer shall select.

Participation by Telephone

Section 5. - At the discretion of the Chairman of the Board, or other presiding officer, one or more directors may participate in a meeting of the Board of Directors or in a meeting of a committee of the Board by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Quorum of Board of Directors

Section 6. - Two fifths (2/5) of the Directors in office shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice.

Written Consent to Action Without Meeting

Section 7. - If all the Directors shall severally or collectively consent in writing to any action to be taken by the corporation, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board of Directors.

Removal of Directors

Section 8. - The entire Board of Directors or any individual Director may be removed from office by a majority vote of the holders of the outstanding shares entitled to vote at an election of Directors. In case the Board or any one or more Directors be so removed, new Directors may be elected at the same meeting.

ARTICLE IV

OFFICERS

Designation

Section 1. - The Officers of the Corporation shall be a Chairman of the Board, a President, a Secretary, and a Treasurer, and such other Officers and Assistant Officers as the Board of Directors may authorize.

Chairman of the Board

Section 2. - The Chairman of the Board shall be the chief executive officer of the Corporation; he shall preside at all meetings of the shareholders, of the Board of Directors, and of the Executive Committee at which he is present and shall be ex officio a member of all Committees and, subject to the direction of the Board of Directors, he shall have the general supervision of the policies, business and operations of the corporation and of the other officers, agents and employees of the corporation; he shall have all other powers and duties as are usually incident to the chief executive officer of a corporation and shall perform the duties of the President in the event the President is not available.

President

Section 3. - The President shall be the chief administrative officer of the corporation and shall have general supervision under the direction of the Chairman of the Board of the operations of the corporation and of the other officers, agents and employees and shall be ex officio a member of all Committees; he shall have all the administrative powers and duties that are usually incident to the office of the President of a corporation and shall cooperate and advise with the Chairman of the Board and shall have all of the powers and duties of the Chairman of the Board in the event that the Chairman of the Board is absent or unable to serve, and shall have such other duties as

may be assigned to him from time to time by the Board of Directors or the Chairman of the Board. In the absence of the Chairman of the Board he shall preside at the meetings of the shareholders, of the Board of Directors, and of the Executive committee unless some other person shall be appointed by the Board of Directors.

Vice Presidents

Section 4. - The Vice Presidents, if such are elected, shall have the duties and powers as may from time to time be assigned to them by the Board of Directors or by the Chairman of the Board in the absence of any assignment by the Board of Directors.

Treasurer

Section 5. - The Treasurer shall be responsible for all moneys, funds, securities, fidelity and indemnity bonds and other valuables belonging to the corporation, shall cause to be kept proper records of the transactions of the corporation; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the Chairman of the Board.

Secretary

Section 6. - The Secretary shall attend the meetings of the

shareholders, of the Board of Directors, and of the Executive Committee and shall keep minutes thereof in suitable minute books. He shall have charge of the corporate records, papers and the corporate seal. He shall have charge of the stock and transfer records of the corporation and shall keep a record of all shareholders and give notices of all meetings of shareholders, special meetings of the Board of Directors and of special meetings of the Executive Committee. He shall have such other duties as the Board of Directors or the Chairman of the Board shall assign to him.

Comptroller

Section 7. - The Comptroller, if a Comptroller is elected, shall be the chief accounting officer and shall supervise systems and accounting records and shall be responsible for the preparation of financial reports.

Auditor

Section 8. - The Auditor, if an Auditor is elected, shall have charge of auditing the books, records and accounts. He shall report directly to the Board of Directors or a committee thereof.

Assistant Officers

Section 9. - Each Assistant Officer as shall be elected shall assist in the performance of the duties of the officer to whom he is assistant and shall perform such duties in the absence of the officer. He shall perform such additional duties as the Board of Directors, the Chairman of the Board, or the officer to whom he is assistant, may from time to time assign to him.

ARTICLE V

COMMITTEES

Standing Committees

Section 1. - The Standing Committees which may be appointed from time to time by the Board of Directors may be an Executive Committee, and such other Committees as the Board of Directors or the Chairman of the Board shall deem advisable.

Executive Committee

Section 2. - The Executive Committee, if one shall be appointed, shall consist of not less than two Directors, who from time to time shall be appointed by the Board of Directors or the Chairman of the Board. The Committee shall meet at such time or times as may be fixed by the Board of Directors or upon the call of the Chairman of the Board. Any other member of the Board of Directors who may see fit to attend, may participate in any or all meetings of the Executive Committee without formal appointment, and, when in attendance, shall be deemed and treated for all purposes as a member of the Committee. The Chairman of the Board shall act as Chairman of the Executive Committee and in his absence the President, unless the Board of Directors shall appoint some other person. The Executive Committee shall have and exercise in the intervals between the meetings of the Board of Directors all the powers of the Board of Directors so far as may be permitted by law. All acts done and powers conferred by the Executive Committee from time to time shall be deemed to be, and may be certified as being, done and conferred under authority of the Board of Directors. A number of directors equal to a majority of the number of directors from time to time formally appointed to the Executive Committee shall constitute a quorum regardless of whether the directors present shall have been formally appointed to the Executive Committee, and the action of a majority of the directors present at a meeting shall decide any matter or question submitted to the Executive Committee.

Minutes

Section 3. - The Executive Committee shall keep minutes of its meetings, and such minutes shall be submitted at the next regular meeting of the board of Directors, and any action taken by the Board of Directors with respect thereto shall be entered in the minutes of the Board of Directors. All other Committees shall keep minutes of their meetings which shall be accessible

to inspection by the Board of Directors at all times.

Procedure

Section 4. - Except as otherwise expressly provided for herein, each Committee may appoint a secretary, adopt its own rules of procedure and, unless the Board of Directors has acted with respect thereto, determine the date, place and hour for its meetings. In the absence of any other specific provisions therefor all meetings of committees shall be governed by "Roberts Rules of Order" and a majority of the members of any committee shall constitute a quorum, and the action of a majority of the members in attendance at a meeting shall constitute the action of the body. A special meeting of any Committee may be called by the Chairman of the Board at any time. Notice of such special meeting shall be given to each member personally, or by mail or telegraph to his address appearing on the books of the Corporation by deposit in any post office or telegraph office, on or before the day preceding the meeting.

Attendance

Section 5. - In the event of the absence or inability of any member of any Committee to attend any meeting of the Committee the Chairman of the Board may appoint any director who is not a member of the Committee as a temporary member to take the place at any meeting or meetings of any director member who is absent or unable to attend.

ARTICLE VI

GENERAL POWERS OF OFFICERS

The Seal

Section 1. - The Chairman of the Board, the President, each Vice President, the Treasurer and each Assistant Treasurer, the Secretary and each Assistant Secretary, shall have authority to affix and attest the corporate seal of the corporation adopted by the Board of Directors.

Sale, Assignment, Receipt, Satisfaction, and Execution of
Documents by Corporate Attestation

Section 2. - The Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer, the Secretary or any Assistant Secretary and any other officers or agents authorized by the Board of Directors are and each of them acting above is hereby authorized and empowered:

a. To sell, assign and transfer any and all shares of stock, bonds or other personal property standing in the name of the corporation or held by the corporation either in its own name or in any fiduciary capacity or as agent;

b. To assign and transfer any and all registered bonds of the United States or its instrumentalities and the bonds of any state, city, county, borough or other municipality and the bonds of any corporation and to execute requests for payment or reissue of any such bonds that may be issued now or hereafter and held by the corporation in its own right or in any fiduciary capacity or as agent;

c. To sell at public or private sale, lease, mortgage or otherwise dispose of, for such price or prices and upon such terms and conditions as may be deemed advisable, any real estate or any interest therein now held or which may be hereafter acquired or held by the corporation in its own right or in any fiduciary capacity or as agent; and for and on behalf of the corporation and as its corporate act and deed to execute and deliver any conveyances of any such real estate, agreements, contracts, bills of sale, assignments of mortgages, judgments, claims, powers of attorney or other instruments which may be necessary in relation to any estate or property, real or personal, standing in the name of this corporation in its own right or in any fiduciary capacity or as agent and to affix the corporate seal of the corporation to any or all such instruments in writing and to acknowledge the same before any person having authority to take such acknowledgements on such instruments to the intent that they may be duly recorded;

d. To receive and receipt for any sums of money or property due or owing to this corporation in its own right or in any fiduciary capacity or as agent and to execute any instrument of satisfaction therefor or of any mortgage, judgment or other lien of record in the Office of the Recorder of Deeds, the Prothonotary or other office or Court of Record in Allegheny County

or elsewhere;

e. To execute and deliver any and all deeds, contracts, agreements, leases, conveyances, bills of sale, petitions, writings, instruments, releases, acquittances and obligations necessary in the exercise of the corporate powers of the corporation.

Signatures without Corporate Attestation

Section 3. - The Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer, the Secretary or any Assistant Secretary, and such other officers, employees and agents as the Board of Directors or the Executive Committee may appoint are each hereby authorized and empowered:

a. To sign or countersign checks, drafts, acceptances, promissory notes, and correspondence and other papers or documents not ordinarily requiring execution under the seal of the corporation;

b. To receive and receipt for any sums of money or property due or owing to this corporation in its own right or in any fiduciary capacity or as agent and, either as Attorney-in-Fact for the corporation or otherwise, to enter satisfaction therefor or of any mortgage, judgment or other lien in the Office of the Recorder of Deeds or the Prothonotary or other office or Court of Record in Allegheny County or elsewhere.

ARTICLE VII

STOCK CERTIFICATES

Signatures

Section 1. - Certificates of stock of the corporation shall be signed by the Chairman of the Board, or the President, or a Vice President, and countersigned by the Treasurer or an Assistant Treasurer, or by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. The seal may be a facsimile. Where any such certificate is manually signed by the transfer agent or the Registrar, the signatures of the officers of the corporation upon such certificate may be facsimiles. In case any such officer who has signed or countersigned, or whose facsimile signature has been placed upon, such certificate shall have ceased to be an officer before such certificate is issued, it may be issued by the corporation with the same effect as if such officer were still an officer at the time of its issue.

Transfer

Section 2. - The shares of stock of the corporation shall be transferable only on its books upon surrender of the stock certificate for such shares properly endorsed. The Board of Directors shall have power to appoint one or more Transfer Agents and Registrars for the transfer and registration of certificates of stock of any class, and may require that stock certificates shall be countersigned and registered by one or more such Transfer Agents and Registrars.

Record Date

Section 3. - Transfers of stock shall not be suspended preparatory to the declaration of dividends but dividends shall be paid to the shareholders in whose name the stock is standing on the records of the Corporation at the close of business on such day subsequent to the date of declaration of the dividend as the Board of Directors may designate.

Lost Certificate

Section 4. - If a stock certificate shall be lost, stolen, or destroyed, the shareholder may file with the corporation a affidavit stating the circumstances of the loss, theft, or destruction and may request the issuance of a new certificate. He shall give to the corporation a bond which shall in such sum, contain such terms and provisions and have such surety or sureties as the Board of Directors may direct. The corporation may thereupon issue a new certificate replacing the certificate lost, stolen or destroyed.

Form of Certificate

Section 5. - Certificates evidencing the shares of stock of the corporation shall be in the form as the Board of Directors shall from time to time direct.

ARTICLE VIII

EXERCISE OF AUTHORITY DURING EMERGENCIES

Section 1. - The Board of Directors or the Executive Committee may from time to time adopt resolutions authorizing certain persons and entities to exercise authority on behalf of this corporation in time of emergency, and in the time of emergency any such resolutions will be applicable, notwithstanding any provisions as to the contrary contained in these By-laws.

ARTICLE IX

CHARITABLE CONTRIBUTIONS

Section 1. - The Board of Directors may authorize contributions to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare in such sums as the Board of Directors may deem expedient and in the interests of the corporation.

ARTICLE X

AMENDMENTS

Section 1. - These By-laws may be altered, amended, added to or repealed by a vote of a majority of the Board of Directors at any regular meeting of the Board of Directors, or at any special meeting of the board of Directors called for that purpose.

ARTICLE XI

DIRECTOR LIABILITY LIMITATION AND INDEMNIFICATION

Section 1. Limitation of Director Liability

A director of the Corporation shall, to the maximum extent permitted by the laws of the Commonwealth of Pennsylvania, have no personal liability for monetary damages for any action taken, or any failure to take any action as a director, provided that this Section 1, Article XI shall not eliminate the liability of a director in any case where such elimination is not permitted by law.

Section 2. Indemnification

Each person who at any time is or shall have been a director or officer of the Corporation, or is serving or shall have served at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his or her heirs, executors and administrators, shall be indemnified by the Corporation in accordance with and to the full extent permitted by the laws of the Commonwealth of Pennsylvania as in effect at the time of such indemnification. The foregoing right of indemnification shall constitute a contract between the Corporation and each of its directors and officers and shall not be deemed exclusive of other rights to which any director, officer, employee, agent or other person may be entitled in any capacity as a matter of law or under any by-law, agreement, vote of shareholders or directors, or otherwise. If authorized by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the laws of the Commonwealth of Pennsylvania.

Form of Common Stock Certificate

COMMON [PICTURE OF WOMAN WITH ANCIENT GREEK LYRE APPEARS IN TOP/CENTER OF CERTIFICATE; RIBBON BORDER RUNS DOWN LEFT AND RIGHT MARGINS] COMMON

SHARES

<TABLE>

<S>

NUMBER
CPT

<C>

INCORPORATED UNDER THE LAWS OF THE
COMMONWEALTH OF PENNSYLVANIA

<C>

THIS CERTIFICATE IS TRANSFERABLE
IN NEW YORK, N.Y.

SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP 693475 10 5

</TABLE>

PNCBANK(SM)

PNC BANK CORP.

This Certifies that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE PAR VALUE OF \$5.00 EACH OF THE
COMMON STOCK OF

[IN LIGHT TYPE "CERTIFICATE OF STOCK"]

PNC Bank Corp., transferable on the books of the Corporation in person or by a
duly authorized attorney upon surrender of this certificate properly endorsed.

This certificate is not valid until countersigned by the Transfer
Agent and registered by the Registrar. Witness the facsimile seal of
the Corporation and the facsimile signatures of its duly authorized
officers.

Dated /s/ Thomas H. O'Brien
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
THE CHASE MANHATTAN BANK
TRANSFER AGENT AND REGISTRAR,

BY /s/ John F. Fulgoney
CORPORATE SECRETARY

AUTHORIZED SIGNATURE

[PNC Bank Corp. Corporate Seal appears left of Transfer Agent and
Registrar signature block]

[REVERSE SIDE OF COMMON STOCK CERTIFICATE]

PNC BANK CORP.

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER, UPON REQUEST AND
WITHOUT CHARGE, A FULL OR SUMMARY STATEMENT OF (1) THE DESIGNATIONS,
PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS
AUTHORIZED TO BE ISSUED, (2) THE VARIATIONS IN THE RELATIVE RIGHTS AND
PREFERENCES BETWEEN THE SHARES OF EACH SERIES OF PREFERRED STOCK SO FAR AS THE
SAME HAVE BEEN FIXED AND DETERMINED, AND (3) THE AUTHORITY OF THE BOARD OF
DIRECTORS TO FIX AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF
SUBSEQUENT SERIES, SUCH REQUEST MAY BE MADE TO THE TRANSFER AGENT NAMED ON THE
FACE HEREOF OR TO THE SECRETARY OF THE CORPORATION.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN OR DESTROYED THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws and regulations:

- TEN COM - as tenants in common
 - TEN ENT - as tenants by the entireties
 - JT TEN - as joint tenants with right of survivorship and not as tenants in common
 - UNIF GIFT MIN ACT - Custodian
-
- (Cust) (Minor)
under Uniform Gifts to Minors Act
-
- (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

shares

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) MUST BE GUARANTEED BY A MEMBER FIRM OF NEW YORK STOCK EXCHANGE OR BY A COMMERCIAL BANK OR TRUST COMPANY.

PNC BANK CORP.,
[NAME OF DEPOSITARY BANK], as Depositary,
and
THE HOLDERS FROM TIME TO TIME OF
THE DEPOSITARY RECEIPTS DESCRIBED HEREIN

Deposit Agreement
relating to [insert designation]
Preferred Stock of PNC Bank Corp.

Dated as of ,

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	Page

<S>	<C>
PARTIES	
RECITALS.	

ARTICLE I

Definitions

Certificate
Depositary Shares
Depositary's Agent
Depositary's Office
Receipt
Record holder
Registrar

ARTICLE II

Form of Receipts, Deposit of Stock,
Execution and Delivery, Transfer,
Surrender and Redemption of Receipts

SECTION 2.01. Form and Transfer of Receipts
SECTION 2.02. Deposit of Preferred Stock; Execution and Delivery of Receipts in Respect Thereof.
SECTION 2.03. Redemption of Preferred Stock
SECTION 2.04. Registration of Transfer of Receipts
SECTION 2.05. Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Preferred Stock.
SECTION 2.06. Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts
SECTION 2.07. Lost Receipts, etc.

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>
SECTION 2.08.	Cancellation and Destruction of Surrendered Receipts	
[SECTION 2.09.	Conversion of Preferred Stock.	

ARTICLE III

Certain Obligations of Holders
of Receipts and the Company

SECTION 3.01.	Filing Proofs, Certificates and Other Information.
SECTION 3.02.	Payment of Taxes or Other Governmental Charges
SECTION 3.03.	Warranty as to Preferred Stock.
[SECTION 3.04.	Covenants and Warranties as to Common Stock]

ARTICLE IV

The Deposited Securities; Notices

SECTION 4.01.	Cash Distributions.
SECTION 4.02.	Distributions Other Than Cash, Rights, Preferences or Privileges
SECTION 4.03.	Subscription Rights, Preferences or Privileges.
SECTION 4.04.	Notice of Dividends, etc.; Fixing of Record Date for Holders of Receipts.

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	Page

		<C>
SECTION 4.05.	Voting Rights	
SECTION 4.06.	Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc.	
SECTION 4.07.	Inspection of Reports	
SECTION 4.08.	Lists of Receipt Holders.	
SECTION 4.09.	Tax and Regulatory Compliance	
SECTION 4.10.	Withholding	

ARTICLE V

The Depositary, the Depositary's Agents,
the Registrar and the Company

SECTION 5.01.	Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar
SECTION 5.02.	Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Company
SECTION 5.03.	Obligations of the Depositary, the Depositary's Agents, the Registrar and the Company.
SECTION 5.04.	Resignation and Removal of the Depositary; Appointment of Successor Depositary
SECTION 5.05.	Corporate Notices and Reports

SECTION 5.06. Indemnification by the Company
</TABLE>

<TABLE>
<CAPTION>

		Page

<S>	<C>	<C>
SECTION 5.07.	Charges and Expenses.	

ARTICLE VI

Amendment and Termination

SECTION 6.01.	Amendment
SECTION 6.02.	Termination

ARTICLE VII

Miscellaneous

SECTION 7.01.	Counterparts.
SECTION 7.02.	Exclusive Benefit of Parties.
SECTION 7.03.	Invalidity of Provisions.
SECTION 7.04.	Notices
SECTION 7.05.	Depository's Agents
SECTION 7.06.	Holder of Receipts Are Parties
SECTION 7.07.	Governing Law
SECTION 7.08.	Inspection of Agreement
SECTION 7.09.	Headings.
TESTIMONIUM	
SIGNATURES.	

EXHIBIT A: Form of Depository Receipt
</TABLE>

DEPOSIT AGREEMENT dated as of _____, _____, among PNC Bank Corp., a Pennsylvania corporation (the "Company"), [NAME OF DEPOSITARY BANK], a _____, as depository (the "Depository"), and the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Agreement, for the deposit of [insert designation of preferred shares], \$1.00 par value (the "Preferred Stock") of the Company with the Depository for the purposes set forth in this Agreement and for the issuance hereunder of Receipts (as defined below) evidencing Depository Shares (as defined below) in respect of the Preferred Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Definitions

The following definitions shall for all purposes, unless otherwise indicated or the context otherwise, apply to the respective terms used in this Agreement:

"Certificate" shall mean the statement filed with the Department of State of the Commonwealth of Pennsylvania establishing the Preferred Stock as a series of preferred shares of the Company.

"Depository Shares" shall mean Depository Shares, each representing [SPECIFY FRACTION] of a share of Preferred Stock and evidenced by a Receipt.

"Depository's Agent" shall mean an agent appointed by the Depository pursuant to Section 7.05.

"Depository's Office" shall mean the principal office of the depository in [LOCATION], at which at any particular time its depository receipt business shall be administered.

"Receipt" shall mean one of the Depository Receipts issued hereunder, whether in definitive or temporary form.

"Record holder" as applied to a Receipt shall mean the person in whose name a Receipt is registered on the books of the Depository maintained for such purpose.

"Registrar" shall mean any bank or trust company that shall be appointed to register ownership and transfers of Receipts as herein provided.

ARTICLE II

Form of Receipts, Deposit of Preferred Stock, Execution and Delivery, Transfer, Surrender and Redemption of Receipts

SECTION 2.01. Form and Transfer of Receipts. Definitive Receipts shall be engraved or printed or lithographed on steel-engraved borders and shall be substantially in the form set forth in Exhibit A hereto, with appropriate insertions, modifications and omissions, as hereinafter provided. Pending the preparation of definitive Receipts, the Depository, upon the written order of the Company or any holder of Preferred Stock, as the case may be, delivered for deposit in compliance with Section 2.02, shall execute and deliver temporary Receipts which are printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Company and the Depository will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at an office described in the second to last paragraph of Section 2.02, without charge to the holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depository shall execute and delivery in exchange therefor definitive Receipts representing the same number of Depository Shares as represented by the surrendered temporary Receipt or Receipts. Such exchange shall be made at the Company's expense and without

- 2 -

any charge therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Agreement, and with respect to the Preferred Stock deposited hereunder, as definitive Receipts.

Receipts shall be executed by the Depository by the manual signature of a duly authorized officer of the Depository; provided, however, that such signature may be a facsimile if a Registrar for the Receipts (other than the Depository) shall have been appointed and such Receipts are countersigned by manual signature of a duly authorized officer of the Registrar. No Receipt shall be entitled to any benefits under this Agreement or be valid or obligatory for any purpose unless it shall have been executed manually by a duly authorized officer of the Depository or, if a Registrar for the Receipts (other than the Depository) shall have been appointed, by manual or facsimile signature of a duly authorized officer of the Depository and countersigned manually by a duly authorized officer of such Registrar. The Depository shall record on its books each Receipt so signed and delivered as hereinafter provided.

Except as the Depository may otherwise determine, Receipts shall be in denominations of any number of whole Depository Shares.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Agreement as may be required by the Depository or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Preferred Stock, the Depository Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject.

Title to Depository Shares evidenced by a Receipt that is properly endorsed, or accompanied by a properly executed instrument of transfer, shall be transferable by delivery with the same effect as in the case of a negotiable

instrument; provided, however, that until transfer of a Receipt shall be registered on the books of the Depositary as provided in Section 2.04, the Depositary may, notwithstanding any notice to the contrary, treat the record holder thereof at such

- 3 -

time as the absolute owner thereof for the purpose of determining the person entitled to distributions of dividends or other distributions or to any notice provided for in this Agreement and for all other purposes.

SECTION 2.02. Deposit of Preferred Stock; Execution and Delivery of Receipts in Respect Thereof. Subject to the terms and conditions of this Agreement, the Company or any holder of Preferred Stock may from time to time deposit shares of Preferred Stock under this Agreement by delivery to the Depositary of (i) a certificate or certificates for the shares of Preferred Stock to be deposited, properly endorsed or accompanied, if required by the Depositary, by a duly executed instrument of transfer or endorsement, in form satisfactory to the Depositary, (ii) all certifications as may be required by the Depositary in accordance with the provisions of this Agreement, and (iii) a written order of the Company or such holder, as the case may be, directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order a Receipt or Receipts for the number of Depositary Shares representing such deposited shares of Preferred Stock.

Upon receipt by the Depositary of a certificate or certificates for the shares of Preferred Stock deposited in accordance with the provisions of this Section, together with the other documents required, and upon registration of such shares of Preferred Stock on the books of the Company in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Agreement, shall execute and deliver, to or upon the order of the person or persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section, a Receipt or Receipts for the number of Depositary Shares representing such shares of Preferred Stock and registered in such name or names as may be requested by such person or persons.

Certificates in the name of the Depositary for the deposited shares of Preferred Stock shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine.

The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may

- 4 -

designate. Delivery at other offices shall be at the risk and expense of the person requesting such delivery.

Other than in the case of splits, combinations or other reclassifications affecting the Preferred Stock, or in the case of dividends or other distributions of Preferred Stock, if any, there shall be deposited hereunder not more than [NUMBER] shares of Preferred Stock.

SECTION 2.03. Redemption of Preferred Stock. Whenever the Company shall elect to redeem shares of Preferred Stock deposited hereunder in accordance with the provisions of the Certificate, if the Certificate provides for such redemption, it shall (unless otherwise agreed in writing with the Depositary) give the Depositary not less than 40 nor more than 70 days' notice of the date of such proposed redemption of the Preferred Stock, which notice shall be accompanied by a certificate from the Company stating that such redemption of the Preferred Stock is in accordance with the provisions of the Certificate. Such notice, if given more than 60 days prior to the redemption date, shall be in addition to the notice required to be given for redemption pursuant to the Certificate. On the date of such redemption, provided that the Company shall then have paid in full to the Depositary the redemption price of any deposited shares of Preferred Stock to be redeemed, plus any accrued and unpaid dividends thereon, the Depositary shall redeem the number of Depositary Shares representing such shares of Preferred Stock. The Depositary shall mail notice of such redemption and the proposed simultaneous redemption of the number of Depositary Shares representing the deposited shares of Preferred Stock to be redeemed, first-class postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption of such Preferred Stock and Depositary Shares (the "Redemption Date"), to the record holders of the Receipts evidencing the Depositary Shares to be so redeemed, at the addresses of such holders as they appear on the records of the Depositary; but neither failure to mail any such notice to one or more such holders nor any defect in any notice to one or more such holders shall affect the sufficiency of the proceedings for redemption as to other holders. Each such notice shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if less than all the Depositary Shares held by any such holder are to be redeemed, the number of such

Depository Shares held by such holder to be so redeemed; (iii) the redemption price; (iv) the place or places where Receipts evidencing Depository Shares are to be surrendered for payment of the redemption price; and (v) that dividends in respect of the shares of Preferred Stock represented by the Depository Shares to be redeemed will cease to accumulate and that conversion rights, if any, in respect thereof will terminate at the close of business on such Redemption Date. In case less than all the outstanding Depository Shares are to be redeemed, the Depository Shares to be so redeemed shall be selected by lot or pro rata as may be determined by the Depository to be equitable.

Notice having been mailed by the Depository as aforesaid, from and after the Redemption Date (unless the Company shall have failed to redeem the deposited shares of Preferred Stock to be redeemed by it as set forth in the Company's notice provided for in the preceding paragraph) all dividends in respect of the deposited shares of Preferred Stock so called for redemption shall cease to accumulate, the Depository Shares being redeemed from such proceeds shall be deemed no longer to be outstanding, all rights of the holders of Receipts evidencing such Depository Shares (except the right to receive the redemption price) shall, to the extent of such Depository Shares cease and terminate and, upon surrender in accordance with such notice of the Receipts evidencing any such Depository Shares (properly endorsed or assigned for transfer, if the Depository shall so require), such Depository Shares shall be redeemed by the Depository at a redemption price per Depository Share equal to [SPECIFY FRACTION] of the redemption price per share paid in respect of the redeemed deposited shares of Preferred Stock plus all money and other property, if any, represented by such Depository Shares, including all amounts paid by the Company in respect of dividends which on the Redemption Date have accumulated on the shares of Preferred Stock to be so redeemed and have not theretofore been paid.

If less than all the Depository Shares evidenced by a single Receipt are called for redemption, the Depository will deliver to the holder of such Receipt upon its surrender to the Depository a new Receipt evidencing the Depository Shares evidenced by such prior Receipt and not called for redemption, together with the redemption payment.

SECTION 2.04. Registration of Transfer of Receipt. Subject to the terms and conditions of this Agreement, the Depository shall register on its books from time to time transfers of Receipts upon any surrender thereof by the holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer. Thereupon the Depository shall execute a new Receipt or Receipts evidencing the same aggregate number of Depository Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the person entitled thereto.

SECTION 2.05. Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Preferred Stock. Upon surrender of a Receipt or Receipts at the Depository's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and subject to the terms and conditions of this Agreement, the Depository shall execute and deliver a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depository Shares evidenced by the Receipt or Receipts surrendered.

Any holder of a Receipt or Receipts representing a whole number of deposited shares of Preferred Stock may withdraw such shares of Preferred Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depository's Office or at such other offices as the Depository may designate for such withdrawals. Thereafter, without unreasonable delay, the Depository shall deliver to such holder, or to the person or persons designated by such holder as hereinafter provided the number of shares of Preferred Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but holders of such shares of Preferred Stock will not thereafter be entitled to deposit such shares of Preferred Stock hereunder or to receive Depository Shares therefor. If a Receipt delivered by the holder to the Depository in connection with such withdrawal shall evidence a number of Depository Shares in excess of the number of deposited Depository Shares representing the number of shares of Preferred Stock to be so withdrawn, the Depository shall at the same time, in addition to such number of shares of Preferred Stock and such money and other property, if any, to be so withdrawn,

deliver to such holder, or (subject to Section 2.03) upon his order, a new

Receipt evidencing such excess number of Depositary Shares. Delivery of the shares of Preferred Stock and money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate.

If the shares of Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a person or persons other than the record holder of the Receipt or Receipts being surrendered for withdrawal of the Preferred Stock, such holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such holder for withdrawal of such shares of Preferred Stock be appropriately endorsed or accompanied by a properly executed instrument of transfer.

Delivery of the shares of Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the holder surrendering such Receipt or Receipts and for the account of the holder thereof, such delivery may be made at such other place as may be designated by such holder.

SECTION 2.06. Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Company may require payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Company shall have made such payment, the reimbursement to it) of any charges or expenses payable by the holder of a Receipt pursuant to Section 5.07, may require the production of evidence satisfactory to it as to the identity and genuineness of any signature and may also require compliance with such regulations, if any, as the Depositary or the Company may establish consistent with the provisions of this Agreement.

- 8 -

The deposit of shares of Preferred Stock may be reused, the delivery of Receipts against Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of shareholders of the Company is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provisions of this Agreement.

SECTION 2.07. Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, upon (i) the filing by the holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of his or her ownership thereof, and (ii) the furnishing of the Depositary with reasonable indemnification satisfactory to it.

SECTION 2.08. Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized to destroy all Receipts so cancelled.

[SECTION 2.09. Conversion of Preferred Stock. The Company hereby agrees to accept the delivery of Receipts for purposes of effecting conversions of the Preferred Stock utilizing the same procedures as those provided for delivery of certificates for the Preferred Stock to effect such conversions in accordance with the terms and conditions of the Preferred Stock as provided in the Certificate. If the Depositary Shares represented by a Receipt are to be converted in part only, a new Receipt or Receipts will be issued by the Depositary for the Depositary Shares not to be converted. For this purpose, a holder of a Receipt or Receipts must surrender such Receipt or Receipts to the Company, in care of the Depositary at its Office together with a duly completed and executed notice

- 9 -

of conversion. In all cases the foregoing shall be conditioned upon compliance in full by the holders with the terms and conditions of the Preferred Stock as provided in the Certificate and of this Deposit Agreement. The Company and the Depositary will thereafter effect the cancellation of each Receipt surrendered for such conversion and of the related Preferred Stock so converted and any certificate(s) therefor.]

Certain Obligations of Holders
of Receipts and the Company

SECTION 3.01. Filing Proofs, Certificates and Other Information. Any holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Company may reasonably deem necessary or proper. The Depositary or the Company may withhold the delivery, or delay the registration of transfer, redemption or exchange, of any Receipt or the withdrawal of the Shares of Preferred Stock represented by the Depositary Shares evidenced by any Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

SECTION 3.02. Payment of Taxes or Other Governmental Charges. Holders of Receipts shall be obligated to make payments to the Depositary of certain charges and expenses, as provided in Section 5.07. Registration of transfer of any Receipt or any withdrawal of shares of Preferred Stock and all money or other property, if any, represented by the Depositary Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all the shares of Preferred Stock or other property represented by the Depositary Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the holder thereof (after attempting by reasonable means

- 10 -

to notify such holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the holder of such Receipt remaining liable for any deficiency.

SECTION 3.03. Warranty as to Preferred Stock. The Company hereby represents and warrants that the shares of Preferred Stock, when issued, will be validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of any shares of Preferred Stock and the issuance of Receipts.

[SECTION 3.04. Covenants and Warranties as to Common Stock. The Company covenants that it will keep reserved or otherwise available a sufficient number of authorized and unissued shares of Common Stock to meet conversion requirements in respect of the Preferred Stock and that it will give written notice to the Depositary of any adjustments in the conversion price as set forth in the Certificate. The Company represents and warrants that the Common Stock issued upon conversion of Preferred Stock will be validly issued, fully paid and nonassessable.]

ARTICLE IV

The Deposited Securities; Notices

SECTION 4.01. Cash Distributions. Whenever the Depositary shall receive any cash dividend or other cash distribution on deposited shares of Preferred Stock, the Depositary shall, subject to Sections 3.01 and 3.02, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.04 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such holders; provided, however, that in case the Company or the Depositary shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of Depositary Shares shall be reduced accordingly. The Depositary shall distribute or make available for distribution, as the case may be,

- 11 -

only such amount, however, as can be distributed without attributing to any holder of Depositary Shares a fraction of one cent, and any balance not so distributable shall be held by the Depositary (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by the Depositary for distribution to record holders of Receipts then outstanding.

SECTION 4.02. Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depositary shall receive any distribution other than cash, rights, preferences or privileges upon deposited shares of Preferred Stock, the Depositary shall, subject to Sections 3.01 and 3.02, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.04 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares

evidenced by the Receipts held by such holders, in any manner that the Receipts held by such holders, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary such distribution cannot be made proportionately among such record holders, or if for any other reason (including any requirement that the Company or the Depositary withhold an amount on account of taxes) the Depositary deems, after consultation with the Company, such distribution not to be feasible, the Depositary may, with the approval of the Company, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to Sections 3.01 and 3.02, be distributed or made available for distribution, as the case may be, by the Depositary to record holders of Receipts as provided by Section 4.01 in the case of a distribution received in cash. The Company shall not make any distribution of such securities unless the Company shall have provided an opinion of counsel stating that such securities have been registered under the Securities Act of 1933 or do not need to be registered.

SECTION 4.03. Subscription Rights, Preferences or Privileges. If the Company shall at any time offer or cause to be offered to the persons in whose names the shares of Preferred Stock are recorded on the books of the Company

- 12 -

any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be made available by the Depositary to the record holders of Receipts in such manner as the Depositary may determine, either by the issue to such record holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Depositary in its discretion with the approval of the Company; provided, however, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Depositary determines that it is not lawful or (after consultation with the Company) not feasible to make such rights, preferences or privileges available to holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by holders of Receipts who do not desire to exercise such rights, preferences or privileges, then the Depositary, in its discretion (with the approval of the Company, in any case where the Depositary has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws and the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to Sections 3.01 and 3.02, be distributed by the Depositary to the record holders of Receipts entitled thereto as provided by Section 4.01 in the case of a distribution received in cash. The Company shall not make any distribution of any such rights, preferences or privilege unless the Company shall have provided an opinion of counsel stating that such rights, preferences or privileges have been registered under the Securities Act of 1933 or do not need to be registered.

If registration under the Securities Act of 1933 of the securities to which any rights, preferences or privileges relate is required in order for holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, the Company agrees with the Depositary that it will file promptly a registration statement pursuant to such Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges. In no event shall

- 13 -

the Depositary make available to the holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until such a registration statement shall have become effective, or unless the offering and sale of such securities to such holders are exempt from registration under the provisions of such Act.

If any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to holders of Receipts, the Company agrees with the Depositary that the Company will use its best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

SECTION 4.04. Notice of Dividends, etc.; Fixing of Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if

rights, preferences or privileges shall at any time be offered, with respect to the Preferred Stock, or whenever the Depositary shall receive notice of any meeting at which holders of shares of Preferred Stock are entitled to vote or of which holders of shares of Preferred Stock are entitled to notice, or whenever the Depositary and the Company shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Company with respect to the Preferred Stock) for the determination of the holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

SECTION 4.05. Voting Rights. Upon receipt of notice of any meeting at which the holders of shares of Preferred Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail to the record holders of Receipts a notice which shall contain (i) such information as is contained in such notice of meeting and (ii) a statement that the holders may, subject to any

- 14 -

applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the number of shares of Preferred Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a person designated by the Company) and a brief statement as to the manner in which such instructions may be given. Upon the written request of the holders of Receipts on the relevant record date, the Depositary shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum whole number of shares of Preferred Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Company hereby agrees to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such shares of Preferred Stock or cause such shares of Preferred Stock to be voted. In the absence of specific instructions from the holder of a Receipt, the Depositary will abstain from voting (but, at its discretion, not from appearing at any meeting with respect to such shares of Preferred Stock unless directed to the contrary by the holders of all the Receipts) to the extent of the number of shares of Preferred Stock represented by the Depositary Shares evidenced by such Receipt.

SECTION 4.06. Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in par or stated value, split-up, combination or any other reclassification of the Preferred Stock, or upon any recapitalization, reorganization, merger, amalgamation or consolidation affecting the Company or to which it is a party, the Depositary may in its discretion with the approval of, and shall upon the instructions of, the Company, and (in either case) in such manner as the Depositary may deem equitable, (i) make such adjustments as are certified by the Company in (x) the fraction of any interest represented by one Depositary Share in one share of Preferred Stock, and (y) the ratio of the redemption price per Depositary Share to the redemption price per share of Preferred Stock, in each case as may be necessary fully to reflect the effects of such changes in par or stated value, split-up, combination or other reclassification of the Preferred Stock, or of such recapitalization, reorganization, merger, amalgamation or consolidation, and (ii) treat any securities which shall be received by the Depositary in exchange for or upon

- 15 -

conversion of or in respect of deposited shares of Preferred Stock as new deposited securities so received in exchange for or upon conversion or in respect of such shares of Preferred Stock. In any such case the Depositary may in its discretion, with the approval of the Company, execute and deliver additional Receipts, or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities. Anything to the contrary herein notwithstanding, holders of Receipts shall have the right from and after the effective date of any such changing par or stated value, split-up, combination or other reclassification of the Preferred Stock or any such recapitalization, reorganization, merger, amalgamation or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the shares of Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares of Preferred Stock and other securities and property and cash into which the Preferred Stock represented by such Receipts might have been converted or for which such Preferred Stock might have been exchanged or surrendered immediately prior to the effective date of such transaction.

SECTION 4.07. Inspection of Reports. The Depositary shall make available for inspection by holders of Receipts at the Depositary's Office, and at such other places as it may from time to time deem advisable, any reports

and communications received from the Company which are received by the Depositary as the holder of Preferred Stock.

SECTION 4.08. Lists of Receipt Holders. Promptly upon request from time to time by the Company, the Depositary shall furnish to it a list, as of a recent date, of the names, addresses and holdings of Depositary Shares of all persons in whose names Receipts are registered on the books of the Depositary.

SECTION 4.09. Tax and Regulatory Compliance. The Depositary shall be responsible for (i) preparation and mailing of form 1099s (or successor forms) for all open and closed accounts, (ii) foreign tax withholding, (iii) withholding of tax on dividends payable to eligible holders of Receipts, (iv) mailing W-9 forms (or successor forms) to new holders of Receipts without a certified taxpayer identification number, (v) processing certified W-9 forms (or

- 16 -

successor forms), (vi) preparation and filing of state information returns, and (vii) escheatment services.

SECTION 4.10. Withholding. Notwithstanding any other provision of this Deposit Agreement, in the event that the Depositary determines that any distribution in property is subject to any tax that the Depositary is obligated to withhold, the Depositary may, after consultation with the Company, dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes, by public or private sale at such place or places and upon such terms as it shall deem proper after consultation with the Company, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes to the holders of Receipts entitled thereto in proportion to the number of Depositary Shares held by them respectively.

ARTICLE V

The Depositary, the Depositary's Agents,
the Registrar and the Company

SECTION 5.01. Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar. Upon execution of this Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts, which books at all reasonable times shall be open for inspection by the record holders of Receipts; provided, however, that any such holder requesting to exercise such right shall certify to the Depositary that such inspection shall be for a proper purpose reasonably related

- 17 -

to such person's interests as an owner of Depositary Shares evidenced by Receipts.

The Depositary may close such books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder.

If the Receipts or the Depositary Shares evidenced thereby or the Preferred Stock represented by such Depositary Shares shall be listed on the New York Stock Exchange, the Depositary may, with the approval of the Company, appoint a Registrar for registration of such Receipts or Depositary Shares in accordance with any requirements of such Exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of such Exchange) may be removed and a substituted registrar appointed by the Depositary upon the request or with the approval of the Company. If the Receipts, the Depositary Shares or the Preferred Stock shall be listed on one or more other stock exchanges, the Depositary will, at the request of the Company, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of the Receipts, the Depositary Shares or the Preferred Stock as may be required by law or applicable stock exchange regulation.

SECTION 5.02. Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Company. Neither the Depositary nor any Depositary's Agent nor any Registrar nor the Company shall incur any liability to any holder of a Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the

Depository, the Depository's Agent or the Registrar, by reason of any provision, present or future, of the Company's Articles of Incorporation (including the Certificate) or by reason of any act of God or war or other circumstance beyond the control of the relevant party, the Depository, the Depository's Agent, the Registrar or the Company shall be prevented or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Agreement provide shall be done or performed; nor shall the Depository, any Depository's Agent, any Registrar or the Company incur any liability to any

- 18 -

holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement provide shall or may be done or performed or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Agreement except, in case of any such exercise or failure to exercise discretion not caused as aforesaid, if caused by the negligence or willful misconduct of the party charged with such exercise or failure to exercise.

SECTION 5.03. Obligations of the Depository, the Depository's Agents, the Registrar and the Company. Neither the Depository nor any Depository's Agent nor any Registrar nor the Company assumes any obligation or shall be subject to any liability under this Agreement to holders of Receipts other than for its negligence or willful misconduct.

Neither the Depository nor any Depository's Agent nor any Registrar nor the Company shall be under any obligation under this Agreement to appear in, prosecute or defend any action, suit or other proceeding in respect of deposited shares of Preferred Stock, the Depository Shares or the Receipts that in its opinion may involve it in expense or liability unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required.

Neither the Depository nor any Depository's Agent nor any Registrar nor the Company shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any person presenting shares of Preferred Stock for deposit, any holder of a Receipt or any other person believed by it in good faith to be competent to give such information. The Depository, any Depository's Agent, any Registrar and the Company may each rely and shall each be protected in acting upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Notwithstanding the first paragraph of this Section, the Depository shall not be responsible for any failure to carry out any instruction to vote any of the deposited shares of Preferred Stock or for the manner or effect of any such vote made, as long as any such action or nonaction is in good faith or in accordance

- 19 -

with this Agreement. The Depository undertakes, and any Registrar shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depository or any Registrar. The Depository will indemnify the Company against any liability that may arise out of acts performed or omitted by the Depository or its agents due to its or their negligence or bad faith. The Depository, the Depository's Agents and any Registrar may own and deal in any class of securities of the Company and its affiliates and Receipts. The Depository may also act as transfer agent or registrar of any of the securities of the Company and its affiliates.

SECTION 5.04. Resignation and Removal of the Depository; Appointment of Successor Depository. The Depository may at any time resign as Depository hereunder by notice of its election to do so delivered to the Company, such resignation to take effect upon the appointment of a successor Depository and its acceptance of such appointment as hereinafter provided.

The Depository may at any time be removed by the Company by notice of such removal delivered to the Depository, such removal to take effect upon the appointment of a successor Depository and its acceptance of such appointment as hereinafter provided.

In case at any time the Depository acting hereunder shall resign or be removed, the Company shall, within 60 days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depository, which shall be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$50,000,000. If no successor Depository shall have been so appointed and have accepted appointment within 60 days after delivery of such notice, the

resigning or removed Depositary may petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and delivery to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the

- 20 -

Depositary under this Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Company, shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the record holders of all outstanding Receipts. Any successor Depositary shall promptly mail notice of its appointment to the record holders of Receipts.

Any corporation into or with which the Depositary may be merged, consolidated or converted shall be the successor of such Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or in the name of the successor Depositary.

Section 5.05. Corporate Notices and Reports. The Company agrees that it will transmit to the record holders of Receipts, in each case at the addresses furnished to it pursuant to Section 4.08, all notices and reports (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Preferred Stock, the Depositary Shares or the Receipts are listed or by the Company's Articles of Incorporation (including the Certificate) to be furnished by the Company to holders of shares of Preferred Stock. Such transmission will be at the Company's expense.

SECTION 5.06. Indemnification by the Company. The Company shall indemnify the Depositary, any Depositary's Agent and any Registrar against, and hold each of them harmless from, any loss, liability or expense (including the costs and expenses of defending itself) that may arise out of (i) acts performed or omitted in connection with this Deposit Agreement and the Receipts (a) by the Depositary, any Registrar or any of their respective agents (including any Depositary's Agent), except for any liability arising out of negligence or bad faith on the respective parts of any such person or persons, or (b) by the Company or any of its agents, or (ii) the offer, sale or registration of the Receipts or the

- 21 -

Preferred Stock pursuant to the provisions hereof. The obligations of the Company set forth in this Section 5.06 shall survive any succession of any Depositary, Registrar or Depositary's Agent.

SECTION 5.07. Charges and Expenses. The Company shall pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company shall pay all charges of the Depositary in connection with the initial deposit of the Preferred Stock and the initial issuance of the Depositary Shares, redemption of the Preferred Stock at the option of the Company and all withdrawals of shares of the Preferred Stock by owners of Depositary Shares. All other transfer and other taxes and governmental charges shall be at the expense of holders of Depositary Shares. If, at the request of a holder of Receipts, the Depositary incurs charges or expenses for which it is not otherwise liable hereunder, such holder will be liable for such charges and expenses. All other charges and expenses of the Depositary and any Depositary's Agent hereunder and of any Registrar (including, in each case, fees and expenses of counsel) incident to the performance of their respective obligations hereunder will be paid upon consultation and agreement between the Depositary and the Company as to the amount and nature of such charges and expenses. The Depositary shall present its statement for charges and expenses to the Company once every three months or at such other intervals as the Company and the Depositary may agree.

ARTICLE VI

Amendment and Termination

SECTION 6.01. Amendment. The form of the Receipts and any provisions of this Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary in any respect which they may deem necessary or desirable; provided, however, that no such amendment (other than any change in the fees of any Depositary, Registrar or Transfer Agent (as hereinafter defined), which shall go into effect not sooner than three months after notice thereof to the holders of the Receipts) that shall materially and

adversely alter the rights of the holders of Receipts shall be effective unless such amendment shall have been approved by the holders of at least a majority of the Depositary Shares then outstanding. Every holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by this Agreement as amended thereby.

SECTION 6.02. Termination. This Agreement may be terminated by the Company or the Depositary only after (i) all outstanding Depositary Shares shall have been redeemed pursuant to Section 2.03 or (ii) there shall have been made a final distribution in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of Depositary Shares pursuant to Section 4.01 or Section 4.02, as applicable.

Upon the termination of this Agreement, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary, any Depositary's Agent and any Registrar under Sections 5.06 and 5.07. The Depositary's indemnity under Section 5.03 shall survive the termination of this Agreement and the resignation or removal of such Depositary.

ARTICLE VII

Miscellaneous

SECTION 7.01. Counterparts. This Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

SECTION 7.02. Exclusive Benefit of Parties. This Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

SECTION 7.03. Invalidity of Provisions. In case any one or more of the provisions contained in this Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.04. Notices. Any and all notices to be given to the Company hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or by telegram or telex confirmed by letter, addressed to the Company at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222 to the attention of the Secretary, or at any other address of which the Company shall have notified the Depositary in writing.

Any and all notices to be given to the Depositary hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or by telegram or telex confirmed by letter, addressed to the Depositary at the Depositary's Office, at [ADDRESS OF DEPOSITARY], or at any other address of which the Depositary shall have notified the Company in writing.

Any and all notices to be given to any record holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or by telegram or telex confirmed by letter, addressed to such record holder at the address of such record holder as it appears on the books of the Depositary, or if such holder shall have filed with the Depositary a written request that notices intended for such holder be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or by telegram or telex shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a telegram or telex message) is deposited, postage prepaid, in a post office letter box. The Depositary or the Company may, however, act upon any telegram or telex message received by it from the other or from any holder of a Receipt, notwithstanding that such

telegram or telex message shall not subsequently be confirmed by letter or as aforesaid.

SECTION 7.05. Depository's Agents. The Depository may from time to time appoint Depository's Agents to act in any respect for the Depository for the purposes of this Agreement and may at any time appoint additional Depository's Agents and vary or terminate the appointment of such Depository's Agents. The Depository will notify the Company of any such action.

SECTION 7.06. Holders of Receipts Are Parties. The holders of Receipts from time to time shall be parties to this Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

SECTION 7.07. Governing Law. This Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

SECTION 7.08. Inspection of Agreement. Copies of this Agreement shall be filed with the Depository and the Depository's Agents and shall be open to inspection during business hours at the Depository's Office and the respective offices of the Depository's Agents, if any, by an holder of a Receipt.

SECTION 7.09. Headings. The headings of articles and sections in this Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Agreement or the Receipts or have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

IN WITNESS WHEREOF, the Company and the Depository have duly executed this Agreement as of the day and year first above set forth, and all

- 25 -

holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

PNC Bank Corp.

Attested by _____ By _____

[SEAL]

[NAME OF DEPOSITARY], as
Depository

Attested by _____ By _____

_____]]
[SEAL]

- 26 -

FORM OF
DEPOSITARY RECEIPT
FOR
DEPOSITARY SHARES
EACH REPRESENTING

[INSERT DESIGNATION] PREFERRED STOCK

(\$1.00 PAR VALUE)

OF
PNC BANK CORP.

(INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA)

[This Receipt is transferable in New York, N.Y.]

No.

[Name of Depository], a [national banking association] with its principal offices at the time of the execution of the Deposit Agreement (as defined below) at [address], as Depository (the "Depository"), hereby certifies that

is the registered owner of Depository Shares, each Depository Share representing [specify fraction] of one [insert designation] share of Preferred Stock, \$1.00 par value per share, of PNC Bank Corp., a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania (the "Corporation"), on deposit with the Depository subject to the terms and entitled to the benefits of the Deposit Agreement, dated as of [date] (the "Deposit Agreement"), between the Corporation and the Depository.

This Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depository by the manual signature of a duly authorized officer or, if executed in facsimile by the Depository, countersigned by a registrar in respect of this Receipt by the manual signature of a duly authorized officer thereof.

Dated: NAME OF DEPOSITARY,
Depository

By: -----
Authorized Officer

Countersigned:
[Registrar]

By: -----
Authorized Officer

A COPY OF THE DEPOSIT AGREEMENT AND A FULL STATEMENT OF THE DESIGNATION, RELATIVE RIGHTS, INTERESTS, PREFERENCE AND RESTRICTIONS OF THE SHARES REPRESENTED BY THIS RECEIPT AND OF EACH CLASS OF SHARES OR SERIES THEREOF THAT THE CORPORATION IS AUTHORIZED TO ISSUE WILL BE FURNISHED BY THE CORPORATION, WITHOUT CHARGE, TO EACH HOLDER OF A RECEIPT UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION.

The following abbreviations, when used in the inscription on the face of this receipt, shall be construed as though they were written out in full according to applicable laws and regulations.

- TEN COM - as tenants in common
 - TEN ENT - as tenants by the entireties
 - JT TEN - as joint tenants with right of survivorship
and not as tenants in common
 - UNIF GIFT MIN ACT - Custodian
-
- (Cust) (Minor)
under Uniform Gifts to Minors
Act
-
- (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED,

hereby sell, assign and transfer unto

Please Print or Type Name and Address Including Zip Code of Assignee

Please insert Social Security or Other
Identifying Number of Assignee

Depository

Shares represented by the written Receipt, and do hereby irrevocably
constitute and appoint

Attorney to transfer said receipt on the books of the within named Corporation
with full power of substitution in the premises.

Dated: _____

Signature _____

NOTE: The signature of this assignment
must correspond with the name as
written upon the face of the Receipt
in every particular, without
alteration or enlargement, or any
change whatever.

PNC FUNDING CORP,
 Issuer,
 PNC FINANCIAL CORP,
 Guarantor,
 AND
 Manufacturers Hanover Trust Company,
 Trustee

INDENTURE

Dated as of December 1, 1991

Guaranteed Debt Securities

TABLE OF CONTENTS*

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

	Page

SECTION 1.01. Definitions	2
"this Indenture" and certain other terms	2
"Act"	2
"Affiliate"	2
"Authorized Newspaper"	3
"Board of Directors"	3
"Board Resolution"	3
"Business Day"	3
"Capital Stock"	3
"Commission"	3
"Company"	3
"Company Request," "Company Order," "Guarantor Request" and "Guarantor Order"	4
"Component Currency"	4
"Consolidated Banking Assets"	4
"Conversion Date"	4
"Conversion Rate"	4
"Corporate Trust Office"	4
"Coupon"	4
"Coupon Security"	4
"Default"	4
"Defaulted Interest"	4
"Depository"	4
"Dollar"	5
"Dollar Determination Agent"	5
"Dollar Equivalent of the Currency Unit"	5
"Dollar Equivalent of the Foreign Currency"	5
"ECU"	5
"European Communities"	5
"Event of Default"	5
"Exchange Rate Officer's Certificate"	5
"Foreign Currency"	5
"Fully Registered Security"	5
"Global Security"	5
"Government Obligations"	6
"Guarantees"	6
"Guarantor"	6

* The Table of Contents is not part of the Indenture.

	Page

"Holder"	6
"Indenture"	7
"Interest Payment Date"	7
"Market Exchange Rate"	7
"Maturity"	7
"Officers' Certificate"	7
"Official Currency Unit Exchange Rate"	7
"Opinion of Counsel"	7
"Original Issue Discount Security"	7
"Outstanding"	7
"Paying Agent"	8
"Person"	8
"Place of Payment"	9
"Predecessor Securities"	9
"Principal Corporate Trust Office"	9
"Principal Subsidiary Bank"	9
"Redemption Date"	9
"Redemption Price"	9
"Registered Holder"	9
"Registered Security"	10
"Regular Record Date"	10
"Repayment Date"	10
"Repayment Price"	10
"Required Currency"	10
"Responsible Officer"	10
"Security" or "Securities"	10
"Security Register" or Security Registrar"	10
"Senior Debt Securities"	10
"Senior Company Indebtedness"	10
"Senior Guarantor Indebtedness"	11
"Special Record Date"	11
"Specified Amount"	12
"Stated Maturity"	12
"Subordinated Debt Securities"	12
"Subsidiary"	12
"Subsidiary Bank"	12
"Trust Indenture Act" or "TIA"	12
"Trustee"	12
"Unregistered Security"	12
"Valuation Date"	12
"Vice President"	12
"Voting Shares"	13
SECTION 1.02. Compliance Certificates and Opinions	13
SECTION 1.03. Form of Documents Delivered to Trustee	14
SECTION 1.04. Acts of Security Holders	15
SECTION 1.05. Notices, etc., to Trustee, Company and Guarantor	16
SECTION 1.06. Notices to Holders; Waiver	16
SECTION 1.07. Conflict with Trust Indenture Act	17
SECTION 1.08. Effect of Headings and Table of Contents	18
SECTION 1.09. Successors and Assigns	18

-ii-

	Page

SECTION 1.10. Separability Clause	18
SECTION 1.11. Benefits of Indenture	18
SECTION 1.12. Legal Holidays	18
SECTION 1.13. Governing Law	19
SECTION 1.14. Moneys of Different Currencies To Be Segregated	19
SECTION 1.15. Payment To Be in Proper Currency	19

ARTICLE TWO

FORMS

SECTION 2.01. Forms Generally	20
SECTION 2.02. Form of Trustee's Certificate of Authentication	20
SECTION 2.03. Forms of Security	21
SECTION 2.04. Form of Guarantee	21
SECTION 2.05. Securities Issuable in the Form of a Global Security	22

ARTICLE THREE

THE SECURITIES AND THE GUARANTEES

SECTION 3.01.	Title and Terms	24
SECTION 3.02.	Denominations	29
SECTION 3.03.	Execution, Authentication and Delivery	29
SECTION 3.04.	Temporary Securities	31
SECTION 3.05.	Registration, Registration of Transfer and Exchange	32
SECTION 3.06.	Mutilated, Defaced, Destroyed, Lost and Stolen Securities or Coupons	34
SECTION 3.07.	Payment of Interest; Interest Rights Preserved	35
SECTION 3.08.	Persons Deemed Owners	37
SECTION 3.09.	Cancellation of Securities; Destruction Thereof	38
SECTION 3.10.	Computation of Interest	38
SECTION 3.11.	Currency and Manner of Payments in Respect of Securities	38
SECTION 3.12.	Unconditional Guarantee	43
SECTION 3.13.	Execution of Guarantees	45

-iii-

Page

ARTICLE FOUR

REDEMPTION OF SECURITIES

SECTION 4.01.	Applicability of Article	45
SECTION 4.02.	Notice of Redemption; Selection of Securities	45
SECTION 4.03.	Payment of Securities Called for Redemption	47
SECTION 4.04.	Sinking Funds	48

ARTICLE FIVE

COVENANTS

SECTION 5.01.	Payment of Principal, Premium and Interest; Compliance with Terms	50
SECTION 5.02.	Maintenance of Agency	51
SECTION 5.03.	Money for Security Payments To Be Held in Trust	52
SECTION 5.04.	Certification of Compliance of the Company and the Guarantor	53
SECTION 5.05.	Corporate Existence	54
SECTION 5.06.	Limitation on Sale or Issuance of Voting Stock of Principal Subsidiary Banks	54
SECTION 5.07.	Ownership of the Company	56
SECTION 5.08.	Liens	56
SECTION 5.09.	Waiver of Covenants	58

ARTICLE SIX

SECURITY HOLDERS' LISTS AND REPORTS
BY TRUSTEE, COMPANY AND GUARANTOR

SECTION 6.01.	Company and Guarantor To Furnish Trustee Names and Addresses of Security Holders	58
SECTION 6.02.	Preservation of Information; Communications to Security Holders	59
SECTION 6.03.	Reports by Trustee	59
SECTION 6.04.	Reports by Company and Guarantor	59

-iv-

Page

ARTICLE SEVEN

REMEDIES

SECTION 7.01.	Events of Default and Defaults	59
---------------	--------------------------------------	----

SECTION 7.02.	Acceleration of Maturity; Rescission and Annulment	62
SECTION 7.03.	Collection of Indebtedness and Suits for Enforcement by Trustee	64
SECTION 7.04.	Trustee May File Proofs of Claim	65
SECTION 7.05.	Trustee May Enforce Claims Without Possession of Securities	66
SECTION 7.06.	Application of Money Collected	67
SECTION 7.07.	Limitation on Suits	67
SECTION 7.08.	Unconditional Right of Security Holders To Receive Principal, Premium and Interest	68
SECTION 7.09.	Restoration of Rights and Remedies	69
SECTION 7.10.	Rights and Remedies Cumulative	69
SECTION 7.11.	Delay or Omission Not Waiver	69
SECTION 7.12.	Control by Security Holders	69
SECTION 7.13.	Waiver of Past Defaults	70
SECTION 7.14.	Undertaking for Costs	70
SECTION 7.15.	Waiver of Stay or Extension Laws	71
SECTION 7.16.	Judgment Currency	71

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01.	Certain Duties and Responsibilities	72
SECTION 8.02.	Notice of Defaults	73
SECTION 8.03.	Certain Rights of Trustee	73
SECTION 8.04.	Not Responsible for Recitals or Issuance of Securities and Guarantees	74
SECTION 8.05.	May Hold Securities	75
SECTION 8.06.	Money Held in Trust	75
SECTION 8.07.	Compensation and Reimbursement	75
SECTION 8.08.	Qualification of Trustee; Conflicting Interests	76
SECTION 8.09.	Persons Eligible for Appointment as Trustee	76
SECTION 8.10.	Resignation and Removal; Appointment of Successor	77
SECTION 8.11.	Acceptance of Appointment by Successor	79
SECTION 8.12.	Merger, Conversion, Consolidation or Succession to Business of Trustee	80
SECTION 8.13.	Preferential Collection of Claims Against Company and Guarantor	80

-v-

Page

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 9.01.	Supplemental Indentures Without Consent of Security Holders	80
SECTION 9.02.	Supplemental Indentures with Consent of Security Holders	82
SECTION 9.03.	Execution of Supplemental Indentures	83
SECTION 9.04.	Effect of Supplemental Indentures	83
SECTION 9.05.	Conformity with Trust Indenture Act	84
SECTION 9.06.	Reference in Securities to Supplemental Indentures	84

ARTICLE TEN

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

SECTION 10.01.	Company May Consolidate, etc., Only on Certain Terms	84
SECTION 10.02.	Successor Corporation Substituted for Company	85
SECTION 10.03.	Guarantor May Consolidate, etc., Only on Certain Terms	85
SECTION 10.04.	Successor Corporation Substituted for Guarantor	86
SECTION 10.05.	Company May Consolidate, etc. with Guarantor, Only on Certain Terms	86

ARTICLE ELEVEN

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 11.01.	Satisfaction and Discharge of Securities of Any Series	87
SECTION 11.02.	Satisfaction and Discharge of Indenture	90
SECTION 11.03.	Application of Trust Money	90
SECTION 11.04.	Repayment of Moneys Held by Paying Agent	91

ARTICLE TWELVE

SUBORDINATION

SECTION 12.01.	Subordinated Debt Securities Subordinated to Senior Company Indebtedness	91
SECTION 12.02.	Payments upon Dissolution of the Company	91
SECTION 12.03.	No Payment When Senior Company Indebtedness in Default	95

-vi-

	Page	

SECTION 12.04.	Guarantees of Subordinated Debt Securities Subordinated to Senior Guarantor Indebtedness	96
SECTION 12.05.	Payments Upon Dissolution of the Guarantor	96
SECTION 12.06.	No Payment When Senior Guarantor Indebtedness in Default;	100
SECTION 12.07.	No Impairment of Holders' Rights	101
SECTION 12.08.	Effectuation of Subordination by Trustee	102
SECTION 12.09.	Knowledge of Trustee	102
SECTION 12.10.	Trustee's Relation to Senior Company Indebtedness or Senior Guarantor Indebtedness	102
SECTION 12.11.	No Waiver of Default or Event of Default	103
SECTION 12.12.	Claims of the Trustee	103

ARTICLE THIRTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS,
OFFICERS AND DIRECTORS

SECTION 13.01.	Exemption from Individual Liability	104
----------------	---	-----

ARTICLE FOURTEEN

HOLDERS' MEETINGS

SECTION 14.01.	Purposes of Meetings	104
SECTION 14.02.	Call of Meetings by Trustee	104
SECTION 14.03.	Call of Meetings by Company, Guarantor or Holders	105
SECTION 14.04.	Qualifications for Voting	105
SECTION 14.05.	Regulations	105
SECTION 14.06.	Voting	106
SECTION 14.07.	No Delay of Rights by Meeting	107

-vii-

Page

Cross Reference Table

Showing Reflection of Certain Provisions
Required Pursuant to Section 310 through 318(a)
of Trust Indenture Act of 1939, as Amended, (Including
Cross-References to Provisions of Sections 310 through 318(a)
which, Pursuant to
Section 318(c) of the Trust Indenture Act of 1939,
as Amended, are Part of and Govern Such Provisions
of the Indenture Whether or not Physically Contained Therein*

TIA	Section	

SECTION 310	(a) (1)	8.09
	(a) (2)	8.09
	(a) (3)	Not Applicable

	(a) (4)	Not Applicable
	(a) (5)	8.09
	(b)	8.08, 8.10(a), (b) and (d)
	(c)	Not Applicable
SECTION 311	(a)	8.13(a) and (c) (1) and (2)
	(b)	8.13(b)
	(c)	Not Applicable
SECTION 312	(a)	6.01
		6.02(a)
		6.02(b)
	(b)	6.02(a) and (b)
SECTION 313	(a)	6.03(a)
		6.03 (b)
	(c)	1.06
		6.03(a)
		6.03(c)
		6.04(3)
		8.02
	(d)	6.03(c)
SECTION 314(a)	(1), (2) and (3)	6.04
	(a) (4)	5.04

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* This Table is not part of the Indenture.

-viii-

		Page

	(b)	Not Applicable
	(c) (1)	1.02
	(c) (2)	1.02
	(c) (3)	Not Applicable
	(d)	Not Applicable
	(e)	1.02
	(f)	Not Applicable
SECTION 315	(a)	8.01(a)
		8.01(c)
	(b)	8.02
	(c)	8.01(b)
	(d)	8.01
	(d) (1)	8.01(a)
	(d) (2)	8.01(c) (2)
	(d) (3)	8.01(c) (3)
	(e)	7.14
SECTION 316	(a) (1) (A)	7.02
		7.12
	(a) (1) (B)	7.13
	(a) (2)	Not Applicable
	(a) last sentence	3.08
	(b)	7.08
SECTION 317	(a) (1)	7.03
	(a) (2)	7.04
	(b)	5.03
SECTION 318	(a)	1.07

-ix-

INDENTURE, dated as of December 1, 1991, among PNC Funding Corp, a Pennsylvania Corporation (hereinafter called the "Company," which term shall include any successors and assigns pursuant to the terms of this Indenture), having its principal executive office at the Marine Bank Building, Ninth and State Streets, Erie, Pennsylvania 16501, PNC Financial Corp, a Pennsylvania corporation (hereinafter called the "Guarantor," which term shall include any successors and assigns pursuant to the terms of this Indenture), having its principal executive office at Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania 15222, and Manufacturers Hanover Trust Company, a New York corporation (hereinafter called the "Trustee"), having its Principal Corporate

Trust Office at 450 West 33rd Street, New York, New York 10001.

WHEREAS, the Company deems it appropriate from time to time to issue its unsecured debentures, notes, bonds or other evidences of indebtedness, to be issued in one or more series (hereinafter called the "Securities") as hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture;

WHEREAS, the Guarantor deems it appropriate to guarantee (hereinafter called the "Guarantees") the Securities on the terms hereinafter provided, and to provide therefor, the Guarantor has duly authorized the execution and delivery of this Indenture;

WHEREAS, the Trustee deems it appropriate to serve as trustee on the terms hereinafter provided, and to provide therefor, the Trustee has duly authorized the execution and delivery of this Indenture;

WHEREAS, all things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done; and

WHEREAS, all things necessary to make this Indenture a valid agreement of the Guarantor, in accordance with its terms, have been done.

WHEREAS, all things necessary to make this Indenture a valid agreement of the Trustee, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders and the Securities, as follows:

- 2 -

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the term "this Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated hereunder;

(2) all references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument; the words "herein," "hereof" and "thereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(3) the terms defined in this Indenture have the meanings assigned to them in this Indenture and include the plural as well as the singular;

(4) all other terms used herein which are defined in the Trust Indenture Act, or in Commission rules thereunder, either directly or by reference therein, have the meanings assigned to them therein; and

(5) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

Certain terms, used principally in Article Eight, are defined in that Article.

"Act," when used with respect to any Security Holder, has the meaning specified in Section 1.04.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or

otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authorized Newspaper" means a newspaper in an official language of the country of publication customarily published at least once a day, and customarily published for at least five days in each calendar week, and of general circulation in such city or cities as may be provided elsewhere in this Indenture or specified as contemplated by Section 3.01 with respect to the Securities of any series the terms of which permit Unregistered Securities or Coupon Securities. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day in such city.

"Board of Directors" means, with respect to the Company or the Guarantor, either the Board of Directors of the Company or the Guarantor, as the case may be, or the executive committee of such Board of Directors or other committee duly authorized to act on behalf of the Board of Directors with regard to a given matter.

"Board Resolution" means, with respect to the Company or the Guarantor, a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each day which is neither a Saturday, Sunday nor other day on which banking institutions or trust companies in the Place of Payment are authorized or required by law or executive order to be closed.

"Capital Stock" means, as to shares of a particular corporation, outstanding shares of stock of any class whether now or hereafter authorized, irrespective of whether such class shall be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary liquidation, dissolution or winding up of such corporation.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until any successor corporation

shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor corporation.

"Company Request," "Company Order," "Guarantor Request" and "Guarantor Order" mean, respectively, a written request or order signed in the name of the Company or the Guarantor, as the case may be, by its Chairman or any Vice Chairman of the Board of Directors, President or a Vice President, and by its Treasurer, an Assistant Treasurer, Controller, an Assistant Controller, Secretary or an Assistant Secretary, and delivered to the Trustee.

"Component Currency": See Section 3.11(i).

"Consolidated Banking Assets" means the aggregate of the assets of all Subsidiary Banks (including Subsidiaries of such Subsidiary Banks).

"Conversion Date": See Section 3.11(e).

"Conversion Rate": See Section 7.16.

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, except that with respect to presentation of Registered Securities for payment or for registration of transfer and exchange, presentation of Unregistered Securities for registration and the location of the Securities Register, such term shall mean such office or the agency of the Trustee designated for such purpose.

"Coupon" means any interest coupon appertaining to any Security.

"Coupon Security" means any Security authenticated and delivered with

one or more Coupons appertaining thereto.

"Default" has the meaning specified in Section 7.01(c).

"Defaulted Interest" has the meaning specified in Section 3.07.

"Depository" means (i) with respect to any series of Securities for which the Company shall determine that such Securities will be issued as a Global Security and as a Registered Security, The Depository Trust Company, New York, New York, another clearing agency or any successor registered under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation, which, in each case, shall be designated by the Company pursuant to either Section 2.05 or 3.01, or (ii) with respect to any series of Securities for which the

- 5 -

Company shall determine that such Securities will be issued as a Global Security and as an Unregistered Security, such person as the Company shall designate pursuant to Section 2.05 or 3.01, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

"Dollar" means the coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"Dollar Determination Agent" means the New York clearing house bank, if any, from time to time selected by the Company for purposes of Section 3.11.

"Dollar Equivalent of the Currency Unit": See Section 3.11(h).

"Dollar Equivalent of the Foreign Currency": See Section 3.11(g).

"ECU" means the European Currency Unit as defined and revised from time to time by the Council of the European Communities.

"European Communities" means the European Economic Community, the European Coal and Steel Community and the European Atomic Energy Community.

"Event of Default" has the meaning specified in Article Seven.

"Exchange Rate Officer's Certificate" means a telex or a certificate setting forth (i) the applicable Official Currency Unit Exchange Rate and (ii) the Dollar or Foreign Currency amounts of principal, premium, if any, and interest, if any, respectively (on an aggregate basis and on the basis of a Security having a principal amount of 1,000 in the relevant currency unit), payable on the basis of such Official Currency Unit Exchange Rate, sent (in the case of a telex) or signed (in the case of a certificate) by the Treasurer or any Assistant Treasurer of the Company and delivered to the Trustee.

"Foreign Currency" means a currency issued by the government of any country other than the United States.

"Fully Registered Security" means any Security registered as to principal and interest, if any.

"Global Security" means, with respect to any series of Securities, a Security executed by the Company and authenticated

- 6 -

and delivered by the Trustee to the Depository or pursuant to the Depository's instruction, all in accordance with this Indenture and pursuant to a Company Order, which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Securities of such series or any portion thereof, in either case having the same terms, including, without limitation, the same issue date, date or dates on which principal is due, and interest rate or method of determining interest and which, if the Securities of the series are Registered Securities, shall be registered in the name of the Depository, or its nominee.

"Government Obligations" means, with respect to the Securities of any series, securities which are (i) direct obligations of the government which issued the currency in which the Securities of such series are denominated or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the government which issued the currency in which the Securities of such series are denominated the timely payment of which is unconditionally guaranteed by such government, and which, in either case, are

full faith and credit obligations of such government and are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of such depositary receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depositary receipt.

"Guarantees" means the guarantees of the Guarantor to be endorsed on the Securities authenticated and delivered hereunder.

"Guarantor" means the Person named as the "Guarantor" in the first paragraph of this Indenture until any successor corporation shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Guarantor" shall mean such successor corporation.

"Holder" means, with respect to a Registered Security, any person in whose name at the time a particular Registered Security is registered in the Securities Register, and with respect to an Unregistered Security, the bearer of such Unregistered Security, and, with respect to a Coupon, the bearer thereof.

- 7 -

"Indenture" means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented, and shall include the forms and terms of particular series of Securities as contemplated hereunder, regardless of the currency or currency unit in which such securities are denominated.

"Interest Payment Date," when used with respect to any series of Securities, means the Stated Maturity of an installment of interest on the Securities of such series.

"Market Exchange Rate": See Section 3.11(i).

"Maturity," when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether on a Repayment Date, at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman or any Vice Chairman of the Board of Directors, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be. Each Officers' Certificate shall include the statements required by Section 1.02.

"Official Currency Unit Exchange Rate" means, with respect to any payment to be made hereunder, the exchange rate between the relevant currency unit and the Dollar calculated by the agency specified pursuant to Section 3.01 for the Securities of the relevant series (in the case of the ECU, calculated by the Commission of the European Communities, and currently based on the rates in effect at 2:30 p.m., Brussels time, on the exchange markets of the Component Currencies of the ECU), on the second Business Day (in the city in which such agency has its principal office) immediately preceding the applicable payment date.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Company or the Guarantor and who shall be satisfactory to the Trustee. Each Opinion of Counsel shall include the statements required by Section 1.02.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 7.02.

"Outstanding," when used with respect to Securities of any or all series, means, as of the date of determination, all such

- 8 -

Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered

to the Trustee for cancellation;

(ii) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Securities, provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered, or Securities which have been paid, pursuant to this Indenture, unless proof satisfactory to the Trustee is presented that any such Securities are held by bona fide purchasers;

provided, however, that in determining whether the Holders of the requisite principal amount of Securities Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 7.02 and (ii) Securities owned by the Company, the Guarantor or any other obligor upon the Securities or by any Affiliate of the Company, the Guarantor or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or such other obligor.

"Paying Agent" means any Person authorized by the Company or the Guarantor to pay the principal of, premium, if any, or interest on any Securities on behalf of the Company in accordance with Section 5.02.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust,

- 9 -

unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" when used with respect to the Securities of any series, means the place or places where the principal of, and premium, if any and interest if any on, the Securities of such series are payable as specified pursuant to Section 3.01.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security, and for the purposes of this definition any Security authenticated and delivered under Section 3.06 in lieu of a lost, destroyed or stolen security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security.

"Principal Corporate Trust Office" means the principal corporate trust office of the Trustee at the location set forth in the first paragraph of this Indenture, or at such other location as the Trustee may from time to time designate by written notice to the Company and the Guarantor.

"Principal Subsidiary Bank" means each of (i) Pittsburgh National Bank, (ii) any other Subsidiary Bank the consolidated assets of which constitute 20% or more of the consolidated assets of the Guarantor and its Subsidiaries, (iii) any other Subsidiary Bank designated as a Principal Subsidiary Bank pursuant to a Board Resolution and set forth in an Officers' Certificate, and (iv) any Subsidiary that owns, directly or indirectly, any Voting Shares, or securities convertible into, or options, warrants or rights to subscribe for or purchase Voting Shares, of any Principal Subsidiary Bank under clause (i), (ii) or (iii), and in the case of clause (i), (ii), (iii) or (iv) their respective successors (whether by consolidation, merger, conversion, transfer of substantially all their assets and business or otherwise) so long as any such successor is a Subsidiary Bank (in the case of clause (i), (ii) or (iii)) or a Subsidiary (in the case of clause (iv)).

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed means the price, in the Dollars or the Foreign Currency or currency unit in which such Security is denominated or which is otherwise provided for

pursuant to this Indenture, at which it is to be redeemed pursuant to this Indenture.

"Registered Holder" means, with respect to a Registered Security, the Person in whose name such Security is registered in the Securities Register.

- 10 -

"Registered Security" means any Security registered as to principal.

"Regular Record Date" for the interest payable on any Security on any Interest Payment Date means the date, if any, specified in such Security as the "Regular Record Date."

"Repayment Date," when used with respect to any Security to be repaid, means the date fixed for which repayment pursuant to the terms of such Security.

"Repayment Price," when used with respect to any Security to be repaid, means the price, in the Dollars or the Foreign Currency or currency unit in which such Security is denominated or which is otherwise provided for pursuant to this Indenture, at which it is to be repaid pursuant to the terms of such Security.

"Required Currency": See Section 1.15.

"Responsible Officer," when used with respect to the Trustee, shall mean the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, any Second or Assistant Vice President, the Cashier, any Assistant Cashier, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, any Senior Trust Officer, any Trust Officer, any Assistant Trust Officer, the Controller, any Assistant Controller or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Security" or "Securities" has the meaning specified in the second paragraph of this Indenture and more particularly shall mean any Registered or Unregistered Securities authenticated and delivered under this Indenture.

"Security Register" and "Security Registrar" have the meanings specified in Section 3.05.

"Senior Debt Securities" means any series of securities designated as such pursuant to Section 3.01, and the Coupons, if any, appertaining thereto.

"Senior Company Indebtedness" means the principal of and premium, if any, and interest on (i) all indebtedness of the Company for money borrowed, whether outstanding on the date of execution of this Indenture or thereafter created, assumed or incurred, including any series of Securities designated as Senior

- 11 -

Debt Securities pursuant to Section 3.01 hereof, and Coupons, if any, appertaining thereto except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof or to rank pari passu with any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, and (B) any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, and the Company's 9-7/8% Subordinated Notes Due 2001, and (ii) any deferrals, renewals or extensions of any such Senior Company Indebtedness. The term "indebtedness for money borrowed" means any obligation of, or any obligation guaranteed by, the Company for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets.

"Senior Guarantor Indebtedness" means the principal of and premium, if any, and interest on (i) all indebtedness of the Guarantor for money borrowed, whether outstanding on the date of execution of this Indenture or thereafter created, assumed or incurred, including the Guarantees of any series of Securities designated as Senior Debt Securities pursuant to Section 3.01 hereof, and Coupons, if any, appertaining thereto except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to the Guarantees of any series of Securities designated as Subordinated Debt

Securities pursuant to Section 3.01 hereof or to rank pari passu with the Guarantees of any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, (B) the Guarantor's 8-1/4% Convertible Subordinated Debentures Due 2008, the Guarantor's Floating Rate Subordinated Notes Due 1997 and the Citizens Fidelity Corporation Convertible Subordinated Debentures Due 2005, and (C) the Guarantees of any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, and the Guarantees of the Company's 9-7/8% Subordinated Notes Due 2001, and (ii) any deferrals, renewals or extensions of any such Senior Guarantor Indebtedness. The term "indebtedness for money borrowed" means any obligation of, or any obligation guaranteed by the Guarantor for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets.

"Special Record Date" for the payment of any Defaulted Interest means the date fixed by the Trustee pursuant to Section 3.07.

- 12 -

"Specified Amount": See Section 3.11(i).

"Stated Maturity," when used with respect to any Security or any installment of principal or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subordinated Debt Securities" means any series of Securities designated as such pursuant to Section 3.01, and the Coupons, if any, appertaining thereto.

"Subsidiary" means any corporation a majority of the Voting Shares of which at the time are owned directly or indirectly by the Guarantor or by one or more other Subsidiaries or by the Guarantor and one or more other Subsidiaries.

"Subsidiary Bank" means any Subsidiary that is organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa or the Virgin Islands and either (i) accepts deposits that the depositor has a legal right to withdraw on demand and engages in the business of making commercial loans or (ii) is a trust company.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, and as in force at the date as of which this instrument was executed, except as provided in Sections 5.08 and 9.05.

"Trustee" means the Person designated as the Trustee for any series of Securities pursuant to Section 3.01 of this Indenture until any successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee, provided, however, that if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean only the Trustee with respect to the Securities of that series.

"Unregistered Security" means any Security that is not registered as to principal.

"Valuation Date": See Section 3.11(e).

"Vice President," when used with respect to the Company, the Guarantor or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

- 13 -

"Voting Shares" means, as to shares of a particular corporation, outstanding shares of Capital Stock of any class or classes having voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the failure to pay a dividend or other amount or by reason of the occurrence of any other contingency).

SECTION 1.02. Compliance Certificates and Opinions.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of the Indenture, the Company or

the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than annual certificates provided pursuant to Section 5.04) shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

- 14 -

SECTION 1.03. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by an opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Any certificate, statement or opinion of an officer of the Company or Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Company or Guarantor, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

- 15 -

SECTION 1.04. Acts of Security Holders.

(a) Any request, demand, authorization, direction, notice consent, waiver or other action provided by this Indenture to be given or taken by Security Holders may be embodied in and evidenced (1) by one or more instruments of substantially similar tenor signed by such Security Holders in

person or by agent duly appointed in writing; and except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company and the Guarantor, (2) by the record of Holders voting in favor thereof at any meeting of such Holders duly called and held in accordance with the provisions of Article Fourteen, or (3) by a combination of such instrument or instruments and any such record of such a meeting of Holders. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Security Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 8.01) conclusive in favor of the Trustee and the Company and the Guarantor, if made in the manner provided in this Section. With respect to Registered Securities, the Company may set a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this Indenture, which record date shall be the later of 10 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 8.01 of this Indenture prior to such solicitation. If a record date is fixed, those persons who were Holders of Securities at such record date (or their duly designated proxies), and only those persons, shall be entitled to take such action by vote or consent or to revoke any vote or consent previously given, whether or not such persons continue to be Holders after such record date. No such vote or consent shall be valid or effective for more than 120 days after such record date.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The ownership of Registered Securities of any series shall be proved by the Security Register for such series or by a certificate of the Security Register for such series; the ownership of unregistered Securities of any series and Coupons shall be proved by proof of possession reasonably satisfactory to the Trustee.

- 16 -

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind the Holder of every security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, offered to be done or omitted to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

SECTION 1.05. Notices, etc., to Trustee, Company and Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Security Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Security Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at the Principal Corporate Trust Office, and, in respect of Unregistered Securities or Coupons, at the Corporate Trust office of the Trustee referred to in Section 5.02, or

(2) the Company or the Guarantor by the Trustee or by any Security Holder shall be sufficient for every purpose hereunder (except as provided in Section 7.01(a)(3)) if in writing and mailed, first class, postage prepaid, to the Company or the Guarantor, as the case may be, addressed to it at the address of its principal executive office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company or the Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Security Holders or other document provided or permitted by this Indenture shall be in the English language, except that any published notice may be in the official language of the country of publication.

SECTION 1.06. Notices to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, (1) if any of the Securities affected by such event are Fully Registered Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing

and mailed by first class mail, postage prepaid, to such Holders as their names and addresses appear in the Security Register within the time prescribed and (2) if any of the Securities affected by such event are Unregistered Securities, or Coupon Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed by first class mail, postage prepaid, to such Holders in the manner and the extent provided in Section 313(c) of the Trust Indenture Act and if published in an Authorized Newspaper or Newspapers in such city or cities as may be provided elsewhere in this Indenture or specified as contemplated by Section 3.01 on a Business Day at least twice, the first such publication to be not earlier than the earliest date and not later than the latest date prescribed for the giving of such notice. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance on such waiver. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders, and any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given. In the event of suspension of regular mail service or for any other reason it shall be impracticable to give such notice to Registered Holders by mail, then such a notification as shall be made to Registered Holders with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In case by reason of the suspension of publication of any Authorized Newspaper or by reason of any other cause it shall be impracticable to publish any notice to Holders of Unregistered Securities or of Coupons as provided above then said notification to Holders of Unregistered Securities or of Coupons as shall be given with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder.

SECTION 1.07. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed by any of Sections 310 through 317 of TIA, through operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 1.08. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09. Successors and Assigns.

All covenants and agreements in this Indenture by the Company and the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.10. Separability Clause.

In case any provision in this Indenture or in the Securities or any Coupons appertaining thereto shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.11. Benefits of Indenture.

Nothing in this Indenture or in the Securities or Coupons express or implied shall give to any Person, other than the parties hereto and their successors and assigns hereunder, the Holders of the Securities and the Holders of the Coupons, any benefit of any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.12. Legal Holidays.

In any case where the date of an Interest Payment Date, a Redemption Date or a Repayment Date or the Stated Maturity of any Security or Coupon shall not be a Business Day at any Place of Payment with respect to the Securities of that series, then (notwithstanding any other provision of the Securities, the Coupons appertaining thereto or this Indenture) payment of the principal of or interest on any such Securities or Coupons need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such Interest Payment Date, Redemption Date or Repayment Date or Stated Maturity, and no interest shall accrue for the

period from and after such nominal date.

- 19 -

SECTION 1.13. Governing Law.

This Indenture, the Securities and the Guarantees shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, except that the rights, duties and liabilities of the Trustee as a trustee and any rights and immunities limiting such liability shall be governed by the laws of the state in which the principal office of the Trustee shall be located without regard to principles of conflicts of laws.

SECTION 1.14. Moneys of Different Currencies To Be Segregated.

The Trustee shall segregate all moneys, funds and accounts held by the Trustee hereunder in one currency from any money, funds or accounts in any other currencies, notwithstanding any provision herein which would otherwise permit the Trustee to commingle such amounts.

SECTION 1.15. Payment To Be in Proper Currency.

Each reference in any Security, or in the Board Resolution relating thereto, to any currencies or currency units shall be of the essence. Subject to Section 3.11, the Company and the Guarantor agree, to the fullest extent that they may effectively do so under applicable law, that their obligation to make any payment of principal of (and premium, if any) and interest on any Security or any Coupon (i) shall not be discharged or satisfied by any tender by the Company or the Guarantor, or recovery by the Trustee, either pursuant to any judgment (whether or not entered into in accordance with Section 7.16 or otherwise) in any currencies or currency units other than the currencies or currency units then due and payable (the "Required Currency"), except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. Except as permitted under Section 3.11, if any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company and the Guarantor, and the Company and the Guarantor shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency

- 20 -

then due and payable, and in no circumstances shall the Trustee be liable therefor. The Company and the Guarantor hereby waive any defense of payment based upon any such tender or recovery which is not in the Required Currency, or which, when exchanged for the Required Currency by the Trustee, is less than the full amount of Required Currency then due and payable.

ARTICLE TWO

FORMS

SECTION 2.01. Forms Generally.

The Guarantees and the Securities of each series, and the Coupons, if any, to be attached thereto, and the certificates of authentication on the Securities shall be in substantially the form as shall be established pursuant to this Article and Section 3.01 in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements placed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture or as may be required to comply with any law or with any rules or regulations made pursuant thereto or with any rules or regulations of any securities exchange or as may, consistently herewith, be determined by the officers executing such Guarantees, Securities and Coupons, if any, as evidenced by their execution of the Guarantees, Securities and Coupons, if any.

The definitive Guarantees, Securities and Coupons, if any, of each series shall be printed, lithographed or engraved on steel engraved borders or

may be produced in any other manner, all as determined by the officers executing such Guarantees, Securities and Coupons, if any, as evidenced by their execution of such Guarantees, Securities and Coupons, if any, subject, with respect to the Securities and Guarantees of any series, to the rules of any securities exchange on which the Securities of such series are listed.

SECTION 2.02. Form of Trustee's Certificate of Authentication.

The Trustee's Certificate of Authentication on all Securities shall be in substantially the following form:

- 21 -

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

[NAME OF TRUSTEE], as Trustee

By _____
Authorized Officer

SECTION 2.03. Forms of Security.

Each Security shall be in a form approved from time to time by or pursuant to a Company Board Resolution, or established in one or more indentures supplemental hereto. Prior to the delivery of a Security to the Trustee for authentication in any form approved by or pursuant to a Company Board Resolution, the Company shall deliver to the Trustee the Company Board Resolution by or pursuant to which such form of Security has been approved, which Company Board Resolution shall have attached thereto a true and correct copy of the form of Security which has been approved by or pursuant thereto, and, if a Company Board Resolution authorizes a specific officer or officers of the Company to approve a form of Security, a certificate of such officer or officers approving the form of Security attached thereto. Any form of Security approved by or pursuant to a Company Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by a certificate signed by a Responsible Officer of the Trustee and delivered to the Company or by the Trustee's execution of the certificate of authentication appearing thereon.

SECTION 2.04. Form of Guarantee.

Each Guarantee shall be in a form approved from time to time by or pursuant to a Guarantor Board Resolution, or established in one or more indentures supplemental hereto. Prior to the execution of a Guarantee in any form approved by or pursuant to a Guarantor Board Resolution, the Guarantor shall deliver to the Trustee the Guarantor Board Resolution by or pursuant to which such form of Guarantee has been approved, which Guarantor Board Resolution shall have attached thereto a true and correct copy of the form of Guarantee which has been approved by or pursuant thereto, and, if a Guarantor Board Resolution authorizes a specific officer or officers of the Guarantor to approve a form of Guarantee, a certificate of such officer or officers approving the form of Guarantee attached thereto. Any form of Guarantee approved by or pursuant to a Guarantor Board Resolution must be acceptable as to form to the Trustee, such

- 22 -

acceptance to be evidenced by a certificate signed by a Responsible Officer of the Trustee and delivered to the Guarantor.

SECTION 2.05. Securities Issuable in the Form of a Global Security.

(a) If the Company shall establish pursuant to Section 3.01 that the Securities of a particular series are to be issued in whole or in part in one or more Global Securities as Registered Securities or Unregistered Securities, then the Company shall execute and the Trustee shall, in accordance with Section 3.03 and the Company Order delivered to the Trustee thereunder, authenticate and deliver a Global Security or Securities which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Securities of such series to be represented by such Global Security or Securities, (ii) shall be registered in the name of the Depository for such Global Security or Securities or its nominee, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction, and (iv) shall bear a legend substantially to the following effect: "Except as otherwise provided in Section 2.05 of the Indenture, this Security may be transferred, in whole but not in part, only to a nominee of the Depository, or by a nominee of the Depository to the Depository, or to a successor Depository or to a nominee of such successor Depository."

Each Depositary designated pursuant to Section 3.01 for a Global Security that is a Registered Security must at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities and Exchange Act of 1934, as amended, and any other applicable statute or regulation.

(b) Notwithstanding any other provision of this Section 2.05 or of Section 3.05, the Global Security of a series may be transferred, in whole but not in part and in the manner provided in Section 3.05, only to a nominee of the Depositary for such series or by a nominee of the Depositary to the Depositary, or to a successor Depositary for such series selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary for a series of Securities notifies the Company that it is unwilling or unable to continue as Depositary for such series or if at any time the Depositary for such series shall no longer be eligible under Section 2.05(a) and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, this Section 2.05 shall no longer be applicable to the

- 23 -

Securities of such series and the Company will execute, and the Trustee will, in accordance with Section 3.03 and a Company Order delivered to the Trustee, authenticate and deliver, Securities of such series, in like tenor and terms in definitive form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security of such series in exchange for such Global Security. In addition, the Company may at any time determine that the Securities of any series shall no longer be represented by a Global Security and that the provisions of this Section 2.05 shall no longer apply to the Securities of such series. In such event the Company will execute and the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver Securities of such series, in like tenor and terms in definitive form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security of such series in exchange for such Global Security. If specified by the Company pursuant to Section 3.01 with respect to a series of Securities, the Depositary for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for Securities of such series of like tenor and terms and in definitive form on such terms as are acceptable to the Company, the Trustee and such Depositary. Thereupon, the Company shall execute, and the Trustee, upon receipt of an Officer's Certificate evidencing such determination by the Company, will authenticate and deliver definitive Securities of such series without service charge:

(1) to the Depositary or to each Person specified by such Depositary a new Security or Securities of the same series, of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(2) to such Depositary a new Global Security of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to Holders thereof.

In any exchange provided for in this Section 2.05(c), the Company will execute and the Trustee, pursuant to a Company Order, will authenticate and deliver Securities

(i) as Registered Securities in authorized denominations, if the Securities of such series are issuable as Registered Notes;

- 24 -

(ii) as Unregistered Securities in authorized denominations, with Coupons, if the Securities of such series are issuable as Unregistered Securities; or

(iii) as either Registered or Unregistered Securities, if the Securities of such series are issuable in either form.

Upon the exchange of a Global Security for Securities in definitive form, such Global Security shall be cancelled by the Trustee. Registered Securities issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations, and

delivered to such addresses, as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee in writing. The Trustee shall deliver such Registered Securities to the persons in whose names such Securities are so registered or to the Depositary in accordance with a Company Order. The Trustee shall deliver Unregistered Securities issued in exchange for a Global Security pursuant to this Section to the Depositary or to the Persons at such addresses, and in such authorized denominations, as the Depositary for such global Note, pursuant to instructions from its direct or indirect participants or otherwise shall instruct the Trustee in writing.

ARTICLE THREE

THE SECURITIES AND THE GUARANTEES

SECTION 3.01. Title and Terms.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. The Securities may be issued up to the aggregate principal amount of Securities from time to time authorized by or pursuant to a Company Board Resolution.

The Securities may be issued in one or more series. All Securities of each series issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or distinction on account of the actual time or times of the authentication and delivery or Maturity of the Securities of such series. There shall be established in or pursuant to a Company Board Resolution, and set forth in an Officers' Certificate of the Company, or established in one or more indentures supplemental hereto, which shall be delivered to the Trustee prior to the issuance of Securities of any series:

- 25 -

(1) the form of the Securities of the series and the Coupons, if any, appertaining thereto;

(2) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(3) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of that series pursuant to this Article Three and Sections 2.05, 3.05, 3.06 and 4.03);

(4) the date or dates on which such Securities may be issued;

(5) the date or dates, which may be serial, on which the principal of, and premium, if any, on the Securities of such series shall be payable;

(6) the rate or rates, or the method of determination thereof, at which the Securities of such series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and, in the case of Registered Securities, the record dates, if other than as set forth in Section 3.07, for the determination of Holders to whom interest is payable, whether any special terms and conditions relating to the payment of additional amounts in respect of payments on the Securities of such series shall in the event of certain changes in the United States Federal income tax laws apply to Unregistered Securities of such series or to Registered Securities of such series, and the circumstances, if any, under which a Holder may elect to receive interest in a form other than as provided in Sections 3.11(a)(1), 3.11(b)(1) or 5.01;

(7) whether Securities of the series shall be designated as Senior Debt Securities or Subordinated Debt Securities;

(8) the place or places where the principal of, and premium, if any, and interest, if any, on Securities of the series shall be payable (if other than as provided in Section 5.02);

(9) the provisions, if any, establishing the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series

- 26 -

may be redeemed, in whole or in part, at the option of the Company, pursuant to any sinking fund or otherwise, and whether any special terms and conditions of redemption shall apply to Unregistered Securities of such series or to Registered Securities of such series;

(10) the obligation, if any, of the Company to redeem, purchase or repay Securities of the series pursuant to the sinking fund or analogous provisions or at the option of a Holder thereof and the price or prices, in the currency or currency unit in which the Securities of such series are payable, at which and the period or periods within which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(11) if other than denominations of 1,000 and any integral multiple thereof, in Dollars or the Foreign Currency or currency unit in which the Securities of such series are denominated, the denominations in which Securities of such series shall be issuable;

(12) if other than the principal amount thereof, the portion of the principal amount of Securities of such series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 7.01 or provable in bankruptcy pursuant to Section 7.04;

(13) whether payment of the principal of, premium, if any, and interest, if any, on the Securities of such series shall be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by Holders;

(14) any Events of Default or Defaults with respect to the Securities of such series, if not set forth herein;

(15) in case the Securities of such series do not bear interest, the applicable dates for the purpose of clause (a) of Section 6.01;

(16) whether the Securities of such series are to be issued as Registered Securities (with or without Coupons) or Unregistered Securities or both, and, if Unregistered Securities or Coupon Securities are issued, whether Unregistered Securities or Coupon Securities of such series may be exchanged for Registered Securities or Fully Registered Securities of such series and whether Registered Securities or Fully Registered Securities of such series may be exchanged for Unregistered Securities of such series

- 27 -

and the circumstance under which and the place or places where any such exchanges, if permitted, may be made;

(17) the currency or currencies, or currency unit or currency units, whether in Dollars or a Foreign Currency or currency unit, in which the principal of, and premium, if any, and interest, if any, on the Securities of such series or any other amounts payable with respect thereto, including, without limitation, Coupons, are to be denominated, payable, redeemable or repurchaseable, as the case may be, and whether such principal, premium, if any, and interest, if any, payable otherwise than in Dollars may, at the option of the Holders of any Security of such series, also be payable in Dollars;

(18) if other than as set forth in Section 11.01, provisions for the satisfaction and discharge of the indebtedness represented by the Securities of such series;

(19) whether the Securities of such series are issuable as a Global Security and, in such case, the identity of the Depositary for such series;

(20) if the amount of payment of principal of (and premium, if any) or interest on the Securities of such series may be determined with reference to an index, formula or other method based on a coin, currency or currency unit other than that in which the Securities are stated to be payable or otherwise, the manner in which such amounts shall be determined;

(21) any other terms of such series (which terms shall not be inconsistent with the provisions of this Indenture); and

(22) any trustees, paying agents, transfer agents or registrars with respect to the Securities of such series, and, if the Securities

of such series are to be denominated and payable in any currency other than Dollars, the initial Dollar Determination Agent.

The payment of principal of and premium, if any, and interest on the Securities of each series shall be unconditionally guaranteed by the Guarantor.

The Trustee shall be entitled to receive and shall be fully protected in relying on, in addition to the Opinion of Counsel to be furnished to the Trustee pursuant to Section 1.02 with the Officers' Certificate relating to the issuance of any series of Securities, an Opinion of Counsel stating that:

- 28 -

(i) all instruments furnished to the Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Trustee to authenticate and deliver such Securities;

(ii) all laws and requirements with respect to the form and execution by the Company and the Guarantor of the supplemental indenture, if any, have been complied with and that the execution and delivery of the supplemental indenture, if any, by the Trustee will not violate this Indenture, the Company and the Guarantor have corporate power to execute and deliver any such supplemental indenture and have taken all necessary corporate action for those purposes and any such supplemental indenture has been executed and delivered and constitutes the legal, valid and binding obligation of the Company and the Guarantor enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect);

(iii) the form and terms of such Securities have been established in conformity with the provisions of this Indenture;

(iv) all laws and requirements with respect to the execution and delivery by the Company of such Securities and by the Guarantor of the Guarantees endorsed thereon have been complied with and the authentication and delivery of any such Securities by the Trustee will not violate the terms of the Indenture, the Company has the corporate power to issue such Securities and the Guarantor has the corporate power to issue such Guarantees, and such Securities and Guarantees have been duly authorized and delivered by the Company and the Guarantor, respectively, and, assuming due authentication and delivery of such Securities by the Trustee, such Securities and Guarantees constitute legal, valid and binding obligations of the Company and the Guarantor, respectively, enforceable in accordance with their terms (subject, as to enforcement of remedies to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect) and entitled to the benefits of this Indenture, equally and ratably with all other Guarantees and all other Securities, if any, of such series Outstanding;

(v) the amount of the Securities Outstanding, including such Securities, does not exceed the amount at the time permitted by law;

- 29 -

(vi) this Indenture is qualified under the Trust Indenture Act; and

(vii) the issuance of such Securities will not contravene the Articles of Incorporation or the By-Laws of the Company or the Guarantor or result in any violation of any of the terms or the provisions of any indenture, mortgage or other agreement known to such counsel by which the Company, the Guarantor or any of its subsidiaries is bound.

In addition, the opinion and the Officers' Certificate will cover such other matters as the Trustee may reasonably request.

SECTION 3.02. Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified in the form of Security for such series approved or established pursuant to Section 2.03 or in the Officers' Certificate delivered pursuant to Section 3.01. In the absence of any specification with respect to the Securities of any series, the Securities of such series shall be issuable as Fully Registered Securities in denominations of \$1,000 or any integral multiple thereof, and shall be payable in Dollars.

SECTION 3.03. Execution, Authentication and Delivery.

The Securities and Coupons, if any, appertaining thereto, shall be executed on behalf of the Company and the Guarantees endorsed thereon shall be executed on behalf of the Guarantor by, respectively, its Chairman, Vice Chairman, President or one of its Executive Vice Presidents or Senior Vice Presidents under its corporate seal, which may be in facsimile form and may be imprinted or otherwise reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities and Coupons, if any, appertaining thereto, or Guarantees may be manual or facsimile. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Security or Coupon that has been duly authenticated and delivered by the Trustee.

Securities and Coupons, if any, appertaining thereto, and Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company or the Guarantor, respectively, shall bind the Company and the Guarantor, respectively, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities, and Coupons, if

- 30 -

any, appertaining thereto, or did not hold such offices at the date of such Securities and Guarantees.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities, and Coupons, if any, appertaining thereto, of any series executed by the Company with Guarantees endorsed thereon executed by the Guarantor to the Trustee for authentication; and the Trustee shall authenticate and deliver such Securities, and Coupons, if any, appertaining thereto, to or upon a Company Order, an Officers' Certificate and an Opinion of Counsel without any further action by the Company or the Guarantor.

The Trustee shall have the right to decline to authenticate and deliver any Security under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or vice presidents shall determine that such action would expose the Trustee to personal liability.

All Registered Securities shall be dated the date of their authentication, provided, however, that if provided for in the form of Security, interest may accrue from a date other than the authentication date.

No Security or Coupon appertaining thereto or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

Notwithstanding the provisions of Section 3.01 and of this Section 3.03, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate or supplemental indenture otherwise required pursuant to Section 3.01 or the Company Order, Officers' Certificate and Opinion of Counsel required pursuant to this Section 3.03 at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the time of authentication upon original issuance of the first Security of such series to be issued; provided, however, that any subsequent request by the Company to the Trustee to authenticate Securities of such series shall constitute a representation and warranty by the Company that as of the date of such request the statements made in the Officers' Certificate delivered pursuant to Section 3.01 shall be true and correct on the date thereof as if made on and as of the date thereof and that

- 31 -

the Opinion of Counsel delivered at or prior to such time of authentication shall relate to all subsequent issuances of Securities of such series that are identical to the Securities issued in the first issuance of Securities of such series.

SECTION 3.04. Temporary Securities.

Pending the preparation of definitive Securities for any series, the Company may execute and upon Company Order the Trustee shall authenticate and

deliver temporary Securities (having duly executed Guarantees thereon) for such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Securities of any series shall be issuable in any authorized denomination, and substantially in the form of the definitive Securities of such series in lieu of which they are issued but with such omissions, insertions and variations as may be appropriate for temporary securities, all as may be determined by the Company with the concurrence of the Trustee. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Company and the Guarantee thereon shall be executed by the Guarantor and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Temporary Securities may be issued as Registered Securities, or Unregistered Securities, with or without one or more Coupons attached. Without unreasonable delay the Company shall execute and shall furnish definitive Securities of such series and the Guarantor shall execute the Guarantee thereon and thereupon temporary Securities of such series may be surrendered in exchange therefor without charge to a Holder at the Corporate Trust Office of the Trustee, or, in the case of temporary Securities issued in respect of Unregistered Securities of any series, at the Corporate Trust Office of the Trustee located in a city specified elsewhere in this Indenture or pursuant to Section 3.01, and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of the same series with appropriate Coupons, if any, attached. Such exchange shall be made by the Company at its own expense and without any charge therefor to a Holder except that in case of any such exchange involving any registration of transfer the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. Until so exchanged, the temporary Securities of any series and the Guarantees endorsed thereon shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and the Guarantees endorsed thereon authenticated and delivered hereunder.

- 32 -

SECTION 3.05. Registration, Registration of Transfer and Exchange.

Subject to the conditions set forth below, Securities of any series may be exchanged for a like aggregate principal amount of Securities of the same series (having Guarantees endorsed thereon) of other authorized denominations. Securities to be exchanged shall be surrendered together, in the case of Coupon Securities, with all unmatured Coupons and matured Coupons in default appertaining thereto, at the offices or agencies to be maintained by the Company for such purposes as provided in Section 5.02, and the Company shall execute and register, the Guarantor shall execute the Guarantees endorsed thereon, and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities which the Holder making the exchange shall be entitled to receive.

The Company shall keep or cause to be kept, at one of its said offices or agencies, a register for each series of Securities issued hereunder which may include Registered Securities (hereinafter collectively referred to as the "Securities Register") in which, subject to such reasonable regulations as it may prescribe, and subject also to the provisions of Section 2.05, the Company shall provide for the registration of Registered Securities of such series and shall register the transfer of Registered Securities of such series as in this Article Three provided. The Securities Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. The Trustee is hereby appointed "Securities Registrar" for the purpose of registering Registered Securities and registering transfers of Registered Securities as herein provided. Subject to the provisions of Section 2.05, upon due presentment for registration of transfer of any Security of any series at any such office or agency, the Company shall execute and register, the Guarantor shall execute the Guarantees endorsed thereon, and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Securities of the same series (having Guarantees endorsed thereon) for an equal aggregate principal amount.

Subject to the provisions of Section 2.05, at the option of the Holder thereof, Securities of any series, whether Registered Securities or Unregistered Securities, which by their terms are registrable as to principal only or as to principal and interest, may, to the extent and under the circumstances specified pursuant to Section 3.01, be exchanged for such Registered Securities with Coupons or Fully Registered Securities of such series, as may be issued by the terms thereof. Securities of any series, whether Registered Securities or Unregistered Securities, which by their terms provide for the issuance of Unregistered Securities, may not, except to the extent and under the circumstances specified

- 33 -

pursuant to Section 3.01, be exchanged for Unregistered Securities of such series. Unregistered Securities of any series issued in exchange for Registered Securities of such series between the record date for such Registered Securities and the next Interest Payment Date will be issued without the Coupon relating to such Interest Payment Date, and Unregistered Securities surrendered in exchange for Registered Securities between such dates shall be surrendered without the Coupon relating to such Interest Payment Date and interest will not be payable on such Interest Payment Date in respect of the Registered Security issued in exchange for such Unregistered Security, but will be payable only to the Holder of such Coupon when due in accordance with the provisions of this Indenture.

Upon presentation for registration of any Unregistered Security of any series which by its terms is registrable as to principal, at the office or agency of the Company and Guarantor to be maintained as provided in Section 5.02, such Security shall be registered as to principal in the name of the Holder thereof, and such registration shall be noted on such Security. Any Security so registered shall be transferable on the Securities Register of the Company upon presentation of such Security at such office or agency for similar notation thereon, but, to the extent permitted by law, such Security may be discharged from registration by being in a like manner transferred to bearer, whereupon transferability by delivery shall be restored. To the extent permitted by law, Unregistered Securities shall continue to be subject to successive registrations and discharges from registration at the option of the Holders thereof.

Unregistered Securities and Coupons shall be transferred by delivery. All Securities presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Company or the Securities Registrar) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Securities Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

Each Security and Guarantee endorsed thereon issued upon registration of transfer or exchange of Securities pursuant to this Section 3.05 shall be the valid obligation of the Company and Guarantor, evidencing the same indebtedness and entitled to the same benefits under this Indenture as the Security or Securities surrendered upon registration of such transfer or exchange.

No service charge shall be made to a Holder for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other

- 34 -

than exchanges pursuant to Section 3.04, 4.03 or 9.06 not involving any transfer.

The Company shall not be required (a) to issue, exchange or register the transfer of any Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of such series and ending at the close of business on the day of such mailing, or (b) to exchange or register the transfer of any Securities selected, called or being called for redemption except, in the case of any Security to be redeemed in part, the portion thereof not to be so redeemed.

None of the Company, the Trustee, any Paying Agent or Securities Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

SECTION 3.06. Mutilated, Defaced, Destroyed, Lost and Stolen Securities or Coupons.

In case any temporary or definitive Security or Coupon shall become mutilated or defaced or be destroyed, lost or stolen, and in the absence of notice to the Company, the Guarantor, or the Trustee that such Security or Coupon has been acquired by a bona fide purchaser, the Company in the case of a mutilated Security or Coupon shall, and in the case of a lost, stolen or destroyed Security or Coupon may in its discretion, execute, and upon a Company Request, the Trustee shall authenticate and deliver, a new Security with like Coupons, if any, as those attached to the mutilated, destroyed, lost or stolen Security (so that neither gain nor loss in interest shall result), of the same series, with a duly executed Guarantee thereon, of like tenor and principal amount, and bearing a number, letter or other distinguishing symbol not contemporaneously outstanding, or a new Coupon, as appropriate, in exchange and

substitution for the mutilated Security or Coupon, or in lieu of and in substitution for the Security or Coupon so destroyed, lost or stolen, or if any such Security or Coupon shall have matured or shall be about to mature, instead of issuing a substituted Security or Coupon, the Company in its discretion may pay or authorize the payment of the same without surrender thereof (except in the case of a mutilated Security or Coupon) instead of issuing a new Security or Coupon; provided, however, that interest represented by Coupons shall be payable only upon presentation and surrender of those Coupons at an office or agency located outside of the United States, unless otherwise provided pursuant to Section 3.01. In every case the applicant for a substituted Security or Coupon shall furnish to

- 35 -

the Company, the Guarantor and the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company, the Guarantor, and the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security or Coupon and of the ownership thereof.

Upon the issuance of any substitute Security or Coupon under this Section 3.06, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every substitute Security or Coupon of any series issued pursuant to the provisions of this Section 3.06 by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, guaranteed by the Guarantor, whether or not the destroyed, lost or stolen Security or Coupon shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities and Coupons of such series duly authenticated and delivered hereunder. All Securities and Coupons shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions of this Section 3.06 are exclusive with respect to the replacement or payment of mutilated, defaced or destroyed, lost or stolen Securities and Coupons and shall, to the fullest extent permitted under applicable law, preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 3.07. Payment of Interest; Interest Rights Preserved.

Unless otherwise specified as contemplated by Section 3.01, interest on any Fully Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest if provided for in the Board Resolution pursuant to Section 3.01. In the case of a Security issued between a record date and the initial Interest Payment Date relating to such record date, interest for the period beginning on the date of issue and ending on such initial Interest Payment Date shall be paid to the person to whom such Security shall have been originally issued. In the case of

- 36 -

Coupon Securities, the Holder of any Coupon shall be entitled to receive the interest, if any, payable on such Interest Payment Date, upon surrender on such Interest Payment Date of the Coupon appertaining thereto in respect of such interest.

Any interest on any Fully Registered Security which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder; and such Defaulted Interest may be paid by the Company or the Guarantor at its election in each case, as provided in Clause (1) or Clause (2) below:

(1) The Company or the Guarantor may elect to make payment of any Defaulted Interest to the Persons in whose names such Fully Registered Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company or the Guarantor shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Fully Registered Security and the date of the proposed payment, and at the same time the Company or the Guarantor, as the case may be,

shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company or the Guarantor, as the case may be, of such Special Record Date, and, in the name and at the expense of the Company or the Guarantor, as the case may be, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Holder of a Fully Registered Security at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the Company or the Guarantor, as the case may be, cause a similar notice to be published at least once in an Authorized Newspaper in the Place of Payment, but such publication shall not be a condition precedent to the establishment of such Special

- 37 -

Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been given as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Fully Registered Securities (or their respective Predecessor Securities) are registered on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company or the Guarantor may make payment of any Defaulted Interest on any such Fully Registered Security in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Fully Registered Securities of that series may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company or the Guarantor to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security of any series delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security of such series shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 3.08. Persons Deemed Owners.

The Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor, or the Trustee may deem and treat the Person in whose name any Registered Security shall be registered upon the Security Register for such series as the absolute owner of such Security (notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 3.07), if such registered Security is a Fully Registered Security, interest, if any, on, such Registered Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor, or the Trustee shall be affected by notice to the contrary. The Company, the Guarantor, the Trustee, and any agent of the Company, the Guarantor, or the Trustee may treat the Holder of any Unregistered Security and the Holder of any Coupon, whether or not the Security to which such Coupon appertained be registered, as the absolute owner of such Security or Coupon for the purposes of receiving payment thereof or on account thereof and for all other purposes whatsoever whether or not such Security or Coupon be overdue, and neither the Company, the Guarantor, the Trustee, any Paying Agent nor any Security Registrar shall be

- 38 -

affected by notice to the contrary. All such payments so made to any Holder for the time being, or upon his order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon such Security or Coupon.

SECTION 3.09. Cancellation of Securities; Destruction Thereof.

All Securities surrendered for payment, redemption, registration of transfer or exchange, or for credit against any payment in respect of a sinking or analogous fund, and all Coupons surrendered for payment or exchange, if

surrendered to the Company, the Guarantor, or any Paying Agent or any Securities Registrar, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it, and no Securities or Coupons shall be authenticated and delivered in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Securities and Coupons held by it and deliver a certificate of destruction to the Company. If the Company or the Guarantor shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such securities, or the Guarantee endorsed thereon, unless and until the same are delivered to the Trustee for cancellation.

SECTION 3.10. Computation of Interest.

Except as otherwise specified in the form of Security for any series approved or established pursuant to Section 2.03 or in the Officers' Certificate delivered pursuant to Section 3.01 with respect to Securities of any series, interest on the Securities of each series shall be computed on the basis of a year of twelve 30-day months.

SECTION 3.11. Currency and Manner of Payments in Respect of Securities.

(a) With respect to Registered Securities of any series denominated in Dollars or in Foreign Currency or in any currency unit, which hereafter shall include without limitation ECU, with respect to which the Holders of Securities of such series have not made the election provided for in paragraph (b) below, the following payment provisions shall apply:

(1) Except as provided in subparagraph (a)(2) or in paragraph (e) below, payment of the principal of and premium, if any, on any Registered Security will be made at the Place of Payment by delivery of a check in the currency

- 39 -

or currency unit in which the Security is payable on the payment date against surrender of such Registered Security, and any interest on any Fully Registered Security will be paid at the Place of Payment by mailing a check in the currency or currency unit in which such interest is payable to the Person entitled thereto at the address of such Person appearing on the Securities Register.

(2) Payment of the principal of, premium, if any, and (with respect to Fully Registered Securities only) interest on such Security may also, subject to applicable laws and regulations, be made at such other place or places as may be designated by the Company or Guarantor by any appropriate method.

(b) With respect to Registered Securities of any series denominated in any Foreign Currency or currency unit the following payment provisions shall apply, except as otherwise provided in paragraphs (e) and (f) below:

(1) It may be provided pursuant to Section 3.01 with respect to the Securities of such series that Holders shall have the option to receive payments of principal of, premium, if any, and (with respect to Fully Registered Securities only) interest, if any, on such Securities in any of the currencies which may be designated for such election in such Securities by delivering to the Trustee a written election, to be in form and substance satisfactory to the Trustee, prior to the close of business on the record date immediately preceding the applicable payment date. Such election will remain in effect for such Holder until changed by the Holder by written notice to the Trustee (but any such change must be made prior to the close of business on the record date immediately preceding the next payment date to be effective for the payment to be made on such payment date and no such change may be made with respect to payments to be made on any Security of such series with respect to which notice of redemption has been given by the Company pursuant to Article Four). Any Holder of any such Security who shall not have delivered any such election to the Trustee prior to the close of business on the applicable record date will be paid the amount due on the applicable payment date in the relevant currency unit as provided in paragraph (a) of this Section 3.11. Payment of principal of and premium, if any, shall be made on the payment date against surrender of such Security. Payment of interest, if any, shall be made at the Place of Payment by mailing at such location a check, in the applicable currency or currency unit, to the Person entitled thereto at the address of such Person appearing on the Securities Register.

- 40 -

(2) Payment of the principal of, premium, if any, and (with

respect to Fully Registered Securities only) interest, if any, on such Security may also, subject to applicable laws and regulations, be made at such other place or places as may be designated by the Company or Guarantor by any appropriate method.

(c) Payment of the principal of and premium, if any, on any Unregistered Security and of interest on any Coupon Security will be made unless otherwise specified pursuant to Section 3.01 or Section 9.01(6) by a Paying Agent at such place or places outside the United States as may be designated by the Company or Guarantor pursuant to any applicable laws or regulations by any appropriate method in the currency or currency unit in which the Security is payable (except as provided in paragraph (e) below) on the payment date against surrender of the Unregistered Security, in the case of payment of principal and premium, if any, or the relevant Coupon, in the case of payment of interest, if any. Except as provided in paragraph (e) below, payment with respect to Unregistered Securities and Coupons will be made by check, subject to any limitations on the methods of effecting such payment as shall be specified in the terms of the Security established as provided in Section 3.01 and Section 9.01(6) and as shall be required under applicable laws and regulations.

(d) Not later than the fourth Business Day after the record date for each payment date, the Trustee will deliver to the Company and the Guarantor a written notice specifying, in the currency or currency unit in which each series of the Securities is payable, the respective aggregate amounts of principal of, premium, if any, and interest, if any, on the Securities to be made on such payment date, specifying the amounts so payable in respect of Fully Registered Securities, Registered Securities with Coupons and Unregistered Securities and in respect of the Registered Securities as to which the Holders of Securities denominated in any currency unit shall have elected to be paid in another currency as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for pursuant to Section 3.01 and if at least one Holder has made such election, then, not later than the second Business Day preceding each payment date the Company will deliver to the Trustee and each Paying Agent an Exchange Rate Officer's Certificate in respect of the Dollar or Foreign Currency payments to be made on such payment date. The Dollar or Foreign Currency amount receivable by Holders of Registered Securities denominated in a currency unit who have elected payment in such currency as provided in paragraph (b) above shall be determined by the Company on the basis of the applicable Official Currency Unit Exchange Rate set forth in the applicable Exchange Rate Officer's Certificate.

- 41 -

(e) If a Foreign Currency in which any of the Securities are denominated or payable ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, or if the ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or if any other currency unit in which a Security is denominated or payable ceases to be used for the purposes for which it was established, then with respect to each date for the payment of principal of, or premium, if any, and interest, if any, on the applicable Securities denominated or payable in such Foreign Currency, the ECU or such other currency unit occurring after the last date on which such Foreign Currency, the ECU or such other currency unit was so used (the "Conversion Date"), the Dollar shall be the currency of payment for use on each such payment date. The Dollar amount to be paid by the Company or the Guarantor to the Paying Agent and by the Paying Agent to the Holders of such Securities with respect to such payment date shall be the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit as determined by the Dollar Determination Agent as of the record date, if any, with respect to any Interest Payment Date, or the fifteenth day before the Maturity of an installment of principal (the "Valuation Date"), in the manner provided in paragraph (g) or (h) below.

(f) If the Holder of a Registered Security denominated in a currency unit elects payment in a specified Foreign Currency as provided for by paragraph (b) and such Foreign Currency ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, such Holder shall receive payment in such currency unit, and if ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or if any other such currency unit ceases to be used for the purposes for which it was established, such Holder shall receive payment in Dollars.

(g) The "Dollar Equivalent of the Foreign Currency" shall be determined by, and shall be set forth in a certificate delivered to the Company, the Guarantor, the Trustee and each Paying Agent of, the Dollar Determination Agent as of each Valuation Date and shall be obtained by converting the specified

Foreign Currency into Dollars at the Market Exchange Rate on the Valuation Date.

(h) The "Dollar Equivalent of the Currency Unit" shall be determined by, and shall be set forth in a certificate delivered to the Company, the Guarantor, the Trustee and each Paying Agent

- 42 -

of, the Dollar Determination Agent as of each Valuation Date and shall be the sum obtained by adding together the results obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate on the Valuation Date for such Component Currency.

(i) For purposes of Section 3.11 the following terms shall have the following meanings:

A "Component Currency" shall mean any currency which, on the Conversion Date, was a component currency of the relevant currency unit.

A "Specified Amount" of a Component Currency shall mean the number of units or fractions thereof which such Component Currency represented in the relevant currency unit on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single currency, and such amount shall thereafter be a Specified Amount and such single currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by specified amounts of such two or more currencies, the sum of which, at the Market Exchange Rate of such two or more currencies on the date of such replacement, shall be equal to the Specified Amount of such former Component Currency divided by the number of currencies into which such Component Currency was divided, and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies.

"Market Exchange Rate" shall mean for any currency the noon Dollar buying rate for that currency for cable transfers quoted in New York City on the Valuation Date as certified for customs purposes by the Federal Reserve Bank of New York. If such rates are not available for any reason with respect to one or more currencies for which an Exchange Rate is required, the Dollar Determination Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City or in the country of issue of the currency in question, or such other quotations as the Dollar Determination Agent shall deem appropriate. Unless otherwise specified by the Dollar Determination Agent, if there is

- 43 -

more than one market for dealing in any currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency shall be that upon which a nonresident issuer of securities designated in such currency would purchase such currency in order to make payments in respect of such securities.

All decisions and determinations of the Dollar Determination Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit and the Market Exchange Rate shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Company, the Guarantor, the Trustee, any Paying Agent and all Holders of the Securities and Coupons denominated or payable in the relevant currency or currency units. In the event that a Foreign Currency ceases to be used both by the government of the country which issued such currency and for the settlement of transactions by public institutions of or within the international banking community, the Company, after learning thereof, will immediately give notice thereof to the Trustee (and the Trustee will promptly thereafter give notice in the manner provided in Section 1.06 to the Holders) specifying the Conversion Date. In the event the ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities, or any other currency unit in which Securities or Coupons are denominated or payable, ceases to be used for the purposes for which it was established, the Company, after learning thereof, will immediately give notice thereof to the Trustee (and the Trustee will promptly thereafter give notice in the manner provided in Section 1.06 to the Holders) specifying the Conversion Date and the

Specified Amount of each Component Currency on the Conversion Date. In the event of any subsequent change in any Component Currency as set forth in the definition of Specified Amount above, the Company, after learning thereof, will similarly give notice to the Trustee. The Trustee shall be fully justified and protected in relying conclusively and acting upon information received by it from the Company and the Dollar Determination Agent, if any, and shall not have any duty or obligation to determine such information independently.

SECTION 3.12. Unconditional Guarantee.

The Guarantor hereby unconditionally guarantees to each Holder of a Security and Coupons, if any, appertaining thereto authenticated and delivered by the Trustee and to the Trustee, the due and punctual payment of the principal of, sinking fund payment, if any, premium, if any, and interest on such Security and Coupons, if any, appertaining thereto, net of any taxes required to be withheld, when and as the same shall become due and

- 44 -

payable, whether by declaration thereof or otherwise, in accordance with the terms of such Security or Coupons, if any, appertaining thereto and of this Indenture. In case of default by the Company in the payment of any such principal, sinking fund payment, premium or interest, the Guarantor agrees duly and punctually to pay the same. The Guarantor hereby agrees that its obligations hereunder or under any Guarantee shall be absolute and unconditional irrespective of any invalidity, irregularity or unenforceability of any such Security, or Coupons, if any, appertaining thereto or this Indenture, any failure to enforce the provisions of any such Security, or Coupons, if any, appertaining thereto or this Indenture, any waiver, modification or indulgence granted to the Company with respect thereto by the holder of such Security, or Coupons, if any, appertaining thereto or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to any such Security, or Coupons, if any, appertaining thereto or the indebtedness evidenced thereby and all demands whatsoever, and covenants that its obligation hereunder or under any Guarantee will not be discharged as to any such Security, or Coupons, if any, appertaining thereto except by payment in full of the principal thereof and premium, if any, and interest thereon.

The Guarantor shall be subrogated to all rights of the holder of any Security and Coupons, if any, appertaining thereto against the Company in respect of any amounts paid by the Guarantor pursuant to the provisions of any Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of and premium, if any, and interest then due on all Securities and Coupons, if any, appertaining thereto shall have been paid in full.

The Guarantee set forth in this Section shall not be valid or become obligatory for any purpose with respect to a Security, or Coupons, if any, appertaining thereto until the certificate of authentication on such Security, or Coupons, if any, appertaining thereto shall have been signed by the Trustee.

The rights and claims of the Trustee and the Holders of Securities and Coupons, if any, appertaining thereto against the Guarantor under this Section 3.12 will be subordinated to the extent provided in Section 12.04.

- 45 -

SECTION 3.13. Execution of Guarantees.

To evidence its Guarantee to the Holders of Securities and Coupons, if any, appertaining thereto, specified in Section 3.12, the Guarantor hereby agrees to execute the Guarantees, in substantially the form above described, to be endorsed on each security and endorsed or referenced on each Coupon, if any, appertaining thereto authenticated and delivered by the Trustee. Each such Guarantee shall be signed on behalf of the Guarantor as set forth in Section 3.03, prior to the authentication of the Security on which it is endorsed, and the delivery of such Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of such Guarantee on behalf of the Guarantor.

ARTICLE FOUR

REDEMPTION OF SECURITIES

SECTION 4.01. Applicability of Article.

The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.01 for Securities of such series.

SECTION 4.02. Notice of Redemption; Selection of Securities.

In case the Company shall desire to exercise the right to redeem all, or, as the case may be, any part of the Securities of any series (or all or part of the Unregistered Securities of such series or all or any part of the Registered Securities of such series, if the terms and conditions of redemption shall differ with respect to Unregistered Securities and Registered Securities of such series as specified in the terms of such Securities established pursuant to Section 3.01) in accordance with their terms, it shall fix a Redemption Date and shall provide notice of such redemption to the Trustee at least 60 days prior to such Redemption Date, and at least 30 and not more than 60 days prior to such Redemption Date to the Holders of Securities of such series so to be redeemed as a whole or in part in the manner provided in Section 1.06.

Each such notice of redemption shall specify the Redemption Date, the Redemption Price, the Place or Places of Payment, that the Securities of such series are being redeemed at the option of the Company pursuant to provisions contained in the terms of the Securities of such series or in a supplemental indenture

- 46 -

establishing such series, if such be the case, together with a brief statement of the facts permitting such redemption, that payment will be made upon presentation and surrender of the applicable Securities, that, unless otherwise specified in such notice, Coupon Securities of any series, if any, surrendered for payment must be accompanied by all Coupons, if any, maturing subsequent to the date fixed for redemption, failing which the amount of any such missing Coupon or Coupons will be deducted from the sum due for payment, that any interest accrued to the Redemption Date will be paid as specified in said notice, and that on and after said Redemption Date any interest thereon or on the portions thereof to be redeemed will cease to accrue. If less than all the Securities of any series are to be redeemed the notice of redemption shall specify the numbers of the Securities of such series to be redeemed, and, if only Unregistered Securities of any series are to be redeemed, and if such Unregistered Securities may be exchanged for Registered Securities, the last date on which exchanges of Unregistered Securities for Registered Securities not subject to redemption may be made. In case any Security of any series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the Redemption Date, upon surrender of such Security and any Coupons appertaining thereto, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof and with appropriate Coupons will be issued, or, in the case of Securities providing appropriate space for such notation, at the option of the Holders, the Trustee, in lieu of delivering a new Security or Securities as aforesaid, may make a notation on such Security of the payment of the redeemed portion thereof.

On or before (but at least one Business Day before, in the case of payments made in a currency or currency unit other than Dollars) the Redemption Date with respect to the Securities of any series stated in the notice of redemption given as provided in this Section 4.02, the Company will deposit with the Trustee or with one or more Paying Agents an amount of money in the currency or currency unit in which the Securities of such series and any Coupons appertaining thereto are payable (except as otherwise specified as contemplated by Section 3.01 for the Securities of such series and except as provided in Sections 3.11(b), 3.11(e) and 3.11(f) of this Indenture) sufficient to redeem on such Redemption Date all the Securities or portions thereof so called for redemption at the applicable Redemption Price, together with accrued interest to such Redemption Date.

If fewer than all the Securities of a series are to be redeemed (except in the case of a redemption in whole of the Unregistered Securities, the Coupon Securities, the Registered Securities or the Fully Registered Securities of such series), the Company will give the Trustee written notice not less than 60 days

- 47 -

prior to the Redemption Date as to the aggregate principal amount of Securities to be redeemed and the Trustee shall select, not more than 60 days prior to the Redemption Date and in such manner as in its sole discretion it shall deem appropriate and fair, the Securities of such series or portions hereof (in multiples of 1,000 in the currency or currency unit in which the Securities of such series are denominated, except as otherwise set forth in the applicable

form of Security) to be redeemed.

SECTION 4.03. Payment of Securities Called for Redemption.

If notice of redemption has been given as above provided, the Securities or portions of Securities of the series specified in such notice shall become due and payable on the Redemption Date and at the place or places stated in such notice at the applicable Redemption Price, together with any interest accrued to such Redemption Date, and on and after said Redemption Date (unless the Company shall default in the payment of such Securities at the applicable Redemption Price, together with any interest accrued to said Redemption Date) any interest on the Securities or portions of Securities of any series so called for redemption shall cease to accrue. On presentation and surrender of such Securities and all Coupons, if any, appertaining thereto at a Place of Payment in such notice specified, such Securities and Coupons or the specified portions thereof shall be paid and redeemed by the Company at the applicable Redemption Price, together with any interest accrued thereon to the applicable Redemption Date in the currency or currency unit in which the Securities of such series and the Coupons, if any, appertaining thereto are payable (except as otherwise specified as contemplated by Section 3.01 for the Securities of such series and except as provided in Sections 3.11(b), 3.11(e) and 3.11(f) of this Indenture).

If any Coupon Security surrendered for redemption shall not be accompanied by all appurtenant Coupons maturing on or after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing Coupons or the surrender of such missing Coupon or Coupons may be waived by the Company, the Guarantor, and the Trustee, if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing Coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; provided, however, that, unless otherwise provided pursuant to Section 3.01 or Section 9.01(6), interest represented by Coupons shall be payable only upon presentation and surrender of those Coupons at an office or agency located outside of the United States.

- 48 -

Upon presentation of any Security redeemed in part only and the Coupons, if any, appertaining thereto, the Company shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Company, a new Security or Securities of such series and the Coupons, if any, appertaining thereto, of authorized denominations, in principal amount equal to the unredeemed portion of the Securities so presented.

SECTION 4.04. Sinking Funds.

(a) The provisions of this Section shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.01 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of the Securities of any series is hereinafter referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of the Securities of any series is herein referred to as "optional sinking fund payment."

(b) In lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may, at its option, deliver to the Trustee Outstanding Securities of such series (together with the unmatured Coupons, if any, appertaining thereto) theretofore purchased or otherwise acquired by the Company, except Securities of such series which have been redeemed or previously called for redemption through the application of mandatory or optional sinking fund payments pursuant to the terms of the Securities of such series, accompanied by a Company Order instructing the Trustee to credit such obligations and stating that the Securities of such series were originally issued by the Company by way of bona fide sale or other negotiation for value; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

(c) Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee a certificate signed by the Treasurer or any Assistant Treasurer of the Company specifying the amount of the next ensuing sinking fund payment for such series pursuant to the terms of such series, the portion thereof, if any, which is to be satisfied by payment of cash in the currency or currency unit in which the Securities of such series and the Coupons, if any,

appertaining thereto are payable (except as otherwise specified as contemplated by Section 3.01 for the Securities of such series and except as provided in Sections 3.11(b), 3.11(e) and 3.11(f) of this Indenture) and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of such series pursuant to subsection (b) of this Section and which Securities are to be delivered and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series. Such certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments (in the currency or currency unit described above) therein referred to, if any, on or before the next succeeding sinking fund payment date. In the case of the failure of the Company to deliver such certificate (or to deliver the Securities and Coupons, if any, specified in such certificate within the time period specified in subsection (b) of this Section), the sinking fund payment due on the next succeeding sinking fund payment date for such series shall be paid entirely in cash (in the currency or currency unit described above) and shall be sufficient to redeem the principal amount of the Securities of such series subject to a mandatory sinking fund payment without the right to deliver or credit Securities as provided in subsection (b) of this Section and without the right to make any optional sinking fund payment, if any, with respect to such series.

Any sinking fund payment or payments (mandatory or optional) made in cash (in the currency or currency unit described above) plus any unused balance of any preceding sinking fund payments made with respect to the Securities of any particular series shall be applied by the Trustee on the sinking fund payment date on which such payment is made (or, if such payment is made before a sinking fund payment date, on the sinking fund payment date following the date of such payment) to the redemption of Securities of such series at the Redemption Price specified in such Securities with respect to the sinking fund together with accrued interest, if any, to the applicable Redemption Date. Any excess sinking fund moneys not so applied or allocated by the Trustee to the redemption of Securities shall be added to the next sinking fund payment received by the Trustee for such series and, together with such payment (or such amount so segregated) shall be applied in accordance with the provisions of this subsection (c) of this Section 4.04. Any and all sinking fund moneys with respect to the Securities of any particular series held by The Trustee on the last sinking fund payment date with respect to Securities of such series and not held for the payment or redemption of particular Securities of such series shall be applied by the Trustee together with other moneys, if necessary, to be deposited (or segregated) sufficient for the purpose, to the payment of the principal of the Securities of such series at Maturity. The Trustee shall not convert any currency or currency

unit in which the Securities of such series are payable for the purposes of such sinking fund application unless specifically requested to do so by the Company, and any such conversion agreed to by the Trustee in response to such request shall be for the account and at the expense of the Company and shall not affect the Company's obligation to pay the Holders in the currency or currency unit to which such Holders may be entitled.

The Trustee shall select or cause to be selected the Securities to be redeemed upon such sinking fund payment date in the manner specified in the last paragraph of Section 4.02 and the Company shall cause notice of the redemption thereof to be given in the manner provided in Section 4.02 except that the notice of redemption shall also state that the Securities are being redeemed by operation of the sinking fund and whether the sinking fund payment is mandatory or optional, or both, as the case may be. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Section 4.03.

On or before the opening of business on (but at least one Business Day before, in the case of payments made in a currency or currency unit other than Dollars) each sinking payment date, the Company shall pay to the Trustee in cash (in the currency or currency unit described in the first paragraph of this subsection 4.04(c)) a sum equal to the principal and any interest accrued to the Redemption Date for Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section.

ARTICLE FIVE

COVENANTS

SECTION 5.01. Payment of Principal, Premium and Interest; Compliance with Terms.

With respect to each series of Securities, the Company will duly and

punctually pay the principal of, premium, if any, and interest on the Securities of such series in accordance with the terms of the Securities of such series of Securities, any Coupons appertaining thereto and this Indenture, net of any taxes required to be withheld, and will duly comply with all the other terms, agreements and conditions contained in, or made in this Indenture for the benefit of, the Securities of such series. Each installment of interest on the Registered Securities of any series may be paid by mailing checks for such interest payable to or upon the written order of the Holders of Registered Securities entitled thereto as they shall appear on the registry books of the Company.

- 51 -

The interest on Coupon Securities shall be payable only upon presentation and surrender of the several Coupons for such interest installments as are evidenced thereby as they severally mature. The interest, if any, on any temporary Unregistered Security shall be paid, as to any installment of interest evidenced by a Coupon attached thereto, if any, only upon presentation and surrender of such Coupon, and, as to other installments of interest, if any, only upon presentation of such Security for notation thereon of the payment of such interest.

SECTION 5.02. Maintenance of Agency.

The Company and the Guarantor will maintain an office or agency in the Borough of Manhattan, The City of New York, where Registered Securities may be presented or surrendered for payment and for registration of transfer or exchange and an agency where notices and demands to or upon the Company and the Guarantor in respect of the Securities, the Guarantees and this Indenture may be served. The Company and the Guarantor hereby respectively appoint the Trustee its initial office or agency for the purpose of this Section 5.02. So long as any Coupon Securities or Unregistered Securities of any series remain Outstanding, the Company will (except as specified pursuant to Section 3.01 or Section 9.01(6)) maintain one or more offices or agencies outside the United States in such city or cities as may be specified elsewhere in this Indenture or as contemplated by Section 3.01, with respect to such series, where Coupons appertaining to Securities of such series or Unregistered Securities of such series may be surrendered or presented for payment, or surrendered for exchange pursuant to Section 3.05 and where notices and demands to or upon the Company or the Guarantor in respect of Coupons appertaining to Securities of such series or the Unregistered Securities of such series or of this Indenture may be served. The company and the Guarantor will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Company or the Guarantor shall fail to maintain such agency or shall fail to furnish the Trustee with the address thereof, presentations, surrenders, notices and demands in respect of Registered Securities may be made or served at the Principal Corporate Trust Office, and presentations, surrenders, notices and demands in respect of Coupons appertaining to Securities of any series and Unregistered Securities may be made or served at the Principal Corporate Trust Office in the other city or cities referred to above, if any; and the Company and the Guarantor hereby appoint the Trustee their agent to receive all such presentations, surrenders, notices and demands. The Company and the Guarantor agree to appoint and continue to maintain the appointment of a Dollar Determination Agent, if necessary, to perform the functions set forth herein for the Dollar Determination Agent.

-52 -

The Company and the Guarantor, by written notice to the Trustee, may also from time to time designate one or more other offices or agencies where Securities may be presented for any or all such purposes, and, by like notice, may from time to time rescind such designations.

SECTION 5.03. Money for Security Payments To Be Held in Trust.

If the Company shall at any time act as its own Paying Agent for any series of Securities, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities of such series, and the Coupons, if any, appertaining thereto, set aside, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of, premium, if any, or interest on any Securities of such series, and Coupons, if any, appertaining thereto, deposit, subject to Section 4.04(c), with a Paying Agent a sum sufficient to pay the principal, premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the

Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee and the Company, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of principal of or premium, if any, or any interest on Securities of such series or any Coupon appertaining thereto in trust for the benefit of the Persons entitled thereto until such sums shall be paid to said Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company or the Guarantor (or any other obligor upon the Securities of such series) in the making of any payment of principal of, premium or interest on the Securities of such series or Coupon, if any, appertaining thereto; and

- 53 -

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or premium, if any, or interest on any Security of any series or any Coupon appertaining thereto and remaining unclaimed for 2 years after such principal or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security or Coupon, if any, appertaining thereto shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the company cause to be published once, in an Authorized Newspaper in the Place of Payment, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company. The Trustee may also adopt and employ, at the expense of the Company, any other reasonable means of notification of such proposed repayment (including, but not limited to, mailing notice of such proposed repayment to Registered Holders whose names appear on the Security Register and whose holdings of Registered Securities have not yet been surrendered for redemption or whose right to interest moneys due and payable but not claimed is determinable from the records of any Paying Agent or the Trustee, at the last address of record for each such Holder).

SECTION 5.04. Certification of Compliance of the Company and the Guarantor.

Each of the Company and the Guarantor will promptly (and in any event within 3 Business Days) notify the Trustee, upon

- 54 -

obtaining knowledge of any default under this Indenture and shall comply with the provisions of Section 314(a)(4) of the Trust Indenture Act.

SECTION 5.05. Corporate Existence.

Subject to Article Ten, the Company and the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect their respective corporate existence, rights (charter and statutory) and franchises and the corporate existence, rights (charter and statutory) and franchises of all Subsidiaries other than the Company; provided, however, that the Company and the Guarantor shall not be required to, or to cause any such Subsidiary to, preserve any right or franchise or to keep in full force and effect the corporate existence of any such Subsidiary if the Company (in the

case of the Company) or the Guarantor (in all other cases) shall determine that the keeping in existence or preservation thereof is no longer desirable in the conduct of the business of the Company or the Guarantor, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Holders of Securities or Coupons, if any, appertaining thereto.

SECTION 5.06. Limitation on Sale or Issuance of Voting Shares of Principal Subsidiary Banks.

The Guarantor will not (a) permit the issue, sale or other disposition of any Voting Shares, or securities convertible into, or options, warrants or rights to subscribe for or purchase Voting Shares, of any Principal Subsidiary Bank, (b) permit the merger or consolidation of any Principal Subsidiary Bank with or into any other corporation, or (c) permit the sale or other disposition of all or substantially all of the assets of any Principal Subsidiary Bank, if, after giving effect to any such transaction (specified in clauses (a), (b) or (c) above) and the issuance of the maximum number of Voting Shares issuable upon the conversion or exercise of all such convertible securities, options, warrants or rights, the Guarantor would own, directly or indirectly, less than 80% of the Voting Shares of such Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank); provided, however, that the foregoing shall not prohibit any such issuance, sale or disposition of shares or securities, any such merger or consolidation or any such sale or disposition of assets if:

(i) required by any law or any regulation or order of any governmental authority;

- 55 -

(ii) required as a condition imposed by any law or any regulation or order of any governmental authority to the acquisition by the Guarantor, directly or indirectly, of any other corporation or entity, if thereafter, (x) the Guarantor would own, directly or indirectly, at least 80% of the Voting Shares of such other corporation or entity, and (y) the Consolidated Banking Assets of the Guarantor would be at least equal to the Consolidated Banking Assets of the Guarantor prior thereto, and (z) by a Board Resolution, such other corporation or entity shall have been designated a Principal Subsidiary Bank for all purposes or this Indenture;

(iii) upon consummation of such transaction, the Guarantor owns, directly or indirectly, not less than the percentage of Voting Shares of such Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank) it owned prior to such transaction; or

(iv) the proceeds of any such issuance, sale or other disposition are invested within 180 days after such issuance, sale or other disposition in any one or more Subsidiary Banks (including any previously existing Subsidiary Bank or any other corporation which upon such investment becomes a Subsidiary Bank), or if within 180 days after such issuance, sale or other disposition the Guarantor has entered into an agreement to invest such proceeds in any one or more Subsidiary Banks (including any previously existing Subsidiary Bank or any other corporation which upon such investment would become a Subsidiary Bank), but such investment has not been made because all regulatory or other approvals have not been obtained but are in the process of being obtained, and if, in each case, the consolidated assets of the Subsidiary Bank(s) acquired or to be acquired or invested in (including any one or more corporations which upon such investment would become Subsidiary Banks) would be at least equal to 80% of the consolidated assets of the Principal Subsidiary Bank being disposed of; provided, however, that if the Guarantor makes a subsequent acquisition as described in this paragraph using its common stock and preferred stock, with a fair market value at least equal to the proceeds of any sale, assignment, transfer or disposition of a Principal Subsidiary Bank, it will not also be required to invest the proceeds of any sale assignment, transfer or disposition as otherwise required by this paragraph; provided, further, that the Guarantor will, for the purpose of satisfying this covenant, only issue preferred shares in a subsequent acquisition in an amount needed to replace any preferred stock of the acquired company;

- 56 -

provided, however, that nothing herein shall be deemed to restrict or prohibit the merger of a Principal Subsidiary Bank with and into a Principal Subsidiary Bank or the Guarantor, the consolidation of

Principal Subsidiary Banks into a Principal Subsidiary Bank or the Guarantor, or the sale or other disposition or all or substantially all of the assets of any Principal Subsidiary Bank to another Principal Subsidiary Bank or the Guarantor, if, in any such case in which the surviving, resulting or acquiring entity is not the Guarantor, the Guarantor would own, directly or indirectly, at least 80% of the Voting Shares of the Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank) surviving such merger, resulting from such consolidation or acquiring such assets.

SECTION 5.07. Ownership of the Company.

Subject to Article Ten, the Guarantor will at all times continue to own, directly or indirectly, all of the issued and outstanding Voting Shares of the Company.

SECTION 5.08. Liens.

The Guarantor will not, and it will not permit any Subsidiary to, pledge, mortgage or hypothecate or permit to exist any pledge, mortgage or hypothecation or other lien upon Voting Shares of any Principal Subsidiary Bank owned by the Guarantor or any Subsidiary to secure any indebtedness for borrowed money without making effective provisions whereby any Senior Debt Securities shall be equally and ratably secured with any and all such indebtedness; provided, however, that this restriction shall not apply to or prevent:

(a) the mortgage, pledge, or hypothecation of, or the establishment of a lien on, any such Voting Shares to secure indebtedness of the Guarantor or a Subsidiary as part of the purchase price of such Voting Shares, or incurred prior to, at the time of or within 120 days after acquisition thereof for the purpose of financing all or any part of the purchase price thereof;

(b) the acquisition by the Guarantor or any Subsidiary of any Voting Shares subject to mortgages, pledges, hypothecations or other liens existing thereon at the time of acquisition (whether or not the obligations secured thereby are assumed by the Guarantor or such Subsidiary);

(c) the assumption by the Guarantor or a Subsidiary of obligations secured by mortgages on, pledge or hypothecations of, or other liens on, any such Voting Shares, existing at the time of the acquisition by the Guarantor or such Subsidiary of such Voting Shares;

- 57 -

(d) the extension, renewal or refunding (or successive extensions, renewals or refundings), in whole or in part, of any mortgage, pledge, hypothecation or other lien referred to in the foregoing clauses (a), (b) and (c); provided, however, that the principal amount of any and all other obligations and indebtedness secured thereby shall not exceed the principal amount so secured at the time of such extension, renewal or refunding, and that such extension, renewal or refunding shall be limited to all or a part of the Voting Shares that were subject to the mortgage, pledge, hypothecation or other lien so extended, renewed or refunded; or

(e) liens to secure loans or other extensions of credit by a Subsidiary Bank subject to Section 23A of the Federal Reserve Act or any successor or similar federal law or regulations promulgated thereunder;

and provided, further, that, notwithstanding the foregoing, the Guarantor may incur or permit to be incurred or to exist upon such Voting Shares (a) liens for taxes, assessments or other governmental charges or levies which are not yet due or are payable without penalty or of which the amount, applicability or validity is being contested by the Guarantor or a Subsidiary in good faith by appropriate proceedings and the Guarantor or such Subsidiary shall have set aside on its books adequate reserves with respect thereto (segregated to the extent required by generally accepted accounting principles), or (b) the lien of any judgment, if such judgment shall not have remained undischarged, or unstayed on appeal or otherwise, for more than 60 days.

In case the Guarantor or any Subsidiary shall propose to pledge, mortgage or hypothecate any voting Shares at any time owned by it to secure any indebtedness, other than as permitted by subdivisions (a) to (e), inclusive, of this Section, the Guarantor will prior thereto give written notice thereof to the Trustee, and will prior to or simultaneously with such pledge, mortgage or hypothecation, by supplemental indenture delivered to the Trustee, in form satisfactory to it, effectively secure all the Senior Debt Securities equally and ratably with such indebtedness, by pledge, mortgage or hypothecation of

such Voting Shares. Such supplemental indenture shall contain the provisions concerning the possession, control, release and substitution of mortgaged and pledged property and securities and other appropriate matters which are required or are permitted by the Trust Indenture Act (as in effect at the date of execution of such supplemental indenture) to be included in a secured indenture qualified under said Act, and may also contain such additional and amendatory provisions permitted by said Act as the Guarantor and the Trustee shall deem advisable or appropriate or as the Trustee shall deem necessary in connection with such pledge, mortgage or hypothecation.

- 58 -

SECTION 5.09. Waiver of Covenants.

The Company or the Guarantor, as the case may be, may omit in respect of any series of Securities in any particular instance to comply with any covenant or condition set forth in Section 5.05 through 5.08 hereof, if before or after the time for such compliance the Holders of a majority in principal amount of the Securities of such series at the time Outstanding shall, by Act of such Holders of Securities, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the Guarantor and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

ARTICLE SIX

SECURITY HOLDERS' LISTS AND REPORTS BY TRUSTEE,
COMPANY AND GUARANTOR

SECTION 6.01. Company and Guarantor To Furnish Trustee Names
and Addresses of Security Holders.

In accordance with Section 312(a) of the Trust Indenture Act, the Company and the Guarantor will furnish or cause to be furnished to the Trustee (a) semiannually and not more than 10 days after the Regular Record Date for each series, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Registered Securities of such series as of such date, and on dates to be determined pursuant to Section 3.01 for noninterest bearing Securities of such series in each year, and (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company or the Guarantor of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished, except that, so long as the Trustee is Security Registrar, no such list need be furnished.

The Company and the Guarantor shall also be required to furnish such information which is known to it concerning the Holders of Coupons and Unregistered Securities; provided, however, that the Company and the Guarantor shall have no obligation to investigate any matter relating to the name and address of any Holder of an Unregistered Security or any Holder of a Coupon.

- 59 -

SECTION 6.02. Preservation of Information; Communications to
Security Holders.

The Trustee shall comply with the obligations imposed upon it pursuant to Section 312 of The Trust Indenture Act, subject to the exculpation from liability contained in Section 312(c) of such Act.

SECTION 6.03. Reports by Trustee.

The Trustee shall comply with the provisions of Section 313 of the Trust Indenture Act.

SECTION 6.04. Reports by Company and Guarantor.

The Company or the Guarantor shall Comply with the provisions of Section 314(a)(1)(2) and (3) of the Trust Indenture Act.

ARTICLE SEVEN

REMEDIES

SECTION 7.01. Events of Default and Defaults.

(a) "Event of Default", with respect to any Senior Debt Securities, wherever used herein, means any one of the following events (whatever the

reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) unless such event is either inapplicable to a particular series or is specifically deleted or modified in the applicable Board Resolution or in the supplemental indenture under which such series of Securities is issued, as the case may be, as contemplated by Section 3.01:

(1) default in the payment of any interest upon any Security of such series when such interest becomes due and payable, and continuance of such default for a period of 30 days;

(2) default in the payment of the principal of (including any sinking fund payment or analogous obligation) or premium, if any, on any Security of such series as and when the same shall become due and payable either at Maturity, upon redemption, by declaration or otherwise;

- 60 -

(3) default in the performance, or breach, of any covenant or warranty of the Company or the Guarantor in respect of the Securities of such series (other than a covenant or warranty a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given to the Company and the Guarantor by the Trustee, by registered or certified mail, or to the Company, the Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied;

(4) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, the Guarantor or any Principal Subsidiary Bank under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or appointing a receiver, trustee or other similar official of the Company, the Guarantor or any principal Subsidiary Bank or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(5) the filing by the Company, the Guarantor or any Principal Subsidiary Bank of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as hereinafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking possession of a receiver, trustee, custodian or other similar official of the Company, the Guarantor or any Principal Subsidiary Bank or of any substantial part of its property, or the Company, the Guarantor or any Principal Subsidiary Bank shall fail generally to pay its debts as such debts become due or shall take any corporate action in furtherance of any such action; or

(6) any other Event of Default provided in the supplemental indenture under which such series of Securities is issued or in the form of Security for such series.

(b) "Event of Default," with respect to any Subordinated Debt Securities, wherever used herein, means any one of the following events (whatever the reason for such Event of Default

- 61 -

and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) unless such event is either inapplicable to a particular series or is specifically deleted or modified in the applicable Board Resolution or in the supplemental indenture under which such series of Securities is issued, as the case may be, as contemplated by Section 3.01:

(1) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, the Guarantor or any Principal Subsidiary Bank under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or

appointing a receiver, trustee or other similar official of the Company, the Guarantor or any principal Subsidiary Bank or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(2) the filing by the Company, the Guarantor or any Principal Subsidiary Bank of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as hereinafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking possession of a receiver, trustee, custodian or other similar official of the Company, the Guarantor or any Principal Subsidiary Bank or of any substantial part of its property, or the Company, the Guarantor or any Principal Subsidiary Bank shall fail generally to pay its debts as such debts become due or shall take any corporate action in furtherance of any such action; or

(3) any other Event of Default provided in the supplemental indenture under which such series of Securities is issued or in the form of Security for such series .

(c) "Default" with respect to any Subordinated Debt Securities, wherever used herein, means any one of the following events (whatever the reason for such Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) unless such Default is either inapplicable to a particular series or is specifically deleted or modified in the applicable

- 62 -

Board Resolution or in the supplemental indenture under which such series of Securities is issued, as the case may be, as contemplated by Section 3.01:

(1) default in the payment of any interest upon any Security of such series when such interest becomes due and payable, and continuance of such default for a period of 30 days;

(2) default in the payment of the principal of (including any sinking fund payment or analogous obligation) or premium, if any, on any Security of such series as and when the same shall become due and payable either at Maturity, upon redemption, by declaration or otherwise;

(3) default in the performance, or breach, of any covenant or warranty of the Company or the Guarantor in respect of the Securities of such series (other than a covenant or warranty a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given to the Company and the Guarantor by the Trustee, by registered or certified mail, or to the Company, the Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied; or

(4) any other Default provided in the supplemental indenture under which such series of Securities is issued or in the form of Security for such series.

SECTION 7.02. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to any series of Securities occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities Outstanding of such series may declare the principal (or, if Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of the Securities of such series) of all the Securities of such series to be due and payable immediately, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders of Securities), and upon any such declaration the same shall become immediately due and payable.

- 63 -

At any time after such a declaration of acceleration with respect to any series of Securities has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in

this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of such series, by written notice to the Company, the Guarantor and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay in the currency or currency unit in which the Securities of such series are payable (except as otherwise specifically contemplated by Section 3.01 for the Securities of such series and except as provided in Sections 3.11(b), 3.11(e) and 3.11(f) of this Indenture)

(A) all overdue installments of interest on all Securities of such series,

(B) (in the currency or currency unit described above) the principal of (and premium, if any, on) any Securities of such series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor by the terms of the Securities of such series,

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Securities of such series, and

(D) in Dollars all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, except as a result of negligence or bad faith; and

(2) all Events of Default or Defaults, other than the nonpayment of the principal of Securities of such series which have become due solely by such acceleration, have been cured or waived as provided in Section 7.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the

- 64 -

Guarantor and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceedings had been taken.

For all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Original Issue Discount Securities.

SECTION 7.03. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(1) default is made in the payment of any interest upon any Security of any series when such interest becomes due and payable, and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (including any sinking fund payment or analogous obligation) or premium, if any, on any Security of any series, whether upon Maturity or upon any redemption or by declaration or otherwise,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of Securities of such series, and Coupons, if any, appertaining thereto, the whole amount then due and payable on Securities of such series and matured Coupons, if any, appertaining thereto for principal, premium, if any, and interest, with interest upon the overdue principal and premium, if any, and to the extent that payment of such interest is lawful, upon overdue

installments of interest, at the rate or rates prescribed therefor by the terms of the Securities of such series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

- 65 -

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and Coupons and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities and Coupons, wherever situated.

If an Event of Default or a Default with respect to any series of Securities occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 7.04. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities and Coupons, if any, appertaining thereto or the property of the Company, the Guarantor or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities and any amounts owed pursuant to Coupons, if any, appertaining thereto shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company or the Guarantor for payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of any Securities and Coupons, if any, appertaining thereto and to file such other papers or documents as may be necessary or advisable in order to have the claim of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders of Securities of any series and Coupons, if any, appertaining thereto allowed in such judicial proceeding, and

- 66 -

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder of Securities or Coupons, if any, appertaining thereto to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Security Holders, to pay to the Trustee any amount due to it for the reasonable compensation expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.07. To the extent that such payment of reasonable compensation, expenses, disbursements, advances and other amounts out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, moneys, securities and other property which the Holders of the Securities or Coupons may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Securities or Coupons, if any, appertaining thereto any plan of reorganization, arrangement, adjustment or composition affecting the Securities and Coupons, if any, appertaining thereto or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of Securities or Coupons, if any, appertaining thereto in any such proceeding.

SECTION 7.05. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or under the Securities of any series or Coupons, if any, appertaining thereto may be prosecuted and enforced by the Trustee without the possession of any of the Securities of such series or Coupons, if any, appertaining thereto or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities or Coupons in respect of which such judgment has been recovered.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this

- 67 -

Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Securities and Coupons in respect of which such action was taken, and it shall not be necessary to make any Holders of such Securities or Coupons parties to any such proceedings.

SECTION 7.06. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article with respect to a series of Securities or Coupons, if any, appertaining thereto (other than sums held in trust for the benefit of the Holders of particular Securities or Coupons) shall be applied in the following order, at the date or dates fixed by the Trustee and in the case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation (except in respect of Subdivision FIRST below) of the Securities of such series and Coupons, if any, appertaining thereto, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 8.07.

SECOND: To the payment of the amounts then due and unpaid upon the Securities of such series and Coupons, if any, appertaining thereto for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities of such series and Coupons, if any, appertaining thereto, for principal, premium, if any, and interest, respectively.

THIRD: The balance, to the Person or Persons lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 7.07. Limitation on Suits.

No Holder of any security of any series or Coupon, if any, appertaining thereto shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continued Event of Default or a Default with respect to Securities of such series;

- 68 -

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default or Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of such series;

it being understood and intended that no one or more Holders of Securities of

such series or Coupons, if any, appertaining thereto shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb, or prejudice the rights of any other Holders of Securities of such series or Coupons, if any, appertaining thereto or to obtain or to seek to obtain priority or preference over any other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Securities of such series and Coupons, if any, appertaining thereto.

SECTION 7.08. Unconditional Right of Security Holders To Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security or Coupon, if any, appertaining thereto shall have the right which is absolute and unconditional to receive payment of the principal of and premium, if any, and (subject to Section 3.07) interest on such Security or a Coupon on the respective Stated Maturities expressed in such Security or Coupon (or, in the case of redemption or repayment, on the Redemption Date or Repayment Date, as the case may be) at the respective places, at the respective times, at the respective rates, in the respective amounts and in the coin, currency, or currency unit therein and herein prescribed, and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

- 69 -

SECTION 7.09. Restoration of Rights and Remedies.

If the Trustee or any Holder of any Security or Coupon, if any, appertaining thereto has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder of any Security or Coupon, if any, appertaining thereto, then and in every such case the Company, the Guarantor, the Trustee and the Holders of any Security or Coupons, if any, appertaining thereto shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and such Holders shall continue as though no such proceeding had been instituted.

SECTION 7.10. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of any Securities or Coupons, if any, appertaining thereto is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 7.11. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security or Coupon, if any, appertaining thereto to exercise any right or remedy accruing upon any Event of Default or any Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of any Security or Coupon, if any, appertaining thereto may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such Holders, as the case may be.

SECTION 7.12. Control by Security Holders.

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or

- 70 -

power conferred on the Trustee under this Indenture with respect to Securities of such series, provided that

- (1) such direction shall not be in conflict with any statute or rule of law or with this Indenture,
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and
- (3) the Trustee need not take any action which it determines

might involve it in personal liability or would be unduly prejudicial to the Holders of Securities of such series not joining in such direction.

SECTION 7.13. Waiver of Past Defaults.

The Holders of a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder and its consequences, except a default

(1) in the payment of the principal of or premium, if any, or interest on any Security of such series or Coupon, if any, appertaining thereto, or in the payment of any sinking fund installment or analogous obligation with respect to Securities of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default or Default arising therefrom shall be deemed to have been cured, for every purpose in respect of the Securities of such series under this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 7.14. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security or Coupon, if any, appertaining thereto by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs

- 71 -

of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder of any Security, or group of Holders of any Security, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of Securities or Coupons, if any, appertaining thereto for the enforcement of the payment of the principal of, premium, if any, or interest on any Security or Coupon, if any, appertaining thereto on or after the respective Stated Maturities expressed in such Security or Coupon (or, in the case of redemption or repayment, on or after the Redemption Date or Repayment Date, as the case may be).

SECTION 7.15. Waiver of Stay or Extension Laws.

The Company and the Guarantor covenant (to the extent that they may lawfully do so) that they will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of any stay or extension law wherever enacted, now or any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company and the Guarantor (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenant that they will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 7.16. Judgment Currency.

If for the purpose of obtaining a judgment in any court with respect to any obligation of the Company or the Guarantor hereunder or under any Security or Coupon it shall become necessary to convert into any other currency or currency unit any amount in the currency or currency unit due hereunder or under such Security or Coupon, then such conversion shall be made at the Conversion Rate as in effect on the date the Company or the Guarantor shall make payment to any Person in satisfaction of such judgment. If pursuant to any such judgment, conversion shall be made on a date other than the date payment is made and there shall occur a change between such Conversion Rate and the Conversion Rate as in effect on the date of payment, the Company and the Guarantor agree to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is the amount in such other currency or currency unit which, when converted at the

- 72 -

Conversion Rate as in effect on the date of payment or distribution, is the amount then due hereunder or under such Security or Coupon. Any amount due from the Company or the Guarantor under this Section 7.16 shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due hereunder or in respect of any Security or Coupon. In no event, however, shall the Company or the Guarantor be required to pay more in the currency or currency unit due hereunder or under such Security or Coupon at the Conversion Rate as in effect when payment is made than the amount of currency or currency unit stated to be due hereunder or under such Security or Coupon so that in any event the Company's and the Guarantor's obligations hereunder or under such Security or Coupon will be effectively maintained as obligations in such currency or currency unit.

For purposes of this Section 7.16, "Conversion Rate" shall mean the spot rate at which in accordance with normal banking procedures the currency or currency unit into which an amount due hereunder or under any Security or Coupon is to be converted could be purchased with the currency or currency unit due hereunder or under any Security or Coupon from major banks located in New York, London or any other principal market for such purchased currency or currency unit.

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01. Certain Duties and Responsibilities.

(a) The Trustee shall comply with, and be subject to, the provisions of Section 315 of the Trust Indenture Act.

(b) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

- 73 -

SECTION 8.02. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to any series of Securities, the Trustee shall transmit in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or premium, if any, or interest on any Security of such series, or in the payment of any sinking fund installment or analogous obligation with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of Securities of such series and any Coupons appertaining thereto; and provided, further, that in the case of any default of the character specified in Section 7.01(3) no such notice to Holders of Securities of such series shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default or a Default.

SECTION 8.03. Certain Rights of Trustee.

Except as otherwise provided in Section 8.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company or the Guarantor mentioned herein shall be sufficiently evidenced by a Company Request or Company Order or a Guarantor Request or a Guarantor Order and any resolution of a Board of Directors shall be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the

Trustee shall deem it desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate and an Opinion of Counsel;

- 74 -

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities or Coupons, if any, appertaining thereto pursuant to this Indenture, unless such Holders of Securities or Coupons, if any, appertaining thereto shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney;

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 8.04. Not Responsible for Recitals or Issuance of Securities and Guarantees.

The recitals contained herein and in the Securities and Guarantees, except the certificates of authentication, shall be taken as the statement of the Company or the Guarantor, as the case may be, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or

- 75 -

Coupons, if any, appertaining thereto or the Guarantees. The Trustee shall not be accountable for the use or application by the Company or the Guarantor of Securities or the proceeds thereof.

SECTION 8.05. May Hold Securities.

The Trustee, any Paying Agent, Securities Registrar, or any other agent of the Company or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Securities or Coupons and, subject to Sections 8.08 and 8.13, may otherwise deal with the Company and the Guarantor with the same rights it would have if it were not Trustee, Paying Agent, Securities Registrar or such other agent.

SECTION 8.06. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company or the Guarantor.

SECTION 8.07. Compensation and Reimbursement.

The Company and the Guarantor jointly and severally agree:

(1) to pay to the Trustee from time to time in Dollars reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in

regard to the compensation of a trustee of an express trust);

(2) to reimburse the Trustee in Dollars upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with

- 76 -

the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company and the Guarantor under this Section the Trustee shall have a lien prior to the Securities and Coupons, if any, appertaining thereto and Guarantees upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or premium or interest on particular Securities and Coupons, if any, appertaining thereto.

SECTION 8.08. Qualification of Trustee; Conflicting Interests.

The Trustee for the Securities of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time provided for therein. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded this Indenture with respect to Securities of any particular series other than that series. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act.

SECTION 8.09. Persons Eligible for Appointment as Trustee.

There shall at all times be a Trustee for each series of Securities hereunder which shall at all times be either

(i) a corporation organized and doing business under the laws of the United States of America or of any State or the District of Columbia which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal, State or District of Columbia authority; or

(ii) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee pursuant to a rule, regulation or order of the Commission, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees'

in either case having a combined capital and surplus of at least \$50,000,000. If such corporation publishes reports of condition

- 77 -

at least annually, pursuant to law or the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company, the Guarantor, nor any person directly or indirectly controlling, controlled by, or under common control with the Company or the Guarantor shall serve as trustee for the Securities of any series issued hereunder. In case at any time the Trustee for the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.10.

SECTION 8.10. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee for the Securities of any series and no appointment of a successor Trustee pursuant to this Article shall

become effective until the acceptance of appointment by the successor Trustee under Section 8.11.

(b) The Trustee may resign with respect to one or more series at any time by giving written notice thereof to the Company and the Guarantor. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed with respect to any series of Securities at any time by Act of the Holders of a majority in principal amount of the outstanding Securities of such series delivered to the Trustee and to the Company and the Guarantor.

(d) It at any time

(1) the Trustee shall fail to comply with Section 8.08 with respect to any series of Securities after written request therefor by the Company or the Guarantor or by any Security Holder who has been a bona fide Holder of a Security of such series for at least six months, or

(2) the Trustee shall cease to be eligible under Section 8.09 with respect to any series of Securities and shall fail to resign after written request therefor by the Company or the Guarantor or by any such Security Holder, or

(3) the Trustee shall become incapable of acting with respect to any series of Securities or shall be adjudged a

- 78 -

bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company or the Guarantor, by a Board Resolution, may remove the Trustee with respect to such series or (ii) subject to Section 7.14, any Holder of a Security who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to such series.

(e) If the Trustee shall resign, be removed or become incapable of acting with respect to any series of Securities, or if a vacancy shall occur in the office of Trustee with respect to any series of Securities for any cause, the Company or the Guarantor, by a Board Resolution, shall promptly appoint a successor Trustee with respect to such series of Securities. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to such series of Securities shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company, the Guarantor and the retiring Trustee with respect to such series, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to such series and supersede the successor Trustee appointed by the Company or the Guarantor. If no successor Trustee with respect to such series shall have been so appointed by the Company, the Guarantor or the Holders of Securities of such series and have accepted appointment in the manner hereinafter provided, any Security Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to such series.

(f) The Company or the Guarantor shall give notice of each resignation and each removal of the Trustee with respect to any series and each appointment of a successor Trustee with respect to any series, in the manner specified in Section 1.06, to the Holders of Securities, and Coupons, if any, appertaining thereto, of such series. Each notice shall include the name of the successor Trustee and the address of its Principal Corporate Trust Office.

- 79 -

SECTION 8.11. Acceptance of Appointment by Successor.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company, the Guarantor and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal

of the retiring Trustee shall become effective with respect to all series as to which it is thereby resigning as Trustee and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the resigning Trustee with respect to all or any such series; but, on request of the Company, the Guarantor or such successor Trustee, such resigning Trustee shall, upon payment of its outstanding charges and expenses, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee with respect to all or any such series, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to all or any such series, subject nevertheless to its lien, if any, provided for in Section 8.07. Upon request of any such successor Trustee, the Company and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor, the retiring Trustee and each successor Trustee with respect to the Securities of any applicable series may execute and deliver an indenture supplemental hereto containing such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of any series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and adding to or changing any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in any such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee.

No successor Trustee with respect to any series of Securities shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible with respect to such series under this Article.

- 80 -

SECTION 8.12. Merger, Conversion, Consolidation or Succession to Business of Trustee.

Any corporation into which the Trustee for the Securities of any series may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 8.13. Preferential Collection of Claims Against Company and Guarantor.

The Trustee shall comply with the requirements of Section 311 of the Trust Indenture Act and any rules or regulations promulgated by the Commission thereunder.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 9.01. Supplemental Indentures Without Consent of Security Holders.

Without the consent of the Holders of any Securities, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee for the Securities of any or all series, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company and the Guarantor, and the assumption by any such successor of the covenants and obligations of the Company or the Guarantor herein and in the Securities or the Guarantees contained;

(2) to evidence and provide for the acceptance of appointment by another corporation as a successor Trustee hereunder with respect to

and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to Section 8.11;

(3) to add to the covenants and agreements of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities and the Coupons, if any, appertaining thereto (if such covenants are for less than all series, stating that such covenants are for the benefit of such series), or to surrender any right or power herein conferred upon the Company or the Guarantor provided that such action shall not adversely affect the interests of the Holders of Securities of any series then Outstanding and the Holders of the Coupons, if any, appertaining thereto;

(4) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture provided such other provisions shall not adversely affect the interests of the Holders of Securities of any series then Outstanding and Coupons, if any, appertaining thereto;

(5) to secure the Securities in accordance with the provisions of Section 5.08;

(6) to establish any additional form of Security, as permitted by Section 2.03, and to provide for the issuance of any additional series of Securities and Coupons, if any, appertaining thereto as permitted by Section 3.01, and to set forth the terms thereof;

(7) to permit payment in the United States of principal, premium or interest on Unregistered Securities or of interest on Coupon Securities; or

(8) to provide for the issuance of uncertificated Securities of one or more series in the place of certificated Securities.

The Trustee with respect to any series of Securities affected by such supplemental indenture is hereby authorized to join with the Company and the Guarantor in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the

Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. Supplemental Indentures with
Consent of Security Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series (voting as one class) affected by such supplemental indenture or indentures, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of each such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Maturity of the principal of, or the Stated Maturity of, or any installment of interest on, any Security, or reduce the principal amount thereof (including in the case of an Original Issue Discount Security the amount payable upon acceleration of the Maturity thereof) or any premium thereon or the rate of interest thereon, or change the method of computing the amount of principal thereof on any date, or eliminate a Place of Payment where, or the coin or currency in which, any Security or any premium thereon or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Maturity or the Stated Maturity, as the case may be, thereof (or, in the case of redemption or a repayment, on or after the Redemption Date or the

Repayment Date, as the case may be);

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture;

(3) modify any of the provisions of this Section, Section 5.09 or Section 7.13, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby; or

- 83 -

(4) modify or affect in any manner adverse to the Holders of the Securities the terms and conditions of the obligation of the Guarantor in respect of the due and punctual payment of the principal of or premium or interest on the Securities.

It shall not be necessary for any Act of Security Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall receive, and (subject to Section 8.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution and delivery of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.04. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture pursuant to the provisions of this Article Nine, this Indenture shall be and be deemed to be modified and amended in accordance therewith, but only with regard to the Securities of each series affected by such supplemental indenture, and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee for the Securities of such series, the Company, the Guarantor and the Holders of any Securities of such series or any Coupons appertaining thereto affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes with regard to the Securities of such series and Coupons, if any, appertaining thereto.

- 84 -

SECTION 9.05. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of TIA as then in effect.

SECTION 9.06. Reference in Securities to Supplemental Indentures.

Securities of any series (including any Coupons appertaining thereto) authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Guarantor shall so determine, new Securities of any series and any Coupons appertaining thereto so modified as to conform, in the opinion of the Trustee or the Boards of Directors of the Company and the Guarantor, to any such supplemental indenture may be prepared and executed by the Company, with duly executed Guarantees endorsed thereon, and authenticated and delivered by the Trustee in exchange for the Securities of such series and any Coupons appertaining thereto then Outstanding.

ARTICLE TEN

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

SECTION 10.01. Company May Consolidate, etc.,

Only on Certain Terms.

The Company shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety, to any Person, unless:

(1) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium, if any, and interest on all the Securities of each series and the Coupons, if any, appertaining thereto and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

- 85 -

(2) immediately after giving effect to such transaction, no Event of Default or Default, and no event which, after notice or lapse of time or both, would become an Event of Default or a Default, shall have happened and be continuing;

(3) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(4) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the Guarantees remain in full force and effect.

SECTION 10.02. Successor Corporation Substituted for Company.

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 10.01, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein.

In the event of any such conveyance or transfer, the Person named as the "Company" in the first paragraph of this instrument or any successor which shall theretofore have become such in the manner prescribed in this Article may be dissolved, wound-up and liquidated at any time thereafter, and such Person thereafter shall be released from its liabilities as obligor and maker of all the securities and from its obligations under this Indenture.

SECTION 10.03. Guarantor May Consolidate, etc.,
Only on Certain Terms.

The Guarantor shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) the corporation formed by such consolidation or into which the Guarantor is merged or the Person which acquires by conveyance or transfer the properties and

- 86 -

assets of the Guarantor substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual performance of the obligations of the Guarantor and the performance of every covenant of this Indenture on the part of the Guarantor to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default or Default, and no event which, after notice or lapse of time or both, would become an Event of Default or a Default, shall

have happened and be continuing; and

(3) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 10.04. Successor Corporation Substituted for Guarantor.

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Guarantor substantially as an entirety in accordance with Section 10.03, the successor corporation formed by such consolidation or into which the Guarantor is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein.

In the event of any such conveyance or transfer, the Person named as the Guarantor in the first paragraph of this instrument or any successor which shall theretofore have become such in the manner prescribed in this Article may be dissolved, wound-up and liquidated at any time thereafter, and such Person thereafter shall be released from its liabilities as Guarantor and from its obligations under this Indenture.

SECTION 10.05. Company May Consolidate, etc. with Guarantor, Only on Certain Terms.

The Company shall not consolidate with or merge into the Guarantor or convey or transfer its properties and assets substantially as an entirety to the Guarantor, unless:

- 87 -

(1) the Guarantor shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual performance of the obligations of the Company and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default or Default, and no event which, after notice or lapse of time or both, would become an Event of Default or a Default, shall have happened and be continuing; and

(3) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

ARTICLE ELEVEN

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 11.01. Satisfaction and Discharge of Securities of Any Series.

Except as otherwise provided for the Securities of any series established pursuant to Section 3.01(18), the Company and the Guarantor shall be deemed to have satisfied and discharged the entire indebtedness on all the Outstanding Securities of any particular series and the Coupons, if any, appertaining thereto, and the Trustee, at the expense of the Company and the Guarantor and upon Company Request, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness, when

(1) either

(A) all Outstanding Securities of such series theretofore authenticated and delivered and the Coupons, if any, appertaining thereto (other than (i) any Securities of such series or Coupons which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 and (ii) Outstanding Securities of such series or Coupons for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in

- 88 -

Sections 5.03 and 11.04) have been delivered to the Trustee for cancellation; or

(B) with respect to all Outstanding Securities of such series and the Coupons, if any, appertaining thereto, described in (A) above not theretofore delivered to the Trustee for cancellation:

(i) the Company or the Guarantor has deposited or caused to be deposited with the Trustee as trust funds in trust an amount in the currency or currency unit in which the Securities of such series are denominated (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except as provided in Sections 3.11(b), 3.11(e) and 3.11(f) hereof) sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities of such series for principal (and premium, if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 11.03, as the case may be; or

(ii) the Company or the Guarantor has deposited or caused to be deposited with the Trustee as obligations in trust such amount of Government Obligations as will, in a written opinion of independent public accountants delivered to the Trustee, together with the predetermined and certain income to accrue thereon (without consideration of any reinvestment thereof), be sufficient to pay and discharge when due the entire indebtedness on all such Outstanding Securities of such series and the Coupons, if any, appertaining thereto, for unpaid principal (and premium, if any) and interest to the Stated Maturity or any Redemption Date as contemplated by Section 11.03, as the case may be;

(2) the Company or the Guarantor has paid or caused to be paid all other sums payable with respect to the Outstanding Securities of such series and the Coupons, if any, appertaining thereto;

(3) the Company or the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to due satisfaction and discharge of the entire indebtedness on all Outstanding Securities of any such series and the Coupons, if any, appertaining thereto, have been complied with; and

- 89 -

(4) if the Securities of such series and the Coupons, if any, appertaining thereto, are not to become due and payable at their Stated Maturity within one year of the date of such deposit or are not to be called for redemption within one year of the date of such deposit under arrangements satisfactory to the Trustee as of the date of such deposit, then the Company and the Guarantor shall have given, not later than the date of such deposit, notice of such deposit to the Holders of the Securities of such series and the Coupons, if any, appertaining thereto.

Upon the satisfaction of the conditions set forth in this Section 11.01 with respect to all the Outstanding Securities of any series and the Coupons, if any, appertaining thereto, the terms and conditions of such series, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Company or the Guarantor, and the Holders of the Securities of such series shall look for payment only to the funds or obligations deposited with the Trustee pursuant to Section 11.01(1)(B); provided, however, that the Company and the Guarantor shall not be discharged from (a) any payment obligations in respect of Securities of such series which are deemed not to be Outstanding under clause (c) of the definition thereof and the Coupons, if any, appertaining thereto, if such obligations continue to be valid obligations of the Company and the Guarantor under applicable law, (b) any obligations under Sections 8.07 and 8.10 and (c) any obligations under section 3.05 or 3.06 (except that Securities of such series issued upon registration of transfer or exchange or Securities or Coupons, if any, appertaining thereto issued in lieu of mutilated, lost, destroyed or stolen Securities or Coupons shall not be obligations of the Company or the Guarantor) and Section 6.01; and provided further that in the event a petition for relief under the Bankruptcy Reform Act of 1978 or a successor statute is filed with respect to the Company or the Guarantor within 91 days after the deposit, the entire indebtedness on all Securities of such series and the Coupons, if any, appertaining thereto shall not be discharged, and in such event the Trustee shall return such deposited funds or obligations as it is then holding to the Company or the Guarantor upon Company Request or Guarantor Request, as applicable; and provided further that if the Trustee or Paying Agent is unable to apply any money in accordance with Section 11.03 by reason of any order or judgment of any court or governmental authority

enjoining, restraining or otherwise prohibiting such application, then the obligations of the Company and the Guarantor under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.01 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 11.03, but if the Company or the Guarantor makes any payment of interest on or principal of any Security following the

- 90 -

reinstatement of its obligations, the Company and the Guarantor shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent. Notwithstanding the satisfaction of the conditions set forth in this Section 11.01 with respect to all the Securities of any series not denominated in Dollars, upon the happening of any event specified in Section 3.11(e) the Company and the Guarantor shall be obligated to make the payments in Dollars required by Section 3.11(e) to the extent that the Trustee is unable to convert any Foreign Currency or currency unit in its possession pursuant to Section 11.01(1) (B) into the Dollar Equivalent of the Foreign Currency or the Dollar Equivalent of the Currency Unit, as the case may be. The Trustee shall return to the Company or the Guarantor any non-converted funds or securities in its possession after such payments have been made.

SECTION 11.02. Satisfaction and Discharge of Indenture.

Upon compliance by the Company and the Guarantor with the provisions of Section 11.01 as to the satisfaction and discharge of each series of Securities issued hereunder and the Coupons, if any, appertaining thereto, and if the Company and the Guarantor have paid or caused to be paid all other sums payable under this Indenture, this Indenture shall cease to be of any further effect (except as otherwise provided herein). Upon Company Request and receipt of an Opinion of Counsel, an Officers' Certificate and, if appropriate under the circumstances, an opinion of independent public accountants (and at the expense of the Company), the Trustee shall execute proper instruments acknowledging satisfaction and discharge of this Indenture.

Notwithstanding the satisfaction and discharge of this Indenture, any obligations of the Company or the Guarantor under Sections 3.05, 3.06, 6.01, 8.07 and 8.10, any obligations of the Company or the Guarantor under Section 3.11(d) to deliver an Exchange Rate Officer's Certificate and the obligations of the Trustee under Section 11.03 shall survive.

SECTION 11.03. Application of Trust Money.

All money and obligations deposited with the Trustee pursuant to Section 11.01 shall be held irrevocably in trust and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. Such money and obligations shall be applied by the Trustee, in accordance with the provisions of the Securities, this Indenture and such escrow trust agreement, to the payment, either directly or through any Paying Agent (including the Company or Guarantor acting as its own Paying Agent) as the Trustee may determine, to the Persons

- 91 -

entitled thereto, of the principal of (and premium, if any) and interest, if any, on the Securities and the Coupons, if any, appertaining thereto for the payment of which such money and obligations have been deposited with the Trustee. If Securities of any series are to be redeemed prior to their Stated Maturity, whether pursuant to any optional redemption provision or in accordance with any mandatory sinking fund requirement, the Company or Guarantor shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company or Guarantor.

SECTION 11.04. Repayment of Moneys Held by Paying Agent.

In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series and the Coupons, if any, appertaining thereto, all moneys with respect to such series then held by any Paying Agent for such series under the provisions of this Indenture with respect to such series of Securities shall, upon demand of the Company or Guarantor, be repaid to it or paid to the Trustee and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE TWELVE

SUBORDINATION

SECTION 12.01. Subordinated Debt Securities Subordinated

to Senior Company Indebtedness.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof, likewise covenants and agrees, that the payment of the principal of and interest on each and all of the Subordinated Debt Securities and Coupons, if any, appertaining thereto is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Company Indebtedness.

SECTION 12.02. Payments upon Dissolution of the Company.

Upon any distribution of assets of the Company upon any dissolution, winding up, liquidation or reorganization of the Company, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities

- 92 -

of the Company or otherwise (subject to the power of a court of competent jurisdiction to make other equitable provision reflecting the rights conferred in this Indenture or any supplemental indenture issued pursuant to Section 3.01 upon the Senior Company Indebtedness and the holders thereof with respect to the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Holders thereof by a lawful plan of reorganization under applicable bankruptcy law),

(i) the holders of all Senior Company Indebtedness shall first be entitled to receive payment in full in accordance with the terms of such Senior Company Indebtedness of the principal thereof, premium, if any, and the interest due thereon (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) before the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto are entitled to receive any payment upon the principal of or premium, if any, or interest on indebtedness evidenced by the Subordinated Debt Securities and Coupons, if any, appertaining thereto;

(ii) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions of this Article Twelve, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Company Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Company Indebtedness may have been issued, in accordance with the priorities then existing among holders of Senior Company Indebtedness for payment of the aggregate amounts remaining unpaid on account of the principal, premium, if any, and interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Senior Company Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior

- 93 -

Company Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Company Indebtedness; it being understood that if the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall fail to file a proper claim in the form required by any proceeding referred to in this subparagraph (ii) prior to 30 days before the expiration of the time to file such claim or claims, then the holders of Senior Company Indebtedness are hereby authorized to file an appropriate claim or claims for and on behalf of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, in the form required in any such proceeding; and

(iii) in the event that, notwithstanding the foregoing, any

payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinate to the payment of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be received by the Trustee or Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto before all Senior Company Indebtedness is paid in full, such payment or distribution shall be paid over to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment of assets of the Company for all Senior Company Indebtedness remaining unpaid until all such Senior Company Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of such Senior Company Indebtedness.

Subject to the payment in full of all Senior Company Indebtedness, the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated to the rights of the holders of Senior Company Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Company Indebtedness until the principal of and premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full and no such payments or distributions to holders of such Senior Company Indebtedness to which the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions hereof of cash, property or securities otherwise distributable to the Senior Company Indebtedness shall, as between the Company, its creditors, other than the holders of Senior Company Indebtedness, and the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, be deemed to be a payment by the Company to

- 94 -

or on account of the Subordinated Debt Securities and Coupons, if any, appertaining thereto. It is understood that the provisions of this Article Twelve (other than Sections 12.04, 12.05 and 12.06) are and are intended solely for the purpose of defining the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the holders of Senior Company Indebtedness, on the other hand. Nothing contained in this Article Twelve or elsewhere in this Indenture, any supplemental indenture issued pursuant to Section 3.01, or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto is intended to or shall impair, as between the Company, its creditors, other than the holders of Senior Company Indebtedness, and the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the obligation of the Company, which is unconditional and absolute, to pay to the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the principal of, premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto as and when the same shall become due and payable in accordance with their terms or to affect the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Company, other than the holders of the Senior Company Indebtedness, nor shall anything herein or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto prevent the Trustee or the Holder of any Subordinated Debt Securities and Coupons, if any, appertaining thereto from exercising all remedies otherwise permitted by applicable law upon Default under this Indenture, subject to the rights, if any, under this Article Twelve of the holders of Senior Company Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy. Upon any payment or distribution of assets of the Company referred to in this Article Twelve, the Trustee and the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceeding is pending or upon a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Company Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Twelve. In the absence of any such liquidating trustee, agent or other person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Senior Company Indebtedness (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of Senior Company

- 95 -

Indebtedness (or is such a trustee or representative). In the event that the

Trustee determines, in good faith, that further evidence is required with respect to the right of any Person, as a holder of Senior Company Indebtedness, to participate in any payment or distribution pursuant to this Article Twelve, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Company Indebtedness held by such Person, as to the extent to which such Person is entitled to participation in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article Twelve, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

The obligation of the Company in respect to the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall rank on a parity with any other obligations of the Company ranking on a parity with the Subordinated Debt Securities, including the Company's 9-7/8% Subordinated Notes Due 2001.

With respect to the holders of Senior Company Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Company Indebtedness shall be read into this Article 12 against the Trustee; provided that nothing contained herein shall derogate from covenants or obligations contained in this Indenture, or any supplemental indenture issued pursuant to Section 3.01, with respect to Senior Company Indebtedness that is issued as a series of Securities under this Indenture. The Trustee, however, shall not be deemed to owe any fiduciary duty to the holders of Senior Company Indebtedness by reason of the execution of this Indenture, or any supplemental indenture issued pursuant to Section 3.01, and shall not be liable to any such holders if it shall mistakenly pay over or distribute to or on behalf of Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Company moneys or assets to which any holders of Senior Company Indebtedness shall be entitled by virtue of this Article Twelve.

SECTION 12.03. No Payment When Senior Company Indebtedness in Default.

In the event and during the continuation of any default in the payment of principal of, or premium, if any, or interest on, any Senior Company Indebtedness, beyond any applicable period of grace, or in the event that any event of default with respect to any Senior Company Indebtedness shall have occurred and be continuing, or would occur as a result of the payment referred to

- 96 -

hereinafter, permitting the holders of such Senior Company Indebtedness (or a trustee on behalf of the holders thereof) to accelerate the maturity thereof, then, unless and until such default or event of default shall have been cured or waived or shall have ceased to exist, no payment or principal of or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall be made by the Company.

SECTION 12.04. Guarantees of Subordinated Debt Securities Subordinated to Senior Guarantor Indebtedness.

The Guarantor, for itself, its successors and assigns, covenants and agrees, and each Holder of Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof likewise covenants and agrees, that the payment of the principal of and interest on each and all of the Subordinated Debt Securities and Coupons, if any, appertaining thereto pursuant to the Guarantees thereof is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Guarantor Indebtedness.

SECTION 12.05. Payments upon Dissolution of the Guarantor.

Upon any distribution of assets of the Guarantor upon any dissolution, winding up, liquidation or reorganization of the Guarantor, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of the Guarantor or otherwise (subject to the power of a court of competent jurisdiction to make other equitable provision reflecting the rights conferred in this Indenture or any supplemental indenture issued pursuant to Section 3.01 upon the Senior Guarantor Indebtedness and the holders thereof with respect to the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Holders thereof by a lawful plan of reorganization under applicable bankruptcy law),

(i) the holders of all Senior Guarantor Indebtedness shall first be entitled to receive payment in full in accordance with the

terms of such Senior Guarantor Indebtedness of the principal thereof, premium, if any, and the interest due thereon (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Guarantor under any applicable bankruptcy, insolvency, or similar law now or

- 97 -

hereafter in effect) before the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto are entitled to receive any payment upon the principal of or premium, if any, or interest on indebtedness evidenced by the Subordinated Debt Securities and Coupons, if any, appertaining thereto pursuant to the Guarantees thereof;

(ii) any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities, to which the Holders of the Guarantees or the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee would be entitled except for the provisions of this Article Twelve, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Guarantor being subordinated to the payment of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Guarantor Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Guarantor Indebtedness may have been issued, in accordance with the priorities then existing among holders of Senior Guarantor Indebtedness for payment of the aggregate amounts remaining unpaid on account of the principal, premium, if any, and interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Senior Guarantor Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Guarantor Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Guarantor Indebtedness; it being understood that if the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall fail to file a proper claim in the form required by any proceeding referred to in this subparagraph (ii) prior to 30 days before the expiration of the time to file such claim or claims, then the holders of Senior Guarantor Indebtedness are hereby authorized to file an appropriate claim or claims for and on behalf of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, in the form required in any such proceeding; and

- 98 -

(iii) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Guarantor being subordinate to the payment of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be received by the Trustee or Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto before all Senior Guarantor Indebtedness is paid in full, such payment or distribution shall be paid over to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment of assets of the Guarantor for all Senior Guarantor Indebtedness remaining unpaid until all such Senior Guarantor Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of such Senior Guarantor Indebtedness.

Subject to the payment in full of all Senior Guarantor Indebtedness, the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated to the rights of the holders of Senior Guarantor Indebtedness to receive payments or distributions of cash, property or securities of the Guarantor applicable to the Senior Guarantor Indebtedness until the principal of and premium, if any, and interest on the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full and no such payments or distributions to holders of such Senior Guarantor Indebtedness to which the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions hereof of

cash, property or securities otherwise distributable to the Senior Guarantor Indebtedness shall, as between the Guarantor, its creditors, other than the holders of Senior Guarantor Indebtedness, and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if-any, appertaining thereto, be deemed to be a payment by the Guarantor to or on account of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto. It is understood that the provisions of this Article Twelve (other than Sections 12.01, 12.02 and 12.03) are and are intended solely for the purpose of defining the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the holders of Senior Guarantor Indebtedness, on the other hand. Nothing contained in this Article Twelve or elsewhere in this Indenture, any supplemental indenture issued pursuant to Section 3.01, or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the

- 99 -

Guarantees thereof is intended to or shall impair, as between the Guarantor, its creditors, other than the holders of Senior Guarantor Indebtedness, and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the obligation of the Guarantor, which is unconditional and absolute, to pay to the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the principal, premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, pursuant to the Guarantees thereof, as and when the same shall become due and payable in accordance with their terms or to affect the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Guarantor, other than the holders of the Senior Guarantor Indebtedness, nor shall anything herein or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Guarantees thereof prevent the Trustee or the Holder of any Guarantee of the Subordinated Debt Securities and Coupons, if any, appertaining thereto from exercising all remedies otherwise permitted by applicable law upon Default under this Indenture, subject to the rights, if any, under this Article Twelve of the holders of Senior Guarantor Indebtedness in respect of cash, property or securities of the Guarantor received upon the exercise of any such remedy. Upon any payment or distribution of assets of the Guarantor referred to in this Article Twelve, the Trustee and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceeding is pending or upon a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders or the Senior Guarantor Indebtedness and other indebtedness of the Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Twelve. In the absence of any such liquidating trustee, agent or other person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Senior Guarantor Indebtedness (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of Senior Guarantor Indebtedness (or is such a trustee or representative). In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person, as a holder of Senior Guarantor Indebtedness, to participate in any payment or distribution pursuant to this Article Twelve, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Guarantor

- 100 -

Indebtedness held by such Person, as to the extent to which such Person is entitled to participation in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article Twelve, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

The obligation of the Guarantor in respect to the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall rank on a parity with the Guarantor's 8-1/4% Convertible Subordinated Debentures Due 2008, the Guarantor's Floating Rate Subordinated Notes Due 1997, the Citizens Fidelity Corporation Convertible Subordinated Debentures Due 2005, and the Guarantor's Guarantee of the Company's 9-7/8% Subordinated Notes Due 2001 and any other obligations of the Guarantor ranking on a parity with the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto.

With respect to the holders of Senior Guarantor Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and

obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Guarantor Indebtedness shall be read into this Article Twelve against the Trustee; provided that nothing contained herein shall derogate from covenants or obligations contained in this Indenture, or any supplemental indenture issued pursuant to Section 3.01, with respect to Senior Guarantor Indebtedness that is issued as a series of Securities under this Indenture. The Trustee, however, shall not be deemed to owe any fiduciary duty to the holders of Senior Guarantor Indebtedness by reason of the execution of this Indenture, or any supplemental indenture issued pursuant to Section 3.01, and shall not be liable to any such holders if it shall mistakenly pay over or distribute to or on behalf of Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Guarantor moneys or assets to which any holders of Senior Guarantor Indebtedness shall be entitled by virtue of this Article Twelve.

SECTION 12.06. No Payment When Senior Guarantor Indebtedness in Default.

In the event and during the continuation of any default in the payment of principal of, or premium, if any, or interest on, any Senior Guarantor Indebtedness, beyond any applicable period of grace, or in the event that any event of default with respect to any Senior Guarantor Indebtedness shall have occurred and be continuing, or would occur as a result of the payment referred to

- 101 -

hereinafter, permitted the holders of such Senior Guarantor Indebtedness (or a trustee on behalf of the holders thereof) to accelerate the maturity thereof, then, unless and until such default or event of default shall have been cured or waived or shall have ceased to exist, no payment or principal of or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, pursuant to the Guarantees thereof, shall be made by the Guarantor.

SECTION 12.07. No Impairment of Holders' Rights.

Nothing contained in this Indenture, any supplemental indenture issued pursuant to Section 3.01, or in any of the Subordinated Debt Securities or Coupons, if any, appertaining thereto or the Guarantees thereof shall (i) impair, as between the Company and Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or as between the Guarantor and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, the obligations of the Company or Guarantor, as the case may be, to make, or prevent the Company or Guarantor from making, at any time except as provided in Sections 12.02, 12.03, 12.05 and 12.06, payments of principal, premium, if any, or interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company or Guarantor under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, and the Guarantees thereof as and when the same shall become due and payable in accordance with the terms of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Guarantees thereof (ii) affect the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Company other than the holders of the Senior Company Indebtedness or the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Guarantor other than the holders of Senior Guarantor Indebtedness, (iii) prevent the Holder of any Subordinated Debt Securities and Coupons, if any, appertaining thereto or Guarantee thereof or the Trustee from exercising all remedies otherwise permitted by applicable law upon default thereunder, subject to the rights, if any, under this Article Twelve of the holders of Senior Company Indebtedness in respect of cash, property or securities of the Company received upon the exercise of such remedy and the holders of Senior Guarantor Indebtedness in respect of cash, property or securities of the Guarantor received upon the exercise of such remedy, or (iv) prevent the application by the Trustee or any Paying Agent of

- 102 -

any moneys deposited with it hereunder to the payment of or on account of the principal of or premium, if any, or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto or prevent the receipt by the Trustee or any Paying Agent of such moneys, if, prior to the third Business Day prior to such deposit, the Trustee or such Paying Agent did not have written notice of any event prohibiting the making of such deposit by the Company or the Guarantor.

SECTION 12.08. Effectuation of Subordination by Trustee.

Each Holder of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article Twelve and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 12.09. Knowledge of Trustee.

Notwithstanding the provisions of this Article or any other provisions of this Indenture or any supplemental indenture issued pursuant to Section 3.01, neither the Trustee nor any Paying Agent shall be charged with knowledge of the existence of any Senior Company Indebtedness or any Senior Guarantor Indebtedness (other than Senior Company Indebtedness or Senior Guarantor Indebtedness issued under this Indenture or any supplemental indenture issued pursuant to Section 3.01) or of any event which would prohibit the making of any payment or moneys to or by the Trustee or such Paying Agent, unless and until a Responsible Officer of the Trustee or such Paying Agent shall have received written notice thereof from the Company or from the holder of any Senior Company Indebtedness or Senior Guarantor Indebtedness or from the representative or any such holder.

SECTION 12.10. Trustee's Relation to Senior Company Indebtedness or Senior Guarantor Indebtedness.

The Trustee shall be entitled to all of the rights set forth in this Article in respect of any Senior Company Indebtedness or Senior Guarantor Indebtedness at any time held by it in its individual capacity to the same extent as any other holder of such Senior Company Indebtedness or Senior Guarantor Indebtedness, and nothing in this Indenture or any supplemental indenture issued pursuant to Section 3.01 shall be construed to deprive the Trustee of any of its rights as such holder.

- 103 -

SECTION 12.11. No Waiver of Default or Event of Default.

The failure to make a payment pursuant to the Subordinated Debt Securities and Coupons, if any, appertaining thereto by reason of any provision in this Article shall not be construed as preventing the occurrence of a Default or any Event of Default.

SECTION 12.12. Claims of the Trustee.

Nothing contained in This Article Twelve shall subordinate to Senior Company Indebtedness or Senior Guarantor Indebtedness the claims of, or payments to, the Trustee under or pursuant to Section 8.07.

ARTICLE THIRTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS,
OFFICERS AND DIRECTORS

SECTION 13.01. Exemption from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security or Coupon, or for any claim based thereon otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or the Trustee or of any predecessor or successor corporation, either directly or through the Company, the Guarantor or the Trustee, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood and agreed that this Indenture and the obligations issued hereunder are solely corporate obligations of the Company and the Guarantor and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or the Trustee or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or Guarantees or implied therefrom, and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities, Coupons, or Guarantees or implied therefrom, are hereby expressly waived and released as a

- 104 -

condition of, and as a consideration for, the execution and delivery of this Indenture and the issue of such Securities.

ARTICLE FOURTEEN

HOLDERS' MEETINGS

SECTION 14.01. Purposes of Meetings.

A meeting of Holders of Securities of any or all series may be called at any time and from time to time pursuant to the provisions of this Article Fourteen for any of the following purposes:

(1) to give any notice to the Company, the Guarantor, or the Trustee for the Securities of such series, or to give any directions to the Trustee for such series, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article Seven;

(2) to remove the Trustee for such series and nominate a successor trustee pursuant to the provisions of Article Eight;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 9.02; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities of any one or more or all series, as the case may be, under any other provision of this Indenture or under applicable law.

SECTION 14.02. Call of Meetings by Trustee.

The Trustee for the Securities of any series may at any time call a meeting of Holders of Securities of such series to take any action specified in Section 14.01 to be held at such time and at such place in the Borough of Manhattan, the City of New York, or such other Place of Payment, as the Trustee for such series shall determine. Notice of every meeting of the Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to Holders of Securities of such series in the manner and to the extent provided in Section 1.06.

- 105 -

Such notice shall be given not less than 20 nor more than 90 days prior to the date fixed for the meeting.

SECTION 14.03. Call of Meetings by Company, Guarantor or Holders.

In case at any time The Company or the Guarantor, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Outstanding Securities of any or all series, as the case may be, shall have requested the Trustee for such series to call a meeting of Holders of Securities of any or all series, as the case may be, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee for such series shall not have given the notice of such meeting within 20 days after receipt of such request, then the Company, the Guarantor or such Holders may determine the time and the place in the Borough of Manhattan or other Place of Payment for such meeting and may call such meeting to take any action authorized in Section 14.01 by giving notice thereof as provided in Section 14.02.

SECTION 14.04. Qualifications for Voting.

To be entitled to vote at any meeting of Holders a person shall be (a) a Holder of one or more Securities with respect to which such meeting is being held or (b) a person appointed by an instrument in writing as proxy by such Holder. The only persons who shall be entitled to be present or to speak at any meeting of Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee for the Securities of the series with respect to which such meeting is being held and its counsel and any representatives of the Company, the Guarantor and their counsel; provided, however, that representatives of the Trustee shall be entitled during a meeting of Holders to meet with the Holders outside the presence of representatives of the Company, the Guarantor and their counsel.

SECTION 14.05. Regulations.

Notwithstanding any other provisions of this Indenture, the Trustee for

the Securities of any series may make such reasonable regulations as it may deem advisable for any meeting of Holders of the Securities of such series, in regard to proof of the holding of Securities of such series and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, The submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

- 106 -

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting unless the meeting shall have been called by the Company, the Guarantor or by Holders of the Securities of such series as provided in Section 14.03, in which case the Company, the Guarantor or the Holders calling the meeting as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

At any meeting each Holder of Securities with respect to which such meeting is being held or proxy therefor shall be entitled to one vote for each 1,000 (in the currency or currency unit in which such Securities are denominated) principal amount (in the case of Original Issue Discount Securities, such principal amount to be determined as provided in the definition of "Outstanding") of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any such Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities of such series held by him or instruments in writing aforesaid duly designating him as the person to vote on behalf of other Holders of such series. At any meeting of Holders, the presence of persons holding or representing Securities with respect to which such meeting is being held in an aggregate principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the persons holding or representing a majority in aggregate principal amount of such Securities represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present. Any meeting of Holders of Securities with respect to which a meeting was duly called pursuant to the provisions of Section 14.02 or Section 14.03 may be adjourned from time to time by a majority of such Holders present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 14.06. Voting.

The vote upon any resolution submitted to any meeting of Holders of Securities with respect to which such meeting is being held shall be by written ballots on which shall be subscribed the signatures of such Holders or of their representatives by proxy and the serial number or numbers of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record

- 107 -

in triplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 14.02. The record shall show the serial numbers of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the triplicates shall be delivered to each of the Company and the Guarantor and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 14.07. No Delay of Rights by Meeting.

Nothing contained in this Article Fourteen shall be deemed or construed to authorize or permit by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Securities of any series.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

PNC FUNDING CORP

by /s/ WILLIAM J. JOHNS

Authorized Officer

(CORPORATE SEAL)

Attest: /s/ WILLIAM F. STROME

(Asst.) Secretary

- 108 -

PNC FINANCIAL CORP

by /s/ R. HAUNSCHILD

Authorized Officer

(CORPORATE SEAL)

Attest: /s/ WILLIAM F. STROME

(Asst.) Secretary

MANUFACTURERS HANOVER TRUST
COMPANY

by /s/ W. B. DODGE

Vice President

(CORPORATE SEAL)

Attest: /s/ ANNE G. BRENNER

Assistant Vice President

- 109 -

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

On this 16th day of December, 1991, before me personally appeared William J. Johns , to me known, who, being by me duly sworn, did depose and say that he resides at 215 Orr Road, Pittsburgh, PA 15241 ; that he is Vice President of PNC FUNDING CORP, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ MARIANNE S. DEAN

[Notary Public]

(NOTARIAL SEAL)

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

On this 16th day of December, 1991, before me personally appeared Robert L. Haunschild , to me known, who, being by me duly sworn, did depose and say that he resides at 156 Valley Road, Wexford, PA 15090 ; that he is Sr. Vice President of PNC FINANCIAL CORP, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ MARIANNE S. DEAN

[Notary Public]

(NOTARIAL SEAL)

- 110 -

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 17th day of December, 1991, before me personally appeared W.B. Dodge , to me known, who, being by me duly sworn, did depose and say that he resides at 3582 Kenora Pl., Seaford, N.Y.,; that he is Vice President of MANUFACTURERS HANOVER TRUST COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ ALICIA CASTELLE

[Notary Public]

(NOTARIAL SEAL)

SUPPLEMENTAL INDENTURE ("Supplemental Indenture")
dated as of February 15, 1993

to

INDENTURE ("Indenture")
dated as of December 1, 1991

by and among

PNC FUNDING CORP ("Company")

PNC BANK CORP. (formerly known as
PNC Financial Corp) ("Guarantor")

and

CHEMICAL BANK (successor by merger to
Manufacturers Hanover Trust Company) ("Trustee")

WHEREAS, Section 9.01(4) of the Indenture provides that the Indenture may be supplemented without consent of the Holders of any Securities to, among other things, make any provisions with respect to matters arising under the Indenture, provided such provisions shall not adversely affect the interests of the Holders of Securities of any series then Outstanding and Coupons, if any, appertaining thereto; and

WHEREAS, the Company and the Guarantor desire to amend certain terms of the Indenture with respect to any series of Subordinated Debt Securities and Coupons, if any, appertaining thereto that may be issued in The future; and

WHEREAS, the Company, the Guarantor and the Trustee mutually covenant and represent that they are duly authorized to execute this Supplemental Indenture.

- 2 -

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE

WITNESSETH:

ARTICLE ONE

SECTION 1.01. Definitions.

Capitalized terms used herein and not otherwise defined herein are used with the same meanings ascribed to such terms in the Indenture.

SECTION 1.02. Amendment to Section 1.01 of the Indenture.

(a) Section 1.01 of the Indenture is hereby amended by adding thereto the following new definitions

"Existing Company Subordinated Indebtedness" means the Company's 9-7/8% Subordinated Notes Due 2001 and the CCNB Corporation 10.55% Equity Commitment Notes Due 1998 assumed by the Guarantor and the Company.

"Existing Guarantor Subordinated Indebtedness" means the Guarantor's 8-1/4% Convertible Subordinated Debentures Due 2008, the Citizens Fidelity Corporation Convertible Subordinated Debentures Due 2005, the Guarantor's Guarantee of the Company's 9-7/8% Subordinated notes Due 2001 and the CCNB Corporation 10.55% Equity Commitment Notes Due 1998 assumed by the Guarantor and the Company.

"Other Company Obligations" means obligations of the Company associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts or any similar arrangements, unless the instrument by which the Company incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of the Company.

"Other Guarantor Obligations" means obligations of the Guarantor associated with derivative products such as interest rate and currency exchange contracts, foreign exchange

contracts, commodity contracts or any similar arrangements, unless the instrument by which the Guarantor incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of the Guarantor.

(b) Section 1.01 of the Indenture is hereby amended further by deleting the definitions of "Senior Company Indebtedness" and "Senior Guarantor Indebtedness" contained therein and replacing such definitions in their entirety by the following:

"Senior Company Indebtedness" means the principal of and premium, if any, and interest on (i) all indebtedness of the Company for money borrowed, whether outstanding on the date of execution of this Indenture or thereafter created, assumed or incurred, including any series of Securities designated as Senior Debt Securities pursuant to Section 3.01 hereof, and Coupons, if any, appertaining thereto except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof or to rank pari passu with any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, and (B) any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, the Company's 9-7/8% Subordinated Notes Due 2001, and the CCNB Corporation 10.55% Equity Commitment Notes Due 1998 assumed by the Guarantor and the Company, and (ii) any deferrals, renewals or extensions of any such Senior Company Indebtedness. The term "indebtedness for money borrowed" means any obligation of, or any obligation guaranteed by, the Company for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets.

"Senior Guarantor Indebtedness" means the principal of and premium, if any, and interest on (i) all indebtedness of the Guarantor for money borrowed, whether outstanding on the date of execution of this Indenture or thereafter created, assumed or incurred, including the Guarantees of any series of Securities designated as Senior Debt Securities pursuant to Section 3.01 hereof, and Coupons, if any, appertaining thereto except (A) such indebtedness as is by its terms expressly stated not to be superior in right of payment to the Guarantees of any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof or to rank pari passu with the Guarantees of any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, (B) the Guarantor's 8-1/4% Convertible Subordinated Debentures Due 2008, the Guarantor's Floating Rate Subordinated Notes Due 1997 and the Citizens Fidelity Corporation Convertible Subordinated Debentures Due 2005, and (C) the Guarantees of any series of Securities designated as Subordinated Debt Securities pursuant to Section 3.01 hereof, the Guarantees of the Company's 9-7/8% Subordinated Notes Due 2001, and the CCNB Corporation 10.55% Equity Commitment Notes Due 1998 assumed by the Guarantor and the Company, and (ii) any deferrals, renewals or extensions of any such Senior Guarantor Indebtedness. The term "indebtedness for money borrowed" means any obligation of, or any obligation guaranteed by the Guarantor for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments, any capitalized lease obligation and any deferred obligation for payment of the purchase price of any property or assets.

ARTICLE TWO

SECTION 2.01. Addition of Section 5.10 to the Indenture .

Section 5.10 to be entitled "Limitation on the Covenant Concerning Sale or Issuance of voting Shares of

Principal Subsidiary Bank" is hereby added to the Indenture reading in full as follows:

"(a) Notwithstanding Section 5.06, the Guarantor shall be obligated to comply with the covenant set forth in Section 5.06 of the Indenture, entitled "Limitation on Sale or Issuance of Voting Shares of Principal Subsidiary

Banks," only for so long as there shall be issued and outstanding any Senior Debt Securities and Coupons, if any, appertaining thereto, and no breach of such covenant shall constitute a Default with respect to any series of Subordinated Debt Securities pursuant to Section 7.01(c) of the Indenture.

(b) Notwithstanding Section 5.09, the Guarantor may omit in respect of any series of Subordinated Debt Securities to comply with the covenant set forth in Section 5.06 of the Indenture, entitled "Limitation on Sale or Issuance of Voting Shares of Principal Subsidiary Banks" without obtaining a waiver from any Holders of Subordinated Debt Securities."

ARTICLE THREE

SECTION 3.01. Replacement of Article Twelve, Subordination.

Article Twelve of the Indenture shall be deleted in its entirety and shall be replaced with the following:

- 6 -

"ARTICLE TWELVE

SUBORDINATION

SECTION 12.01. Subordinated Debt Securities Subordinated to Senior Company Indebtedness.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof, likewise covenants and agrees, that the payment of the principal of and interest on each and all of the Subordinated Debt Securities and Coupons, if any, appertaining thereto is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Company Indebtedness, subject to Section 12.13.

SECTION 12.02. Payments upon Dissolution of the Company.

Upon any distribution of assets of the Company upon any dissolution, winding up, liquidation or reorganization of the Company, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of the Company or otherwise (subject to the power of a court of competent jurisdiction to make other equitable provision reflecting the rights conferred in this Indenture or any supplemental indenture issued pursuant to Section 3.01 upon the Senior Company Indebtedness and the holders thereof with respect to the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Holders thereof by a lawful plan of reorganization under applicable bankruptcy law),

(i) the holders of all Senior Company Indebtedness shall first be entitled to receive payment in full in accordance with the terms of such Senior Company Indebtedness of the principal thereof, premium, if any, and the interest due thereon (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) before the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto are

- 7 -

entitled to receive any payment upon the principal of or premium, if any, or interest on indebtedness evidenced by the Subordinated Debt Securities and Coupons, if any, appertaining thereto;

(ii) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions of this Article Twelve, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Company Indebtedness or their representative or

representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Company Indebtedness may have been issued, in accordance with the priorities then existing among holders of Senior Company Indebtedness for payment of the aggregate amounts remaining unpaid on account of the principal, premium, if any, and interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Senior Company Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Company Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Company Indebtedness; it being understood that if the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall fail to file a proper claim in the form required by any proceeding referred to in this subparagraph (ii) prior to 30 days before the expiration of the time to file such claim or claims, then the holders of Senior Company Indebtedness are hereby authorized to file an appropriate claim or claims for and on behalf of the Holders of the Subordinated Debt Securities

- 8 -

and Coupons, if any, appertaining thereto, in the form required in any such proceeding; and

(iii) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinate to the payment of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be received by the Trustee or Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto before all Senior Company Indebtedness is paid in full, such payment or distribution shall be paid over to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment of assets of the Company for all senior Company Indebtedness remaining unpaid until all such Senior Company Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of such Senior Company Indebtedness.

Subject to the payment in full of all Senior Company Indebtedness, the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated to the rights of the holders of Senior Company Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Company Indebtedness until the principal of and premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full and no such payments or distributions to holders of such Senior Company Indebtedness to which the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions hereof of cash, property or securities otherwise distributable to the Senior Company Indebtedness shall, as between the Company, its creditors, other than the holders of Senior Company Indebtedness, and the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, be deemed to be a payment by the Company to or on account of the Senior Company Indebtedness. It is understood that the provisions of this Article Twelve (other than Sections 12.04, 12.05 and 12.06) are and are intended solely for the purpose of defining the relative rights

- 9 -

of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the holders of Senior Company Indebtedness, and in the case of Section 12.13, the holders of Existing Company Subordinated Indebtedness and creditors in respect of Other Company Obligations, on the other hand. Nothing contained in this Article Twelve or elsewhere in his Indenture, any supplemental indenture issued pursuant to Section 3.01, or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto is intended to or shall impair, as between the Company, its creditors, other than the holders of Senior Company Indebtedness or Other Company Obligations, and the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining hereto the obligation of the Company, which is unconditional and absolute, to pay to the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the principal of, premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto as and when the same shall become due and payable in

accordance with their terms or to affect the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Company, other than the holders of the Senior Company Indebtedness and of Existing Company Subordinated Indebtedness, nor shall anything herein or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto prevent the Trustee or the Holder of any Subordinated Debt Securities and Coupons, if any, appertaining thereto from exercising all remedies otherwise permitted by applicable law upon Default under this Indenture, subject to the rights, if any, under this Article Twelve of the holders of Senior Company Indebtedness and of creditors in respect of Other Company Obligations, in respect of cash, property or securities of the Company received upon the exercise of any such remedy. Upon any payment or distribution of assets of the Company referred to in this Article Twelve, the Trustee and the Holders of the Subordinated Debt Securities and Coupons; if any, appertaining hereto shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceeding is pending or upon a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Company Indebtedness, Other Company Obligations, and other

- 10 -

indebtedness of the Company, the amount hereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Twelve. In the absence of any such liquidating trustee, agent or other person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Senior Company Indebtedness or Other Company Obligations (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of Senior Company Indebtedness or Other Company Obligations (or is such a trustee or representative). In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person, as a holder of Senior Company Indebtedness or Other Company Obligations, to participate in any payment or distribution pursuant to this Article Twelve, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Company Indebtedness or Other Company Obligations held by such Person, as to the extent to which such Person is entitled to participation in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article Twelve, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

With respect to the holders of Senior Company Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Company Indebtedness shall be read into this Article 12 against the Trustee; provided that nothing contained herein shall derogate from covenants or obligations contained in this Indenture, or any supplemental indenture issued pursuant to Section 3.01, with respect to Senior Company Indebtedness that is issued as a series of Securities under this Indenture. The Trustee, however, shall not be deemed to owe any fiduciary duty to the holders of Senior Company Indebtedness by reason of the execution of this Indenture, or any supplemental indenture issued pursuant to Section 3.01, and shall not be liable to any such holders if it shall mistakenly pay over or distribute to or on behalf of Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Company moneys or assets to which any holders of Senior Company Indebtedness shall be entitled by virtue of this Article Twelve.

- 11 -

SECTION 12.03. No Payment when Senior Company Indebtedness in Default.

In the event and during the continuation of any default in the payment of principal of, or premium, if any, or interest on, any Senior Company Indebtedness, beyond any applicable period of grace, or in the event that any event of default with respect to any Senior Company Indebtedness shall have occurred and be continuing, or would occur as a result of the payment referred to hereinafter, permitting the holders of such Senior Company Indebtedness (or a trustee on behalf of the holders thereof) to accelerate the maturity thereof, then, unless and until such default or event of default shall have been cured or waived or shall have ceased to exist, no payment or principal of or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall

be made by the Company.

SECTION 12.04. Guarantees of Subordinated Debt
Securities Subordinated to Senior
Guarantor Indebtedness.

The Guarantor, for itself, its successors and assigns, covenants and agrees, and each Holder of Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof likewise covenants and agrees, that the payment of the principal of and interest on each and all of the Subordinated Debt Securities and Coupons, if any, appertaining thereto pursuant to the Guarantees thereof is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Guarantor Indebtedness, subject to Section 12.14.

SECTION 12.05. Payments upon Dissolution of the
Guarantor.

Upon any distribution of assets of the Guarantor upon any dissolution, winding up, liquidation or reorganization of the Guarantor, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of

- 12 -

the Guarantor or otherwise (subject to the power of a court of competent jurisdiction to make other equitable provision reflecting the rights conferred in this Indenture or any supplemental indenture issued pursuant to Section 3.01 upon the Senior Guarantor Indebtedness and the holders thereof with respect to the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Holders thereof by a lawful plan of reorganization under applicable bankruptcy law),

(i) the holders of all Senior Guarantor Indebtedness shall first be entitled to receive payment in full in accordance with the terms of such Senior Guarantor Indebtedness of the principal thereof, premium, if any, and the interest due thereon (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Guarantor under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) before the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto are entitled to receive any payment upon the principal of or premium, if any, or interest on indebtedness evidenced by the Subordinated Debt Securities and Coupons, if any, appertaining thereto pursuant to the Guarantees thereof;

(ii) any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities, to which the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee would be entitled except for the provisions of this Article Twelve, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Guarantor being subordinated to the payment of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Guarantor Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Guarantor Indebtedness may have been issued, in accordance

- 13 -

with the priorities then existing among holders of Senior Guarantor Indebtedness for payment of the aggregate amounts remaining unpaid on account of the principal, premium, if any, and interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Senior Guarantor Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Guarantor Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Guarantor Indebtedness; it being understood that if the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall fail to file a proper claim in the form required by any

proceeding referred to in this subparagraph (ii) prior to 30 days before the expiration of the time to file such claim or claims, then the holders of Senior Guarantor Indebtedness are hereby authorized to file an appropriate claim or claims for and on behalf of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, in the form required in any such proceeding; and

(iii) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Guarantor being subordinate to the payment of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be received by the Trustee or Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto before all Senior Guarantor Indebtedness is paid in full, such payment or distribution shall be paid over to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment of assets of the Guarantor for all Senior Guarantor Indebtedness remaining unpaid until all such Senior Guarantor Indebtedness shall have been paid in full, after giving effect to any

- 14 -

concurrent payment or distribution to the holders of such senior Guarantor Indebtedness.

Subject to the payment in full of all Senior Guarantor Indebtedness, the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated to the rights of the holders of Senior Guarantor Indebtedness to receive payments or distributions of cash, property or securities of the Guarantor applicable to the Senior Guarantor Indebtedness until the principal of and premium, if any, and interest on the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full and no such payments or distributions to holders of such Senior Guarantor Indebtedness to which the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto would be entitled except for the provisions hereof of cash, property or securities otherwise distributable to the Senior Guarantor Indebtedness shall, as between the Guarantor, its creditors, other than the holders of Senior Guarantor Indebtedness, and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, be deemed to be a payment by the Guarantor to or on account of the Senior Guarantor Indebtedness. It is understood that the provisions of this Article Twelve (other than Sections 12.01, 12.02 and 12.03) are and are intended solely for the purpose of defining the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the holders of Senior Guarantor Indebtedness, and in the case of Section 12.14, the holders of Existing Guarantor Subordinated Indebtedness and creditors in respect of Other Guarantor Obligations, on the other hand. Nothing contained in this Article Twelve or elsewhere in this Indenture, any supplemental indenture issued pursuant to Section 3.01, or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Guarantees thereof is intended to or shall impair, as between the Guarantor, its creditors, other than the holders of Senior Guarantor Indebtedness or Other Guarantor Obligations, and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the obligation of the Guarantor, which is unconditional and absolute, to pay to the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto the principal, premium, if any, and interest on the Subordinated Debt Securities and Coupons, if any,

- 15 -

appertaining thereto, pursuant to the Guarantees thereof, as and when the same shall become due and payable in accordance with their terms or to affect the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Guarantor, other than the holders of the Senior Guarantor Indebtedness and of Existing Guarantor Subordinated Indebtedness, nor shall anything herein or in the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Guarantees thereof prevent the Trustee or the Holder of any Guarantee of the Subordinated Debt Securities and Coupons, if any, appertaining thereto from exercising all remedies otherwise permitted by applicable law upon Default under this Indenture, subject to the rights, if any, under this Article Twelve of the holders of Senior Guarantor Indebtedness and of creditors in respect of Other Guarantor Obligations in respect of cash, property or securities of the Guarantor received upon the exercise or any such remedy. Upon any payment or distribution of assets of the Guarantor referred to in this Article Twelve, the Trustee and the Holders of the Guarantees of the Subordinated Debt Securities

and Coupons, if any, appertaining thereto shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceeding is pending or upon a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the senior Guarantor Indebtedness, or Other Guarantor Obligations, and other indebtedness of the Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Twelve. In the absence of any such liquidating trustee, agent or other person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Senior Guarantor Indebtedness or Other Guarantor Obligations (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of Senior Guarantor Indebtedness or Other Guarantor Obligations (or is such a trustee or representative). In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person, as a holder of Senior Guarantor Indebtedness or Other Guarantor Obligations, to participate in any payment or

- 16 -

distribution pursuant to this Article Twelve, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Guarantor Indebtedness or Other Guarantor Obligations-held by such Person, as to the extent to which such Person is entitled to participation in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article Twelve, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

With respect to the holders of Senior Guarantor Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Guarantor Indebtedness shall be read into this Article Twelve against the Trustee; provided that nothing contained herein shall derogate from covenants or obligations contained in this Indenture, or any supplemental indenture issued pursuant to Section 3.01, with respect to Senior Guarantor Indebtedness that is issued as a series of Securities under this Indenture. The Trustee, however, shall not be deemed to owe any fiduciary duty to the holders of Senior Guarantor Indebtedness by reason of the execution of this Indenture, or any supplemental indenture issued pursuant to Section 3.01, and shall not be liable to any such holders if it shall mistakenly pay over or distribute to or on behalf of Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Guarantor moneys or assets to which any holders of Senior Guarantor Indebtedness shall be entitled by virtue of this Article Twelve.

SECTION 12.06. No Payment When Senior Guarantor Indebtedness in Default.

In the event and during the continuation of any default in the payment of principal of, or premium, if any, or interest on, any Senior Guarantor Indebtedness, beyond any applicable period of grace, or in the event that any event of default with respect to any Senior Guarantor Indebtedness shall have occurred and be continuing, or would occur as a result of the payment referred to hereinafter, permitted the holders of such Senior Guarantor Indebtedness (or a trustee on behalf of the holders thereof) to accelerate the maturity thereof, then, unless and until such default or event of default

- 17 -

shall have been cured or waived or shall have ceased to exist, no payment or principal of or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or in respect of any retirement, purchase or other acquisition of any of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, pursuant to the Guarantees thereof, shall be made by the Guarantor.

SECTION 12.07. No Impairment of Holders' Rights.

Nothing contained in this Indenture, any supplemental indenture issued pursuant to Section 3.01, or in any of the Subordinated Debt Securities or Coupons, if any, appertaining thereto or the Guarantees thereof shall (i) impair, as between the Company and Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, or as between the Guarantor and the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, the obligations of the Company or Guarantor, as the case may be, to make, or prevent the Company or Guarantor from making, at any

time except as provided in Sections 12.02, 12.03, 12.05, 12.06, 12.13 and 12.14, payments of principal, premium, if any, or interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Company or Guarantor under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect) on the Subordinated Debt Securities and Coupons, if any, appertaining thereto, and the Guarantees thereof as and when the same shall become due and payable in accordance with the terms of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and the Guarantees thereof (ii) affect the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Company other than the holders of the Senior Company Indebtedness or of Other Company Obligations or the relative rights of the Holders of the Guarantees of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and creditors of the Guarantor other than the holders of Senior Guarantor Indebtedness or of Other Guarantor Obligations, (iii) prevent the Holder of any Subordinated Debt Securities and Coupons, if any, appertaining thereto or Guarantee thereof or the Trustee from exercising all remedies otherwise permitted by applicable law upon default thereunder, subject to the rights, if any, under this Article Twelve of the holders of Senior Company Indebtedness or of Other Company

- 18 -

Obligations in respect of cash, property or securities of the Company received upon the exercise of such remedy and the holders of Senior Guarantor Indebtedness or of Other Guarantor obligations in respect of cash, property or securities of the Guarantor received upon the exercise of such remedy, or (iv) prevent the application by the Trustee or any Paying Agent of any moneys deposited with it hereunder to the payment of or on account of the principal of or premium, if any, or interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto or prevent the receipt by the Trustee or any Paying Agent of such moneys, if, prior to the third Business Day prior to such deposit, the Trustee or such Paying Agent did not have written notice of any event prohibiting The making of such deposit by the Company or the Guarantor.

SECTION 12.08. Effectuation of Subordination
by Trustee.

Each Holder of Subordinated Debt Securities and Coupons, if any, appertaining thereto by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article Twelve and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 12.09. Knowledge of Trustee.

Notwithstanding the provisions of this Article or any other provisions of this Indenture or any supplemental indenture issued pursuant to Section 3.01, neither the Trustee nor any Paying Agent shall be charged with knowledge of the existence of any Senior Company Indebtedness or any Senior Guarantor Indebtedness (other than Senior Company Indebtedness or Senior Guarantor Indebtedness issued under this Indenture or any supplemental indenture issued pursuant to Section 3.01) or any Other Company Obligations or any Other Guarantor Obligations or of any event which would prohibit the making of any payment or moneys to or by the Trustee or such Paying Agent, unless and until a Responsible officer of the Trustee or such Paying Agent shall have received written notice thereof from the Company or from the holder of any Senior Company Indebtedness or Senior Guarantor Indebtedness or any Other Company Obligations or any Other Guarantor Obligations or from the representative of any such holder.

- 19 -

SECTION 12.10. Trustee's Relation to Senior Company
Indebtedness, Senior Guarantor
Indebtedness, Other Company Obligations
or Other Guarantor Obligations.

The Trustee shall be entitled to all of the rights set forth in this Article in respect of any Senior Company Indebtedness or Senior Guarantor Indebtedness or any Other Company Obligations or any Other Guarantor Obligations at any time held by it in its individual capacity to the same extent as any other holder of such Senior Company Indebtedness or Senior Guarantor Indebtedness or any Other Company Obligations or any Other Guarantor Obligations, and nothing in this Indenture or any supplemental indenture issued pursuant to Section 3.01 shall be construed to deprive the Trustee of any of its rights as such holder.

SECTION 12.11. No Waiver of Default or
Event of Default.

The failure to make a payment pursuant to the Subordinated Debt Securities and Coupons, if any, appertaining thereto by reason of any provision in this Article shall not be construed as preventing the occurrence of a Default or any Event of Default.

SECTION 12.12. Claims of the Trustee.

Nothing contained in this Article Twelve shall apply to the claims of, or payments to, the Trustee under or pursuant to Section 8.07.

SECTION 12.13. Subordinated Debt Securities to Rank
Pari Passu with Existing Company
Subordinated Indebtedness; Payment of
Proceeds in Certain Cases.

(a) Subject to the provisions of this Section and to any provisions established or determined with respect to Securities of any series pursuant to Section 3.01, the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall rank pari passu in right of payment with the Existing Company Subordinated Indebtedness.

(b) Upon the occurrence of any of the events specified in Section 12.02, the provisions of that

- 20 -

Section and the corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any Existing Company Subordinated Indebtedness shall be given effect on a pro rata basis to determine the amount of cash, property or securities which may be payable or deliverable as between the holders of Senior Company Indebtedness, on the one hand, and the Holders of Subordinated Debt Securities and Coupons, if any, appertaining thereto and holders of Existing Company Subordinated Indebtedness, on the other hand.

(c) If, after giving effect to the provisions of Section 12.02 and the respective corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any Existing Company Subordinated Indebtedness on such pro rata basis, any amount of cash property or securities shall be available for payment or distribution in respect of the Subordinated Debt Securities and Coupons, if any, appertaining thereto ("Excess Proceeds"), and any creditors in respect of Other Company Obligations shall not have received payment in full of all amounts due or to become due on or in respect of such Other Company Obligations (and provision shall not have been made for such payment in money or money's worth), then such Excess Proceeds shall first be applied (ratably with any amount of cash, property or securities available for payment or distribution in respect of any other indebtedness of the Company that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in respect of Other Company Obligations) to pay or provide for the payment of the Other Company Obligations remaining unpaid, to the extent necessary to pay all Other Company Obligations in full, after giving effect to any concurrent payment or distribution to or for creditors in respect of Other Company Obligations. Any Excess Proceeds remaining after the payment (or provision for payment) in full of all Other Company Obligations shall be available for payment or distribution in respect of the Subordinated Debt Securities and Coupons, if any, appertaining thereto.

(d) In the event that, notwithstanding the foregoing provisions of subsection (c) of this Section, the Trustee or Holder of any Subordinated Debt Securities or Coupons, if any, appertaining thereto shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, before all Other Company Obligations are paid in full or payment thereof

- 21 -

duly provided for, and if such fact shall, at or prior to the time of such payment or distribution have been made known to the Trustee or, as the case may be, such Holder, then and in such event, subject to any obligation that the Trustee or such Holder may have pursuant to Section 12.02, such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of asset of the Company for payment in accordance with subsection (c).

(e) Subject to the payment in full of all Other Company Obligations, the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated (equally and ratably with the holders of all indebtedness of the Company that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in

respect of Other Company Obligations and is entitled to like rights of subrogation) to the rights of the creditors in respect of Other Company Obligations to receive payments and distributions of cash, property and securities applicable to the Other Company Obligations until the principal of and interest on the Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full. For purposes of such subrogation, no payments or distributions to creditors in respect of Other Company Obligations of any cash, property or securities to which Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee would be entitled except for the provisions of this Section, and no payments over pursuant to the provisions of this Section to creditors in respect of Other Company Obligations by Holders of Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee, shall, as among the Company, its creditors other than creditors in respect of Other Company Obligations and the Holders of Subordinated Debt Securities and Coupons, if any, appertaining thereto be deemed to be a payment or distribution by the Company to or on account of the Other Company Obligations.

(f) The provisions of subsection (c), (d) and (e) of this Section are and are intended solely for the purpose of defining the relative rights of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the creditors in respect of Other Company Obligations, on the other hand, after giving effect to the rights of the holders of Senior Company Indebtedness, as provided in this

- 22 -

Article. Nothing contained in subsections (c), (d) and (e) of this Section is intended to or shall affect the relative rights against the Company of the Holders of the Subordinated Debt Securities and Coupons, if any, appertaining thereto and (1) the holders of Senior Company Indebtedness, (2) the holders of Existing Company Subordinated Indebtedness or (3) other creditors of the Company other than creditors in respect of Other Company Obligations.

SECTION 12.14. Guarantees of Subordinated Debt Securities to Rank Pari Passu with Existing Guarantor Subordinated Indebtedness; Payment of Proceeds in Certain Cases.

(a) Subject to the provisions of this Section and to any provisions established or determined with respect to Securities of any series pursuant to Section 3.01, the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto shall rank pari passu in right of payment with the Existing Guarantor Subordinated Indebtedness.

(b) Upon the occurrence of any of the events specified in Section 12.05, the provisions of that Section and the corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any Existing Guarantor Subordinated Indebtedness shall be given effect on a pro rata basis to determine the amount of cash, property or securities which may be payable or deliverable as between the holders of Senior Guarantor Indebtedness, on the one hand, and the Holders of Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto and holders of Existing Guarantor Subordinated Indebtedness, on the other hand.

(c) If, after giving effect to the provisions of Section 12.05 and the respective corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any Existing Guarantor Subordinated Indebtedness on such pro rata basis, any amount of cash property or securities shall be available for payment or distribution in respect of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto ("Excess Proceeds"), and any creditors in respect of Other Guarantor Obligations shall not have received payment in full of all amounts due or to become due on or in respect of such Other Guarantor Obligations (and provision shall not have been made for such payment in

- 23 -

money or money's worth), then such Excess Proceeds shall first be applied (ratably with any amount of cash, property or securities available for payment or distribution in respect of any other indebtedness of the Guarantor that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in respect of Other Guarantor Obligations) to pay or provide for the payment of the Other Guarantor Obligations remaining unpaid, to the extent necessary to pay all Other Guarantor Obligations in full, after giving effect to any concurrent payment or distribution to or for creditors in

respect of Other Guarantor Obligations. Any Excess Proceeds remaining after the payment (or provision for payment) in full of all Other Guarantor Obligations Shall be available for payment or distribution in respect of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto.

(d) In the event that, notwithstanding the foregoing provisions of subsection (C) of this Section, the Trustee or Holder of any Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto shall have received any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities, before all Other Guarantor Obligations are paid in full or payment thereof duly provided for, and if such fact shall, at or prior to the time of such payment or distribution have been made known to the Trustee or, as the case may be, such Holder, then and in such event, subject to any obligation that the Trustee or such Holder may have pursuant to Section 12.05, such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of asset of the Guarantor for payment in accordance with subsection (c).

(e) Subject to the payment in full of all Other Guarantor Obligations, the Holders of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be subrogated (equally and ratably with the holders of all indebtedness of the Guarantor that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in respect of Other Guarantor Obligations and is entitled to like rights of subrogation) to the rights of the creditors in respect of Other Guarantor Obligations to receive payments and distributions of cash, property and securities applicable to the Other Guarantor Obligations until the principal of and

- 24 -

interest on the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto shall be paid in full. For purposes of such subrogation, no payments or distributions to creditors in respect of Other Guarantor Obligations of any cash, property or securities to which Holders of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee would be entitled except for the provisions of this Section, and no payments over pursuant to the provisions of this Section to creditors in respect of Other Guarantor Obligations by Holders of Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto or the Trustee, shall, as among the Guarantor, its creditors other than creditors in respect of Other Guarantor Obligations and the Holders of Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto be deemed to be a payment or distribution by the Guarantor to or on account of the Other Guarantor Obligations.

(f) The provisions of subsection (c), (d) and (e) of this Section are and are intended solely for the purpose of defining the relative rights of the Holders of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto, on the one hand, and the creditors in respect of Other Guarantor Obligations, on the other hand, after giving effect to the rights of the holders of Senior Guarantor Indebtedness, as provided in this Article. Nothing contained in subsections (c), (d) and (e) of this Section is intended to or shall affect the relative rights against the Guarantor of the Holders of the Guarantees of Subordinated Debt Securities and Coupons, if any, appertaining thereto and (1) the holders of Senior Guarantor Indebtedness, (2) the holders of Existing Guarantor Subordinated Indebtedness or (3) other creditors of the Guarantor other than creditors in respect of Other Guarantor Obligations."

ARTICLE FOUR

SECTION 4.01. Amendment of Section 7.01.

(a) Sections 7.01(b) (1) and (2) of the Indenture are hereby deleted and replaced in their entirety by the following:

- 25 -

"(1) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Guarantor or any Principal Subsidiary Bank under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or appointing a receiver, trustee or other similar official (except for the appointment of a conservator) of the Guarantor or any Principal Subsidiary Bank or of substantially all of its property, or ordering the winding-up or liquidation of its affairs under any such law and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(2) the filing by the Guarantor or any Principal Subsidiary Bank of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as hereinafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking possession of a receiver, trustee, custodian or other similar official (except for the appointment of a conservator) of the Guarantor or any Principal Subsidiary Bank or of substantially all of its property under any such law, or the Guarantor or any Principal Subsidiary Bank shall take any corporate action in furtherance of any such action; or

(b) Section 7.01(c) of the Indenture is hereby amended by deleting the word "or" at the end of subsection (3) thereof, deleting the period at the end of subsection (4) thereof and substituting a semicolon therefor, and adding after subsection (4) the following additional subsections:

"(5) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable

- 26 -

Federal or State bankruptcy law or other similar law, or appointing a receiver, trustee or other similar official of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(6) the filing by the Company of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as hereinafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking possession of a receiver, trustee, custodian or other similar official of the Company or of any substantial part of its property, or the Company shall fail generally to pay its debts as such debts become due or shall take any corporate action in furtherance of any such action."

ARTICLE FIVE

SECTION 5.01. Other Terms of the Indenture.

Except as otherwise modified and amended by this Supplemental Indenture, all other terms of the Indenture remain in full force and effect.

SECTION 5.02. Execution of Multiple Copies.

The parties to this Supplemental Indenture may sign any number of copies of this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture.

SECTION 5.03. Governing Law.

This Supplemental Indenture shall be construed in accordance with and governed by the laws of the

- 27 -

jurisdiction which govern the Indenture and its construction.

SECTION 5.04. Recitals.

The recitals contained herein shall be taken as the statements of the Company and the Guarantor and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

SECTION 5.05. Legends.

In accordance with section 9.06 of the Indenture, Subordinated Debt Securities authenticated and delivered after the execution of this Supplemental Indenture shall bear the following notation:

"As of February 15, 1993, the Indenture, dated as of December 1, 1991, relating to this Security has been amended by a Supplemental Indenture."

- 28 -

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first written above.

PNC FUNDING CORP

by /s/ R. HAUNSCHILD

Authorized Officer

(CORPORATE SEAL)

Attest:

/s/ WILLIAM F. STROME

Secretary

PNC BANK CORP.

by /s/ R. HAUNSCHILD

Authorized Officer

(CORPORATE SEAL)

Attest:

/s/ WILLIAM F. STROME

Secretary

- 29 -

CHEMICAL BANK

by /s/ ANNE G. BRENNER

Assistant Vice President

(CORPORATE SEAL)

Attest:

/s/ G. JOHN KIRSCH

Assistant Secretary

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

NEITHER THIS NOTE NOR THE GUARANTEE INCLUDED HEREIN IS A BANK DEPOSIT OR INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR BY ANY OTHER INSURER OR GOVERNMENTAL AGENCY.

AS OF FEBRUARY 15, 1993, THE INDENTURE, DATED AS OF DECEMBER 1, 1991, RELATING TO THIS SECURITY HAS BEEN AMENDED BY A SUPPLEMENTAL INDENTURE.

PNC FUNDING CORP
_____% SUBORDINATED NOTES DUE _____

REGISTERED CUSIP _____
No. _ \$ _____

PNC FUNDING CORP, a corporation duly organized and existing under the laws of Pennsylvania (herein called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & Co., or registered assigns, the principal sum of _____ Dollars on _____, _____, and to pay interest thereon from _____, _____, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, _____ on _____ and _____ in each year, commencing _____, _____, and at maturity, at the rate of _____% per annum, until

the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the same rate per annum on any overdue principal and premium and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the - _____ or _____ (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner acceptable to the Trustee and not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that each installment of interest on this Security may be paid by mailing checks for such interest payable to or upon the written order of the Holders of this Security entitled thereto as they shall appear on the registry books of the Company.

Unless the certificate of authentication hereon has been executed by the Trustee hereinafter referred to, by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Security is one of a duly authorized issue of securities of the

"Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 1991, among the Company, PNC Financial Corp (now known as PNC Bank Corp.) ("Guarantor") and Manufacturers Hanover Trust Company, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture) as amended by a Supplemental Indenture dated as of February 15, 1993 by and among the Company, PNC Bank Corp. (formerly known as PNC Financial Corp) ("Guarantor") and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company and now known as The Chase Manhattan Bank) ("Trustee") (such Indenture as amended being herein called the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated above, limited (except as provided in the Indenture) in aggregate principal amount to \$_____.

The Securities of this series are not redeemable prior to their Stated Maturity. The Notes of this series are not subject to any sinking fund.

If an Event of Default (as defined in the Indenture) with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The indebtedness of the Company evidenced by the Securities of this series, including the principal thereof and interest thereon, is, to the extent and in the manner set forth in the Indenture, subordinate and junior in right of payment to its obligations to holders of Senior Company Indebtedness (as defined in the Indenture) and shall rank pari passu in right of payment with each other and with Existing Company Subordinated Indebtedness (as defined in said Indenture), subject to the obligations of the holders of the Securities to pay over any Excess Proceeds to creditors in respect of Other Company Obligations, as provided in the Indenture, and each Holder of Securities, by the acceptance hereof, agrees to and shall be bound by such provisions of the Indenture. The indebtedness of the Company evidenced by

the Securities of this series, including the principal thereof and interest thereon, also shall rank pari passu in right of payment with the Company's _____% Subordinated Notes Due _____, _____% Subordinated Notes Due _____ and _____% Subordinated Notes Due _____, the holders of which are also obligated to pay over any Excess Proceeds to creditors in respect of Other Company Obligations, as provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantor and the rights of the holders of the Securities of any series under the Indenture at any time by the Company, the Guarantor and the Trustee with the consent of the holders of a majority in principal amount of the outstanding Securities of all series (voting as one class) to be affected by such amendment or modification. The Indenture also contains provisions permitting the holders of specified percentages in principal amount of the Outstanding Securities of any series, on behalf of the holders of all Securities of such series, to waive compliance by the Company or the Guarantor with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Security shall be conclusive and binding upon such holder and upon all future holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth and to the limitations set forth in the legend on the first page of this Security, the transfer of this Security is registrable in the Security Register, upon due presentment of this Security for registration of transfer at

the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of

- 5 -

transfer in form satisfactory to the Company duly executed by, the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

This Security is a global security. Accordingly, unless and until it is exchanged in whole or in part for individual certificates evidencing the Securities represented hereby, this Security may not be transferred except as a whole by The Depository Trust Company (the "Depository") to a nominee of such Depository or by a nominee of such Depository or by the Depository or any nominee to a successor Depository or any nominee of such successor. Ownership of beneficial interests in this Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable Depository or its nominee (with respect to interest of persons that have accounts with the Depository ("Participants") and the records of Participants (with respect to interests of persons other than Participants)). The laws of some states require that certain purchasers of securities take physical

- 6 -

delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in this Security. Except as provided below, owners of beneficial interests in this Security will not be entitled to have any individual certificates and will not be considered the owners or Holders thereof under the Indenture.

Neither the Company, the Trustee, any Issuing and Paying Agent or any Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If the Depository is at any time unwilling, unable or ineligible to continue as Depository and a successor Depository is not appointed by the Company within 90 days, the Company will issue individual certificates evidencing the Securities represented hereby in definitive form in exchange for this Security. In addition, the Company may at any time and in its sole discretion determine not to have any Securities represented by one or more global securities and, in such event, will issue individual certificates evidencing Securities in definitive form in exchange for this Security. In any such instance, an owner of a beneficial interest in a Security will be entitled to physical delivery in certificated form of Securities equal in principal amount to such beneficial interest and to have such Securities registered in its name. Securities so issued in certificated form will be issued in denominations of \$1,000 and any integral multiple thereof and will be issued in registered form only, without coupons.

The Indenture contains provisions setting forth certain conditions to the institution of proceedings by the holders of Securities with respect to the Indenture or for any remedy under the Indenture.

All terms used in this Security which are defined in the Indenture shall

have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, PNC Funding Corp has caused this Note to be signed in its name by its Chairman of the Board, President or any Executive or Senior Vice President, and by its Secretary or an Assistant

- 7 -

Secretary, or by facsimiles of any of their signatures, and its corporate seal, or a facsimile thereof, to be hereto affixed.

Dated:

PNC FUNDING CORP

By _____
Name:
Title:

Attest:

- -----

Name:
Title:

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK
as Trustee

By _____
Authorized Officer

GUARANTEE OF
PNC BANK CORP.

FOR VALUE RECEIVED, PNC BANK CORP., a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania (herein called the "Guarantor"), hereby unconditionally guarantees to the holder of the Security upon which this Guarantee is endorsed the due and punctual payment of the principal and interest on said Security, when and as the same shall become due and payable, whether by declaration thereof or otherwise, according to the terms thereof and of the Indenture referred to therein. In case of default by PNC Funding Corp (herein called the "Company") in the payment of any such principal or interest, the Guarantor agrees duly and punctually to pay the same.

The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of said Security or said Indenture, any failure to enforce the provisions of said Security or said Indenture, or any waiver, modification or indulgence granted to the Company with respect thereto, by the holder of said Security or the Trustee under said Indenture or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to said Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged except by payment in full of the principal of and premium, if any, and interest on said Security.

The obligations of the Guarantor evidenced by this Guarantee are, to the extent and in the manner set forth in said Indenture, subordinate and junior in right of payment to the Guarantor's obligations to holders of Senior Guarantor Indebtedness (as defined in said Indenture), and shall rank pari passu in right of payment with each other and with Existing Guarantor Subordinated Indebtedness (as defined in said Indenture), subject to the obligations of the holders of the Guarantees to pay over any Excess Proceeds to

- 2 -

creditors in respect of Other Guarantor Obligations, as provided in the Indenture, and each holder of Securities, by the acceptance hereof, agrees to and shall be bound by such provisions of said Indenture. The obligations of the Guarantor evidenced by this Guarantee shall also rank pari passu in right of payment with the Guarantor's guarantees of the Company's ____% Subordinated Notes Due ____, ____% Subordinated Notes Due ____ and ____% Subordinated Notes Due ____, the holders of which are also obligated to pay over any Excess Proceeds to creditors in respect of Other Guarantor Obligations, as provided in the Indenture.

The Guarantor shall be subrogated to all rights of the holder of said Security against the Company in respect of any amounts paid by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of and premium, if any, and interest then due on all Securities issued under said Indenture shall have been paid in full.

This Guarantee shall not be valid or become obligatory for any purpose until the certificate of authentication on the Security on which this Guarantee is endorsed shall have been signed manually by the Trustee under the Indenture referred to in said Security.

All terms used in this Guarantee which are defined in the Indenture, dated as of December 1, 1991, among the Company, the Guarantor and Manufacturers Hanover Trust Company, as Trustee (the term "Trustee" includes any successor trustee under the Indenture), as amended by a Supplemental Indenture dated as of February 15, 1993, by and among the Company, the Guarantor and Chemical Bank (successor by merger to

Manufacturers Hanover Trust Company and now known as The Chase Manhattan Bank) ("Trustee") shall have the meanings assigned to them in the Indenture.

- 3 -

IN WITNESS WHEREOF, PNC BANK CORP. has caused this Guarantee to be duly executed by manual or facsimile signature under its corporate seal or a facsimile thereof.

Dated:

PNC BANK CORP.

By _____
Name:
Title:

Attest:

- -----
Name:
Corporate Secretary

[SEAL]

PNC Bank Corp.
One PNC Plaza
21st Floor
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707

August 29, 1997

Board of Directors
PNC Bank Corp.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707

Gentlemen:

This opinion is issued in connection with the Registration Statement on Form S-3 (the "Registration Statement") of PNC Bank Corp. (the "Corporation") and PNC Funding Corp ("PNC Funding") to be filed with the Securities and Exchange Commission (the "Commission"), relating to the registration under the Securities Act of 1933, as amended (the "Securities Act"), of unsecured debt securities of PNC Funding ("Debt Securities"), guaranteed by the Corporation (the "Guarantees"), shares of the Corporation's common stock, par value \$5.00 per share ("Common Stock"), and shares of the Corporation's preferred stock, par value \$1.00 per share ("Preferred Stock"), with a proposed maximum offering price for such Debt Securities, Common Stock and Preferred Stock of \$1,300,000,000, plus an undetermined number of shares of Common Stock issuable upon conversion of the Preferred Stock to the extent any of such shares of Preferred Stock are by their terms convertible into Common Stock, and an undetermined number of shares of Preferred Stock in the form of shares ("Depository Shares") to be evidenced by depository receipts to be issued pursuant to a Deposit Agreement (in the form filed as Exhibit 4.5 to the Registration Statement, the "Deposit Agreement"). The Common Stock, the Preferred Stock and the Depository Shares are collectively referred to as the "Registered Equity Securities". The Prospectus contained in the Registration Statement is referred to as the "Basic Prospectus". The term "Total Prospectus" refers to the Basic Prospectus and the applicable supplement to such Basic Prospectus with respect to a particular offering of Debt Securities or Registered Equity Securities.

As Senior Counsel to the Corporation, I have examined (1) the Articles of Incorporation and Bylaws, each as amended to date, of the Corporation; (2) the Articles of Incorporation and By-laws, each as amended to date, of PNC Funding; (3) the Indenture dated as of December 1, 1991, as amended and supplemented by the Supplemental Indenture dated as of February 15, 1993, filed as Exhibit 4.7 and Exhibit 4.8, respectively (as amended, the "Indenture"), pursuant to which the Debt Securities and related Guarantees will be issued; (4) the Deposit Agreement; (5) the Registration Statement, including the Basic Prospectus and the Exhibits being filed with it and as of this date

Board of Directors
PNC Bank Corp.
Page 2

incorporated therein by reference; (6) the resolutions adopted by the Corporation's Board of Directors at a meeting held on August 21, 1997; and (7) the Written Action of the Board of Directors of PNC Funding dated as of August 21, 1997. I have also examined such records, certificates and other documents relating to the Corporation and PNC Funding that I have considered necessary or appropriate for the purposes of this opinion.

In making such examination and rendering the opinions set forth below, I have assumed: (i) the genuineness and authenticity of all signatures on original documents; (ii) the authenticity of all documents submitted to me as originals; and (iii) the conformity of originals of all documents submitted to me as certified, telecopied, photostated or reproduced copies and the authenticity of all originals of such documents.

I am admitted to practice law in the Commonwealth of Pennsylvania and do not purport to be an expert on or to express any opinion on any laws other than the laws of the Commonwealth of Pennsylvania and the federal securities laws of the United States of America. This opinion speaks as of today's date and is limited to present statutes, regulations and judicial interpretations. In rendering this opinion, I assume no obligation to revise or supplement this opinion should the present laws be changed by legislative or regulatory action, judicial decision or otherwise or should the agreements or other documents (or forms thereof) that I have examined in connection with this opinion hereafter be changed.

With respect to any Common Stock held as treasury shares that may be sold, my opinion is also subject to the condition that such shares had been validly issued before they were reacquired by the Corporation and became treasury shares. With respect to my opinion relating to Depositary Shares, I have assumed that the Deposit Agreement has been duly authorized, executed and delivered by the Corporation and the applicable depositary, and that the depositary receipts have been duly countersigned by a registrar and the applicable depositary in accordance with the Deposit Agreement. With respect to each of the Common Stock and Preferred Stock, I have assumed that certificates evidencing such Registered Equity Securities have been duly countersigned by the applicable registrar and transfer agent.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, I am of the opinion that:

(1) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to Registered Equity Securities being issued and sold, and the Registered Equity Securities have been issued and sold upon the terms and conditions set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, then such Registered Equity Securities will be validly issued, fully paid and nonassessable. To the extent such Registered Equity Securities are shares of Preferred Stock that are convertible into Common Stock, when such shares are converted pursuant to and in accordance with

Board of Directors
PNC Bank Corp.
Page 2

the terms of the Preferred Stock, the shares of Common Stock so converted will be validly issued, fully paid and nonassessable.

(2) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to the Debt Securities and related Guarantees being issued and sold, and the Debt Securities and related Guarantees are authenticated and issued pursuant to and in accordance with the terms and conditions set forth in the Indenture and delivered and sold as set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, then such Debt Securities and Guarantees will constitute valid and legally binding obligations of PNC Funding and the Corporation, respectively, except as enforceability is limited by applicable bankruptcy, insolvency, receivership, readjustment of debt, fraudulent conveyance, reorganization, moratorium and other laws relating to or affecting creditors' rights generally or general equitable principles, whether considered in a proceeding in equity or at law.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me under the caption "Legal Opinions" in the Prospectus included in Part I of the Registration Statement. In giving such consent, I do not thereby admit that I come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ MELANIE S. CIBIK

Melanie S. Cibik
Senior Counsel

PNC Bank Corp. and Subsidiaries
 Computation of Ratio of Earnings
 to Fixed Charges

Exhibit 12.1

<TABLE>
 <CAPTION>

Dollars in thousands 1992	Six months ended	Year ended December 31			
	June 30, 1997	1996	1995	1994	1993
	<C>	<C>	<C>	<C>	<C>
EARNINGS					
Income before taxes and cumulative effect of changes in accounting principles \$787,994	\$801,587	\$1,527,551	\$627,012	\$1,209,916	\$1,140,487
Fixed charges excluding interest on deposits 582,854	573,261	1,096,893	1,487,279	1,104,573	704,228
Subtotal 1,370,848	1,374,848	2,624,444	2,114,291	2,314,489	1,844,715
Interest on deposits 1,546,576	714,155	1,428,771	1,551,816	1,159,242	1,005,658
Total \$2,917,424	\$2,089,003	\$4,053,215	\$3,666,107	\$3,473,731	\$2,850,373
FIXED CHARGES					
Interest on borrowed funds \$555,610	\$541,658	\$1,064,847	\$1,455,069	\$1,070,565	\$676,319
Interest component of rentals 25,739	14,376	29,839	31,283	32,247	26,491
Amortization of borrowed funds 1,505	404	816	927	1,761	1,418
Distributions on capital securities	16,823	1,391			
Subtotal 582,854	573,261	1,096,893	1,487,279	1,104,573	704,228
Interest on deposits 1,546,576	714,155	1,428,771	1,551,816	1,159,242	1,005,658
Total \$2,129,430	\$1,287,416	\$2,525,664	\$3,039,095	\$2,263,815	\$1,709,886
RATIO OF EARNINGS TO FIXED CHARGES					
Excluding interest on deposits 2.35x	2.40x	2.39x	1.42x	2.10x	2.62x
Including interest on deposits 1.37	1.62	1.60	1.21	1.53	1.67

</TABLE>

PNC Bank Corp. and Subsidiaries
 Computation of Ratio of Earnings
 to Combined Fixed Charges and
 Preferred Stock Dividends

Exhibit 12.2

<TABLE> <CAPTION>	Year ended December 31				
	Six months ended	-----			
Dollars in thousands 1992	June 30, 1997	1996	1995	1994	1993
-----	-----	-----	-----	-----	-----
<S> <C>	<C>	<C>	<C>	<C>	<C>
EARNINGS					
Income before taxes and cumulative effect of changes in accounting principles \$787,994	\$801,587	\$1,527,551	\$627,012	\$1,209,916	\$1,140,487
Fixed charges and preferred stock dividends excluding interest on deposits 592,902	588,252	1,105,324	1,492,391	1,112,564	712,339
-----	-----	-----	-----	-----	-----
Subtotal 1,380,896	1,389,839	2,632,875	2,119,403	2,322,480	1,852,826
Interest on deposits 1,546,576	714,155	1,428,771	1,551,816	1,159,242	1,005,658
-----	-----	-----	-----	-----	-----
Total \$2,927,472	\$2,103,994	\$4,061,646	\$3,671,219	\$3,481,722	\$2,858,484
=====					
FIXED CHARGES					
Interest on borrowed funds \$555,610	\$541,658	\$1,064,847	\$1,455,069	\$1,070,565	\$676,319
Interest component of rentals 25,739	14,376	29,839	31,283	32,247	26,491
Amortization of borrowed funds 1,505	404	816	927	1,761	1,418
Distributions on capital securities Preferred stock dividends 10,048	16,823 14,991	1,391 8,431	5,112	7,991	8,111
-----	-----	-----	-----	-----	-----
Subtotal 592,902	588,252	1,105,324	1,492,391	1,112,564	712,339
Interest on deposits 1,546,576	714,155	1,428,771	1,551,816	1,159,242	1,005,658
-----	-----	-----	-----	-----	-----
Total \$2,139,478	\$1,302,407	\$2,534,095	\$3,044,207	\$2,271,806	\$1,717,997
=====					
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Excluding interest on deposits 2.33x	2.36x	2.38x	1.42x	2.09x	2.60x
Including interest on deposits 1.37	1.62	1.60	1.21	1.53	1.66
=====					

</TABLE>

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement and related Prospectus of PNC Bank Corp. and PNC Funding Corp and to the incorporation by reference therein of our report dated January 24, 1997, with respect to the consolidated financial statements of PNC Bank Corp. and subsidiaries incorporated by reference in its Annual Report on Form 10-K for the year ended December 31, 1996, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania
August 28, 1997

POWER OF ATTORNEY

PNC BANK CORP.
SHELF REGISTRATION

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and/or Officers of PNC Bank Corp. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Robert C. Barry, Jr., John F. Fulgoney and Melanie S. Cibik, or any one of them, severally, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, a Registration Statement on Form S-3 (or other appropriate form) for the registration under the Securities Act of 1933, as amended, of (i) guarantees by the Corporation of PNC Funding Corp's unsecured debt securities ("Debt Securities"), which Registration Statement shall also relate to such Debt Securities, (ii) shares of the Corporation's common stock, par value \$5 per share ("Common Stock"), and (iii) shares of the Corporation's preferred stock, par value \$1 per share ("Preferred Stock"), with a proposed maximum aggregate offering price for such Debt Securities, Common Stock and Preferred Stock of \$1,300,000,000, plus an undetermined number of shares of the Corporation's Common Stock issuable upon conversion of shares of the Preferred Stock to the extent any of such shares of Preferred Stock are by their terms convertible into Common Stock, and an undetermined number of shares of Preferred Stock in the form of depositary shares to be evidenced by depositary receipts to be issued pursuant to a deposit agreement in the event the Corporation elects to offer to the public fractional interests in shares of Preferred Stock, and to execute in such person's name place and stead, in any and all capacities, any and all amendments to said Registration Statement.

And such persons hereby ratify and confirm all that any said attorney-in-fact or agent, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following persons in the capacities indicated as of this August 21, 1997.

Name/Signature -----	Capacity -----
/s/ Thomas H. O'Brien ----- Thomas H. O'Brien	Chairman, Chief Executive Officer and Director
/s/ Paul W. Chellgren ----- Paul W. Chellgren	Director
----- Robert N. Clay	Director
/s/ George A. Davidson, Jr. ----- George A. Davidson, Jr.	Director
/s/ David F. Girard-diCarlo ----- David F. Girard-diCarlo	Director
----- /s/ C. G. Grefenstette ----- C. G. Grefenstette	Director
/s/ William R. Johnson ----- William R. Johnson	Director
/s/ Bruce Lindsay ----- Bruce Lindsay	Director
/s/ Thomas Marshall ----- Thomas Marshall	Director
/s/ W. Craig McClelland -----	Director

W. Craig McClelland

/s/ Jackson H. Randolph Director

Jackson H. Randolph

/s/ James E. Rohr President and Director

James E. Rohr

/s/ Roderic H. Ross Director

Roderic H. Ross

/s/ Vincent A. Sarni Director

Vincent A. Sarni

/s/ Garry J. Scheuring Director

Garry J. Scheuring

/s/ Richard P. Simmons Director

Richard P. Simmons

Power of Attorney - 2

/s/ Thomas J. Usher Director

Thomas J. Usher

/s/ Milton A. Washington Director

Milton A. Washington

/s/ Helge H. Wehmeier Director

Helge H. Wehmeier

Power of Attorney - 3

POWER OF ATTORNEY

PNC FUNDING CORP
(Shelf Registration)

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and/or Officers of PNC Funding Corp (the "Corporation") hereby constitutes and appoints Robert C. Barry, Jr., John F. Fulgoney and Melanie S. Cibik, or any one of them, severally, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, a Registration Statement on Form S-3 (or other appropriate form) for the registration under the Securities Act of 1933, as amended, of up to \$1,300,000,000 principal amount of the Corporation's unsecured debt securities (or if any such debt securities are issued at an original issue discount, such greater amount as shall result in net proceeds of up to \$1,300,000,000 to the Corporation) and guarantees thereon of PNC Bank Corp., and to execute in such person's name, place and stead, in any and all capacities, any and all amendments to said Registration Statement.

And such persons hereby ratify and confirm all that any said attorney-in-fact and agent, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following persons in the capacities indicated as of this 21st day of August, 1997.

Name/Signature - -----	Capacity -----
/s/ PAUL L. AUDET ----- Paul L. Audet	Chairman and Director
/s/ ROBERT L. HAUNSCHILD ----- Robert L. Haunschild	President and Director
/s/ RANDALL C. KING ----- Randall C. King	Senior Vice President and Director
/s/ ROBERT C. BARRY, JR. ----- Robert C. Barry, Jr.	Senior Vice President and Chief Financial Officer
/s/ TARA A. HUGHES ----- Tara A. Hughes	Accounting Officer and Assistant Controller

POWER OF ATTORNEY

PNC BANK CORP.
SHELF REGISTRATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of PNC Bank Corp. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Robert C. Barry, Jr., John F. Fulgoney and Melanie S. Cibik, or any one of them, severally, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, a Registration Statement on Form S-3 (or other appropriate form) for the registration under the Securities Act of 1933, as amended, of (i) guarantees by the Corporation of PNC Funding Corp's unsecured debt securities ("Debt Securities"), which Registration Statement shall also relate to such Debt Securities, (ii) shares of the Corporation's common stock, par value \$5 per share ("Common Stock"), and (iii) shares of the Corporation's preferred stock, par value \$1 per share ("Preferred Stock"), with a proposed maximum aggregate offering price for such Debt Securities, Common Stock and Preferred Stock of \$1,300,000,000, plus an undetermined number of shares of the Corporation's Common Stock issuable upon conversion of shares of the Preferred Stock to the extent any of such shares of Preferred Stock are by their terms convertible into Common Stock, and an undetermined number of shares of Preferred Stock in the form of depository shares to be evidenced by depository receipts to be issued pursuant to a deposit agreement in the event the Corporation elects to offer to the public fractional interests in shares of Preferred Stock, and to execute in such person's name place and stead, in any and all capacities, any and all amendments to said Registration Statement.

And such person hereby ratifies and confirms all that any said attorney-in-fact or agent, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following person in the capacity indicated as of this August 27, 1997.

Name/Signature	Capacity
- -----	-----
/s/ Robert N. Clay	Director
- -----	
Robert N. Clay	

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b) (2)

THE CHASE MANHATTAN BANK
(Exact name of trustee as specified in its charter)

NEW YORK 13-4994650
(State of incorporation (I.R.S. employer
if not a national bank) identification No.)

270 PARK AVENUE 10017
NEW YORK, NEW YORK (Zip Code)
(Address of principal executive offices)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

PNC FUNDING CORP
(Exact name of obligor as specified in its charter)

PENNSYLVANIA 25-1234372
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification No.)

1600 MARKET STREET 19101
PHILADELPHIA, PA (Zip Code)
(Address of principal executive offices)

PNC BANK CORP.
(Exact name of obligor as specified in its charter)

PENNSYLVANIA 25-1435979
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification No.)

ONE PNC PLAZA 15222
249 FIFTH AVENUE (Zip Code)
PENNSYLVANIA, PA
(Address of principal executive offices)

DEBT SECURITIES
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York
12110.

Board of Governors of the Federal Reserve System, Washington,
D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty
Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such
affiliation.

None.

- 2 -

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of
Eligibility.

1. A copy of the Articles of Association of the Trustee as now in
effect, including the Organization Certificate and the Certificates of
Amendment dated February 17, 1969, August 31, 1977, December 31, 1980,
September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see
Exhibit 1 to Form T-1 filed in connection with Registration Statement No.
333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence
Business (see Exhibit 2 to Form T-1 filed in connection with Registration
Statement No. 33-50010, which is incorporated by reference. On July 14, 1996,
in connection with the merger of Chemical Bank and The Chase Manhattan Bank
(National Association), Chemical Bank, the surviving corporation, was renamed
The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being
contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to
Form T-1 filed in connection with Registration Statement No. 333-06249, which
is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act
(see Exhibit 6 to Form T-1 filed in connection with Registration Statement No.
33-50010, which is incorporated by reference. On July 14, 1996, in connection
with the merger of Chemical Bank and The Chase Manhattan Bank (National
Association), Chemical Bank, the surviving corporation, was renamed The Chase
Manhattan Bank).

7. A copy of the latest report of condition of the Trustee,
published pursuant to law or the requirements of its supervising or examining
authority. (On July 14, 1996, in connection with the merger of Chemical Bank
and The Chase Manhattan Bank (National Association), Chemical Bank, the
surviving corporation, was renamed The Chase Manhattan Bank).

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the
Trustee, The Chase Manhattan Bank, a corporation organized and existing under
the laws of the State of New York, has duly caused this statement of
eligibility to be signed on its behalf by the undersigned, thereunto duly
authorized, all in the City of New York and State of New York, on the 18TH day
of AUGUST, 1997.

THE CHASE MANHATTAN BANK

By /s/ Anne G. Brenner

Anne G. Brenner
Vice President

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business June 30, 1997, in
accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

<TABLE>
<CAPTION>

ASSETS	DOLLAR AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Cash and balances due from depository institutions:			
Noninterest-bearing balances and currency and coin			\$ 13,892
Interest-bearing balances.....			4,282
Securities:.....			
Held to maturity securities.....	2,857		
Available for sale securities.....			34,091
Federal Funds sold and securities purchased under agreements to resell			29,970
Loans and lease financing receivables:			
Loans and leases, net of unearned income	\$124,827		
Less: Allowance for loan and lease losses	2,753		
Less: Allocated transfer risk reserve	13		
Loans and leases, net of unearned income, allowance, and reserve	-----		122,061
Trading Assets			56,042
Premises and fixed assets (including capitalized leases).....			2,904
Other real estate owned.....			306
Investments in unconsolidated subsidiaries and associated companies.....			232
Customers' liability to this bank on acceptances outstanding			2,092
Intangible assets			1,532
Other assets			10,448

TOTAL ASSETS			\$280,709 =====

</TABLE>

- 4 -

<TABLE>
<CAPTION>

LIABILITIES	<C>	<C>	<C>
<S>			
Deposits			
In domestic offices			\$91,249
Noninterest-bearing.....\$38,157			
Interest-bearing..... 53,092			-----
In foreign offices, Edge and Agreement subsidiaries, and IBF's.....			70,192
Noninterest-bearing.....\$ 3,712			
Interest-bearing..... 66,480			
Federal funds purchased and securities sold under agreements to repurchase.....			35,185
Demand notes issued to the U.S. Treasury.....			1,000
Trading liabilities.....			42,307
Other Borrowed money (includes mortgage indebtedness and obligations under capitalized leases):			
With a remaining maturity of one year or less.....			4,593
With a remaining maturity of more than one year through three years.....			260
With a remaining maturity of more than three years.....	146		
Bank's liability on acceptances executed and outstanding			2,092
Subordinated notes and debentures			5,715

Other liabilities.....	11,373
TOTAL LIABILITIES.....	264,112

EQUITY CAPITAL

Perpetual Preferred stock and related surplus	0
Common stock.....	1,211
Surplus (exclude all surplus related to preferred stock).....	10,283
Undivided profits and capital reserves.....	5,280
Net unrealized holding gains (Losses) on available-for-sale securities.....	(193)
Cumulative foreign currency translation adjustments.....	16
TOTAL EQUITY CAPITAL.....	16,597

TOTAL LIABILITIES AND EQUITY CAPITAL.....	\$280,709
	=====

</TABLE>

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY)
 THOMAS G. LABRECQUE) DIRECTORS
 WILLIAM B. HARRISON, JR.)