
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

January 26, 2005

Date of Report (Date of earliest event reported)

THE PNC FINANCIAL SERVICES GROUP, INC.

(Exact name of registrant as specified in its charter)

Commission File Number 001-09718

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

25-1435979
(I.R.S. Employer
Identification No.)

**One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707**
(Address of principal executive offices, including zip code)

(412) 762-2000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On January 26, 2005, William S. Demchak, Vice Chairman and Chief Financial Officer of The PNC Financial Services Group, Inc. (the "Corporation"), gave a presentation to investors at the Smith Barney Citigroup Financial Services Conference in New York, New York. This presentation was accompanied by a series of electronic slides that included information pertaining to the financial results of the Corporation. A copy of these slides and related material is included in this report as Exhibit 99.1 and is furnished herewith.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The exhibit listed on the Exhibit Index accompanying this Form 8-K is furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

Date: January 26, 2005

By: /s/ Samuel R. Patterson

Samuel R. Patterson
Controller

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Slide presentation and related material for the Smith Barney Citigroup Financial Services Conference in New York, New York on January 26, 2005	Furnished herewith



The PNC Financial Services Group, Inc.

Smith Barney Citigroup
Financial Services Conference

New York, NY
January 26, 2005

Cautionary Statement Regarding Forward-Looking Information

This presentation contains forward-looking statements regarding our outlook or expectations relating to PNC's future business, operations, financial condition, financial performance and asset quality. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties.

The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the written materials we distributed at this conference and in the version of the presentation materials posted on our corporate website at www.pnc.com, as well as those factors previously disclosed in our 2003 Form 10-K, our 2004 Form 10-Q's, and other SEC reports (accessible on the SEC's website at www.sec.gov and on our corporate website).

Future events or circumstances may change our outlook or expectations and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. The forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements.

This presentation may also include a discussion of non-GAAP financial measures, which, to the extent not so qualified therein, is qualified by GAAP reconciliation information available on our corporate website at www.pnc.com under "For Investors."



Today's Discussion

- ▶ 2004 accomplishments
- ▶ Current environment and our 2005 opportunities
- ▶ Summary



2004 Accomplishments

- ▶ Improved returns on capital
- ▶ Increased client acquisition and retention
- ▶ Continued strong asset quality trends
- ▶ Maintained balance sheet flexibility
- ▶ Integrated UnitedTrust successfully

Financial Highlights

Twelve Months Ended
December 31, 2004

Net income	\$1.2 billion
EPS	\$4.21
ROCE	16.8%
Noninterest income to total revenue	64%
Loans to deposits	82%



Business Results are Gaining Momentum

\$ millions	Twelve Months Ended December 31			
	Earnings (Loss)			Return on Capital/Equity
	2004	2003	Growth	
PNC banking businesses	\$1,053	\$957	10%	24%
BlackRock	143	155	(8%)	19%
PFPC	70	64	9%	27%
Total business segment earnings	1,266	1,176	8%	24%
Minority interest in income of BlackRock	(42)	(47)		
Other	(27)	(100)		
Cumulative effect of accounting change		(28)		
Total consolidated	\$1,197	\$1,001	20%	17%



2004 Business Highlights

▶ **Banking businesses**

- Expanded low-cost deposits in the Regional Community Bank
 - ✓ Checking relationships +8%
 - ✓ Average demand deposits +14%
- Increased average loan balances
 - ✓ Consumer loans +29%
 - ✓ Commercial loans +8%
- Grew fee income

▶ **BlackRock**

- Grew assets under management by 10% to \$342 billion
- Expanded BlackRock Solutions® assignments
- Announced acquisition of State Street Research

▶ **PFPC**

- Grew accounting / administration assets serviced by 10% to \$721 billion
- Increased subaccounting accounts by 12% to 36 million



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Current Environment

- ▶ Higher interest rates
- ▶ Flatter yield curve
- ▶ Reduced mortgage production
- ▶ Regulatory and compliance requirements
- ▶ Increased provisioning



Building on Our Strengths and Seizing Our Opportunities

What we're good at...

- ▶ Growing low-cost deposit relationships
- ▶ Generating loans
- ▶ Maintaining a moderate risk profile
- ▶ Expanding differentiated set of fee-based businesses nationally and internationally

And the opportunities/challenges we see...

- ▶ Managing rising credit costs
- ▶ Enhancing asset yields
- ▶ Improving efficiency



Improving Loan Demand

Relative Change in PNC Wholesale Banking Loans Compared to Industry



PNC Wholesale loans outstanding exclude reclassification of Market Street Funding purchased customer receivables and is reconciled to GAAP in the Appendix
Industry C&I Loans Source: Federal Reserve Board
2005 based on PNC economist forecast



Earnings Cycle of a Hypothetical Commercial Loan

Impact on Pretax Earnings from Net Interest Income and Provision Expense



Lower Relative Asset Yields

Quarter Ended December 31, 2004

	<u>PNC</u>	<u>Peer Group Median</u>
Yield on earning assets	4.59%	4.93%
Funding	1.47%	1.59%
Net interest margin	3.12%	3.34%
Net charge-offs to earnings assets	0.09%	0.20%
Net charge-off-adjusted net interest margin	3.03%	3.14%

Source: SNL DataSource

Peer group median based on net charge-off-adjusted net interest margin of 10 super-regional banks defined in the Appendix



An Opportunity to Increase Asset Yields

Short-Term Securities Portfolio

Weighted-Average Life of Securities Portfolio

KEY	2.7 years
PNC	2.8
STI	3.8
FITB	4.3
WFC	5.1
WB	5.2
USB	5.3
BBT	Not disclosed
BK	Not disclosed
NCC	Not disclosed

Weighted-average life as disclosed in company reports
Information as of 9/30/04

Lower Real Estate Exposure

Total Real Estate-Related Assets to Total Assets

BK	27.8 %
PNC	39.8
KEY	40.1
WB	41.3
STI	48.1
USB	48.8
FITB	50.6
BBT	51.7
WFC	55.4
NCC	58.6

Includes MBS and loans secured by real estate
Source: S&P DataSource
Information as of 9/30/04

Receive Fixed Swaps

Receive Fixed Swaps to Average Earnings Assets

NCC	0.14 %
PNC	0.32
FITB	2.41
STI	2.97
BBT	3.20
WB	10.63
KEY	11.59
USB	11.64
BK	Not disclosed
WFC	Not disclosed

Includes receive fixed swaps designated as a cash flow hedge related to loans
Source: Company reports
Information as of 9/30/04



Value-Based Approach to Balance Sheet Management

PRINCIPLE

Manage balance sheet to maximize long term value

ACTIONS

- ▶ Strengthened treasury team
- ▶ Established New York office to attract top talent
- ▶ Leveraging BlackRock Solutions® capabilities

GOAL

Consistently outperform benchmark returns while effectively managing risk



Leveraging BlackRock Solutions® Capabilities

PNC Balance Sheet
Balance Sheet Executive Summary

Position Description	Book Value (000s)	Accr In/Market Value (000s)	BY G/L Neutral Field (000s)	DNV1 Spot/001 (000s)	Cygnus-1007 (000s)	Fig 410 (000s)	Eff. Dur	Spd Dur	Eff. Conv	Volat. Dur	Value OAS	Nom WAL
Commercial Loans												
Capped Loans												
Collateral Loans												
Mortgage Whole Loans												
All Loans												
Leased Loans												
Consumer Loans												
Mortgage Whole Loans												
All Loans												
Other Existing Assets												
PNC Investment Portfolio												
Other ALM Investments												
Corp and Inv												
Other Assets												
Non Alpha Assets												
Total Assets												
Total Time Deposits												
Transaction Deposits												
Total Deposits												
Wholesale Borrowings												
Total Borrowings												
Other Liabilities												
Total Liabilities												
Off Balance Sheet												
Total Off Balance Sheet												
Net Equity												
Total Asset Value												

Powered by BlackRock Solutions



Improving the Revenue/Expense Relationship

Efficiency Ratio for Twelve Months Ended December 31, 2004

	<u>Efficiency Ratio</u>
PNC reported	68%
Excluding PFPC & BlackRock	63%
Proforma revenue generated by:	
Increasing securities yield to peer median	} 58%
Growing loans to 100% of deposits	

Efficiency ratio reconciled to GAAP in the Appendix



Improving Efficiency

Approach

Team-oriented, company-wide process to identify efficiency improvement opportunities

Outcome

- ▶ Drive PNC closer to the customer
- ▶ Reallocate resources to value-added activities
- ▶ Make processes more efficient



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Every day is an opportunity to do more.sm

Appendix

Cautionary Statement Regarding Forward-Looking Information

We make statements in this presentation, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses, capital levels, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or supervisory matters on our business operations or performance, that are forward-looking statements. Forward-looking statements are typically identified by words or phrases such as "believe," "feel," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "position," "target," "assume," "achievable," "potential," "strategy," "goal," "objective," "plan," "aspiration," "outcome," "continue," "remain," "maintain," "seek," "strive," "trend," and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions.

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

The factors that we have previously disclosed in our SEC reports (accessible on our corporate website at www.pnc.com and on the SEC's website at www.sec.gov) and the following risks & uncertainties, among others, could cause actual results or future events to differ materially from those that we anticipated in our forward-looking statements or from our historical performance:

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



Cautionary Statement Regarding Forward-Looking Information (continued)

(8) how we choose to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in our businesses;

(9) the impact, extent and timing of technological changes, the adequacy of intellectual property protection, and costs associated with obtaining rights in intellectual property claimed by others;

(10) the timing and pricing of any sales of loans or other financial assets held for sale;

(11) our ability to obtain desirable levels of insurance, and whether or not insurance coverage for claims by PNC is denied;

(12) the relative and absolute investment performance of assets under management; and

(13) the extent of terrorist activities and international hostilities, increases or continuations of which may adversely affect the economy and financial and capital markets generally or us specifically.

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

Other mergers, acquisitions, restructurings, divestitures, business alliances or similar transactions, including our completed acquisitions of United National Bancorp and the loan origination business of Aviation Finance Group, LLC, and our pending acquisition of SSRM Holdings, Inc., will also be subject to similar risks and uncertainties related to our ability to realize expected cost savings or revenue enhancements or to implement integration and strategic plans and, in the case of SSRM Holdings Inc., related to our successful completion of the transaction.

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

Any annualized, proforma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's actual or anticipated results.



Additional Information About the Proposed Riggs National Corporation Acquisition

The PNC Financial Services Group, Inc. and Riggs National Corporation have filed a proxy statement/prospectus and will file other relevant documents concerning the merger with the United States Securities and Exchange Commission (the "SEC"). WE URGE INVESTORS TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain these documents free of charge at the SEC's web site (www.sec.gov). In addition, documents filed with the SEC by The PNC Financial Services Group, Inc. will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Riggs will be available free of charge from www.riggsbank.com.

The directors, executive officers, and certain other members of management of Riggs may be soliciting proxies in favor of the merger from its shareholders. For information about these directors, executive officers, and members of management, shareholders are asked to refer to Riggs's most recent annual meeting proxy statement, which is available at the web addresses provided in the preceding paragraph.



Non-GAAP to GAAP Reconciliation

Appendix

Wholesale Banking Loans Outstanding *

\$ millions

<u>Three Months Ended</u>	<u>Total Wholesale Banking Loans</u>	-	<u>Market Street Funding Loans</u>	=	<u>Wholesale Banking Loans Outstanding Excluding Market Street</u>
9/30/03	\$17,478		\$2,481		\$14,997
12/31/03	16,441		2,223		14,218
3/31/04	16,728		1,932		14,796
6/30/04	17,171		1,741		15,430
9/30/04	17,650		1,804		15,846
12/31/04	17,959		2,251		15,708

* Market Street Funding was consolidated under the provisions of FIN 46R effective July 1, 2003



Non-GAAP to GAAP Reconciliation

Appendix

Efficiency Ratio

\$ millions	Twelve Months Ended 12/31/04		
	Total Revenue	Noninterest Expense	Efficiency Ratio
PNC, GAAP basis	\$5,532	\$3,735	68%
Less: BlackRock	(761)	(559)	
PFPC	(763)	(646)	
PNC excluding BlackRock and PFPC	\$4,008	\$2,530	63%
Proforma increase of securities yield to peer median (from 3.61% in FY04 to 4.22%)	97		
Proforma increase of loan to deposit ratio to 100% (from 82% at 12/31/04 to 100%)	225		
PNC with adjusted securities yield and loan to deposit ratio	\$4,330	\$2,530	58%

Efficiency ratio calculated as noninterest expense divided by the sum of net interest income and noninterest income



Peer Group of Super-Regional Banks

Appendix

	<u>Ticker</u>
BB&T Corporation	BBT
The Bank of New York Company, Inc.	BK
Fifth Third Bancorp	FITB
KeyCorp	KEY
National City Corporation	NCC
The PNC Financial Services Group, Inc.	PNC
SunTrust Banks, Inc.	STI
U.S. Bancorp	USB
Wachovia Corporation	WB
Wells Fargo & Company	WFC

