
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

August 8, 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))
-

Item 2.02 Results of Operations and Financial Condition.

On August 8, 2005, James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. (the "Corporation"), gave a presentation to investors at the Keefe, Bruyette & Woods Large Cap Bank Conference. This presentation was accompanied by a series of electronic slides that included information pertaining to the financial results and business strategies 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: August 8, 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 Keefe, Bruyette & Woods Large Cap Bank Conference on August 8, 2005 | Furnished herewith |



The PNC Financial Services Group, Inc.

Keefe, Bruyette & Woods
Large Cap Bank Conference

Kohler, WI

August 8, 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 Appendix, as well as those factors previously disclosed in our 2004 annual report on Form 10-K, our first and second quarter 2005 reports on Form 10-Q, and other SEC reports (accessible on the SEC's website at www.sec.gov and on or through our corporate website at www.pnc.com).

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 or in the Appendix, is qualified by GAAP reconciliation information available on our corporate website at www.pnc.com under "For Investors."



First Half 2005 Highlights

- ▶ Strong client activity – business segment earnings* grew 9% compared with 1H04
- ▶ Riggs successfully converted in 48 hours - expense savings, loans, deposits and client growth met or exceeded expectations
- ▶ Noninterest expenses for 2Q05 increased 4% compared with the sequential quarter primarily driven by costs related to the Riggs and SSRM acquisitions
- ▶ Asset quality remained very strong
- ▶ Announced One PNC initiative

* Business segment earnings is reconciled to GAAP earnings in Appendix

Financial Highlights

Six Months Ended
June 30, 2005

| | |
|-------------------------------------|---------------|
| Net income | \$636 million |
| EPS (diluted) | \$2.22 |
| ROCE | 16.7% |
| Noninterest income to total revenue | 65% |
| Loans to deposits* | 84% |

* Loans to deposits as of June 30, 2005



Keys to Success in the Current Environment

A Solid Platform

- ▶ Diversified business mix
- ▶ Strong risk management

Executable Growth Strategies

- ▶ Invest and grow national fee-based businesses
- ▶ Continue to grow low-cost deposit franchise
- ▶ Generate value-added loans
- ▶ Improve asset yields
- ▶ Make operating efficiency a core competency

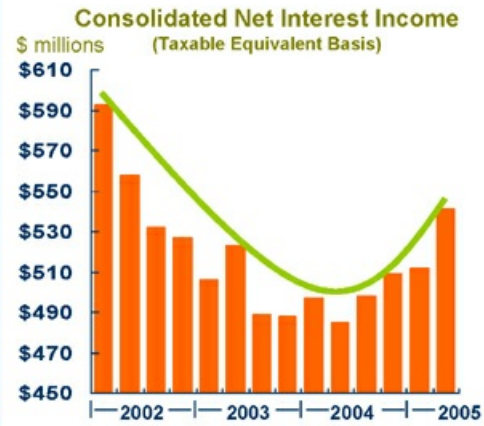


Capturing Revenue Growth Opportunities

Growing Noninterest Income



Net Interest Income Trends Improving

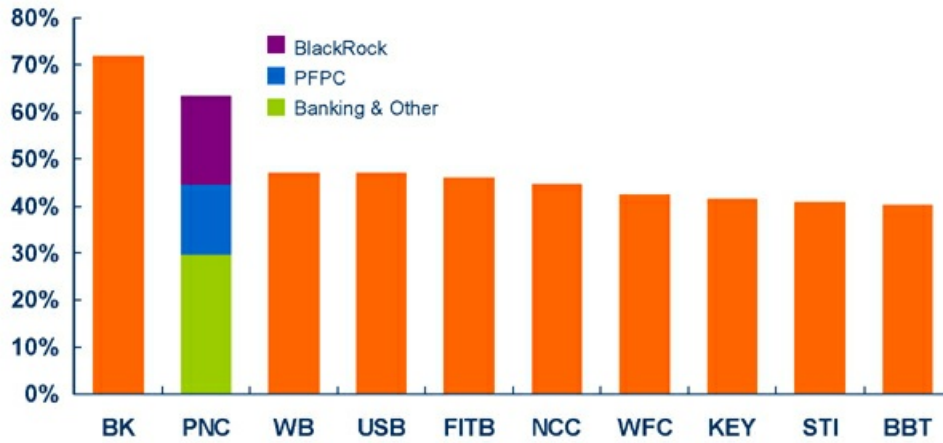


Net interest income on a taxable-equivalent basis is reconciled to GAAP net interest income in Appendix



Fee-Based Businesses Differentiate PNC

Noninterest Income to Total Revenue



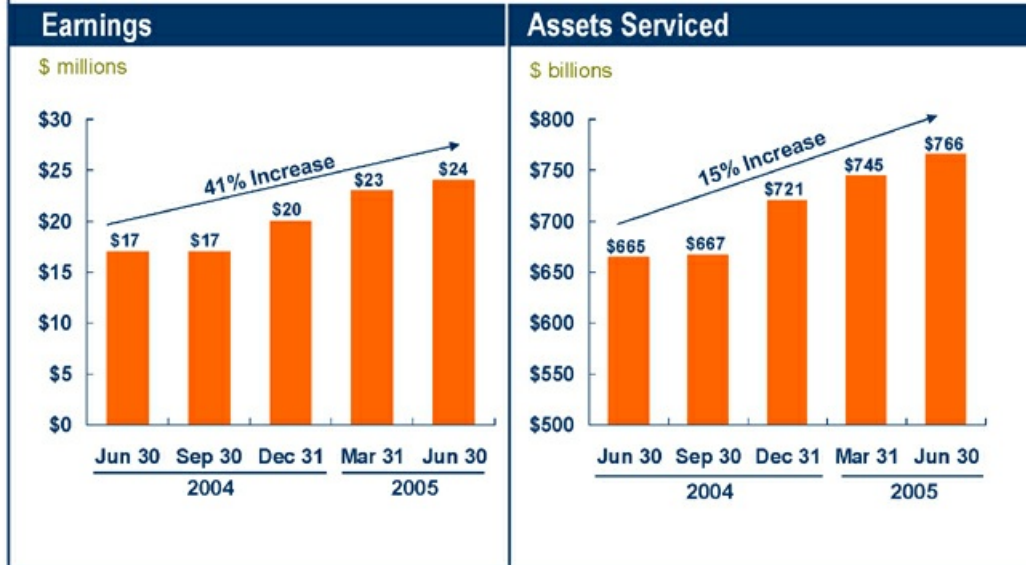
Information for the three months ended 6/30/05, PNC amounts calculated in the Appendix
Source: SNL DataSource



BlackRock – A Growth Engine



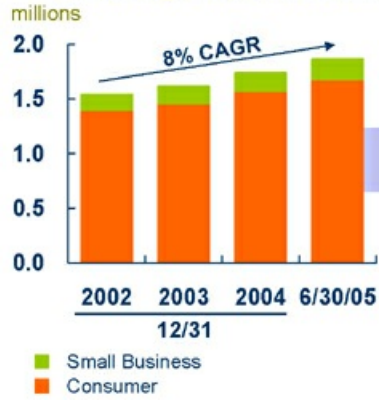
PFPC – Strong Trends



Deepening Our Relationships

Focused on Increasing and Deepening Checking Relationships

Regional Community Banking Checking Customer Base



...Provides Opportunities for Deepening Relationships

| | <u>Growth*</u> |
|---------------------------------|----------------|
| Home equity loans | +19% |
| Consumer On-line Banking Users | +19% |
| Consumer On-line Bill-Pay Users | +48% |

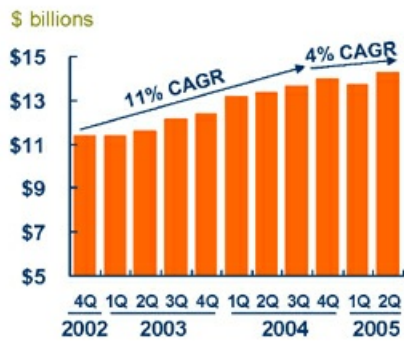
* Growth is for six months ended 6/30/05 vs. 6/30/04



Growing a Valuable Core Deposit Base

Relationship Strategy Generating Deposit Growth

**Regional Community Banking
Average Demand Deposits**



**Regional Community Banking
Average Certificates of Deposit**



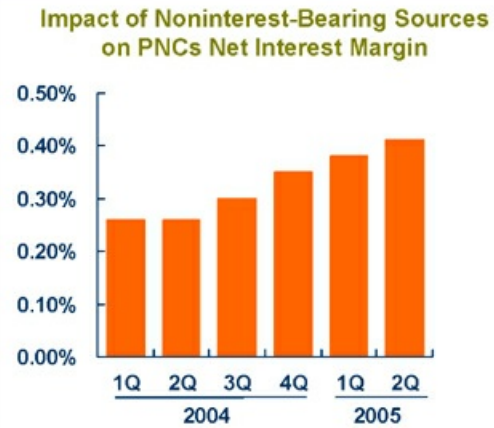
Differentiated by Lower Cost Funding

PNC's High % of Noninterest-Bearing Funding



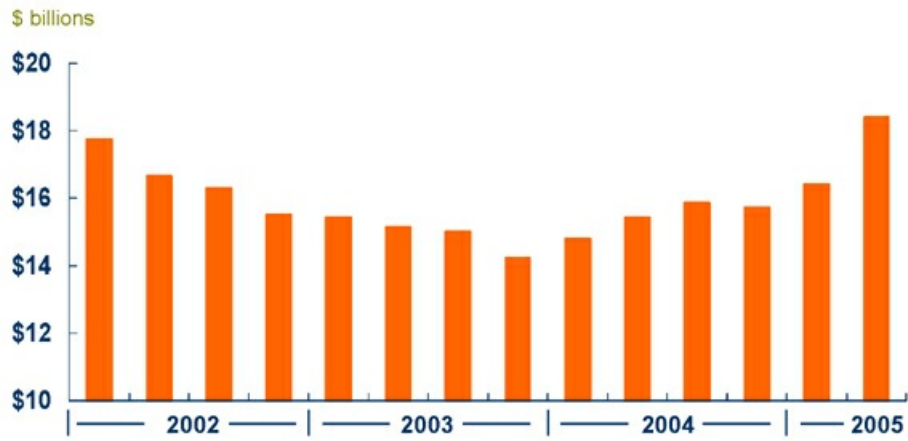
Industry source: SNL DataSource
 Industry reflects average of 460 publicly traded banks as identified by SNL.

Rising Interest Rates Increase Value of PNC's Noninterest-Bearing Deposits



Improving Execution Driving Loan Growth

PNC Wholesale Banking Loans



PNC Wholesale loans outstanding exclude the reclassification of Market Street Funding purchased customer receivables and is reconciled to GAAP in the Appendix



An Opportunity to Increase Securities Yields

Retained Flexibility

- ▶ Short portfolio duration
- ▶ Limited receive fixed swaps
- ▶ Low relative exposure to real estate-related assets

Increasing Yields on Securities Portfolio

| | Yield on Securities Portfolio | | |
|------|-------------------------------|--------|--------|
| | 2Q05 | 2Q04 | Change |
| PNC | 4.24 % | 3.33 % | +91bp |
| BK | 4.12 | 3.32 | +80bp |
| STI | 4.33 | 3.62 | +71bp |
| WB | 5.03 | 4.61 | +42bp |
| USB | 4.61 | 4.27 | +34bp |
| FITB | 4.42 | 4.17 | +25bp |
| NCC | 5.11 | 4.88 | +23bp |
| KEY | 4.58 | 4.42 | +16bp |
| WFC | 5.68 | 5.54 | +14bp |
| BBT | 4.13 | 4.04 | +9bp |

Source: SNL DataSource and company filings
Information as of 6/30/05



The One PNC Initiative

| Goals | Expected Results |
|---|--|
| <ul style="list-style-type: none">▶ Move closer to customer▶ Become more efficient▶ Target resources to more value-added activities | <ul style="list-style-type: none">▶ Simplified business structure▶ Eliminate 3,000 positions or 13% of total positions▶ Achieve cost savings of approximately \$300 million▶ Generate approximately \$100 million in revenues through pricing enhancements and growth initiatives▶ Severance and related charges of \$85 million |



Summary

- ▶ Already accomplished a great deal in 2005
- ▶ A solid platform - built a diversified revenue stream and fortress balance sheet
- ▶ Our businesses have executable plans to drive growth



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 and/or other matters regarding or affecting PNC that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

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

In addition to factors that we have disclosed in our 2004 annual report on Form 10-K, our first and second quarter 2005 reports on Form 10-Q, and in other reports that we file with the SEC (accessible on the SEC's website at www.sec.gov and on or through PNC's corporate website at www.pnc.com), PNC's forward-looking statements are subject to, among others, the following risks and uncertainties, which could cause actual results or future events to differ materially from those that we anticipated in our forward-looking statements or from our historical performance:

- changes in political, economic or industry conditions, the interest rate environment, or the financial and capital markets (including as a result of actions of the Federal Reserve Board affecting interest rates, 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 (g) the availability and terms of funding necessary to meet our liquidity needs;
- the impact on us of legal and regulatory developments, including the following: (a) the resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of the regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and regulators' future use of supervisory and enforcement tools; (d) legislative and regulatory reforms, including changes to tax 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;
- the impact on us of changes in the nature and extent of our competition;
- the introduction, withdrawal, success and timing of our business initiatives and strategies;



Cautionary Statement Regarding Forward-Looking Information (continued)

- customer acceptance of our products and services, and our customers' borrowing, repayment, investment and deposit practices;
- the impact on us of changes in the extent of customer or counterparty delinquencies, bankruptcies or defaults, which could affect, among other things, credit and asset quality risk and our provision for credit losses;
- the ability to identify and effectively manage risks inherent in our businesses;
- how we choose to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in our businesses;
- the impact, extent and timing of technological changes, the adequacy of intellectual property protection, and costs associated with obtaining rights in intellectual property claimed by others;
- the timing and pricing of any sales of loans or other financial assets held for sale;
- our ability to obtain desirable levels of insurance and to successfully submit claims under applicable insurance policies;
- the relative and absolute investment performance of assets under management; and
- the extent of terrorist activities and international hostilities, increases or continuations of which may adversely affect the economy and financial and capital markets generally or us specifically.

Our future results are likely to be affected significantly by the results of the implementation of our One PNC initiative, as discussed in this presentation. Generally, the amounts of our anticipated cost savings and revenue enhancements are based to some extent on estimates and assumptions regarding future business performance and expenses, and these estimates and assumptions may prove to be inaccurate in some respects. Some or all of the above factors may cause the anticipated expense savings and revenue enhancements from that initiative not to be achieved in their entirety, not to be accomplished within the expected time frame, or to result in implementation charges beyond those currently contemplated or some other unanticipated adverse impact. Furthermore, the implementation of cost savings ideas may have unintended impacts on our ability to attract and retain business and customers, while revenue enhancement ideas may not be successful in the marketplace or may result in unintended costs. Assumed attrition required to achieve workforce reductions may not come in the right places or at the right times to meet planned goals.

In addition, we grow our business from time to time by acquiring other financial services companies. Acquisitions in general present us with a number of risks and uncertainties related both to the acquisition transactions themselves and to the integration of the acquired businesses into PNC after closing. In particular, acquisitions may be substantially more expensive to complete (including the integration of the acquired company) and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected. As a regulated financial institution, our



Cautionary Statement Regarding Forward-Looking Information (continued)

pursuit of attractive acquisition opportunities could be negatively impacted due to regulatory delays or other regulatory issues. Regulatory and/or legal issues of an acquired business may cause reputational harm to PNC following the acquisition and integration of the acquired business into ours and may result in additional future costs and expenses arising as a result of those issues. Recent acquisitions, including our acquisition of Riggs National Corporation, continue to present the integration and other post-closing risks and uncertainties described above.

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

Also, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical performance relating to our majority-owned subsidiary BlackRock, Inc. are discussed in more detail in BlackRock's filings with the SEC, accessible on the SEC's website and on or through 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.



Non-GAAP to GAAP Reconciliation

Appendix

Business Earnings

| \$ millions | For the six months ended | | Change % |
|---|--------------------------|---------------|----------|
| | June 30, 2005 | June 30, 2004 | |
| Banking businesses | | | |
| Regional Community Banking | \$258 | \$227 | |
| Wholesale Banking | 254 | 235 | |
| PNC Advisors | 53 | 58 | |
| Total banking businesses | 565 | 520 | |
| Asset management and processing businesses | | | |
| BlackRock | 100 | 103 | |
| PFPC | 47 | 33 | |
| Total asset management and processing businesses | 147 | 136 | |
| Total business segment earnings | 712 | 656 | 9% |
| Minority interest in (income) of BlackRock | (30) | (30) | |
| Other | (46) | 6 | |
| Total consolidated | \$636 | \$632 | |



Non-GAAP to GAAP Reconciliation

Appendix

Net Interest Income

| \$ millions | <u>1Q02</u> | <u>2Q02</u> | <u>3Q02</u> | <u>4Q02</u> | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Net interest income, GAAP basis | \$590 | \$555 | \$528 | \$524 | | |
| Taxable-equivalent adjustment | <u>3</u> | <u>3</u> | <u>4</u> | <u>3</u> | | |
| Net interest income, taxable-equivalent basis | \$593 | \$558 | \$532 | \$527 | | |
| | <u>1Q03</u> | <u>2Q03</u> | <u>3Q03</u> | <u>4Q03</u> | | |
| Net interest income, GAAP basis | \$503 | \$521 | \$487 | \$485 | | |
| Taxable-equivalent adjustment | <u>3</u> | <u>2</u> | <u>2</u> | <u>3</u> | | |
| Net interest income, taxable-equivalent basis | \$506 | \$523 | \$489 | \$488 | | |
| | <u>1Q04</u> | <u>2Q04</u> | <u>3Q04</u> | <u>4Q04</u> | <u>1Q05</u> | <u>2Q05</u> |
| Net interest income, GAAP basis | \$494 | \$481 | \$491 | \$503 | \$506 | \$534 |
| Taxable-equivalent adjustment | <u>3</u> | <u>4</u> | <u>7</u> | <u>6</u> | <u>6</u> | <u>7</u> |
| Net interest income, taxable-equivalent basis | \$497 | \$485 | \$498 | \$509 | \$512 | \$541 |



Non-GAAP to GAAP Reconciliation

Appendix

Noninterest Income to Total Revenue*

\$ millions

| | Three Months Ended 6/30/05 | | |
|--------------------|----------------------------|----------------------------------|--|
| | Noninterest Income | Consolidated Total Revenue | Noninterest Income to Consolidated Total Revenue* |
| BlackRock | \$271 | | 18.6% |
| PFPC | 219 | | 15.0 |
| Banking businesses | 456 | | 31.3 |
| Other | (21) | | (1.5) |
| Total consolidated | \$925 | \$1,459 | 63.4% |

} 29.8%

*Sum of net interest income and noninterest income



Non-GAAP to GAAP Reconciliation

Appendix

BlackRock Adjusted Earnings

\$ millions

Management believes that adjusted earnings per diluted share is an effective indicator of the Company's profitability and financial performance over time. The LTP expense associated with awards to be met by PNC's funding requirement has been excluded from adjusted earnings per diluted share because, exclusive of the impact related to LTP participant's exit options, these approach charges will not impact BlackRock's book value. The remaining items disclosed below, which have been deemed non-recurring by management, have been excluded from adjusted earnings per diluted share to help ensure the comparability of this information to prior reporting periods.

| 2004 | Quarter | | | | | | | | | | | | | | |
|--|-------------|----------------------|-------------|-------------|----------------------|-------------|-------------|----------------------|-------------|-------------|----------------------|-------------|------------|-------------|------------|
| | Q1 | | Q2 | | Q3 | | Q4 | | Q1 | | Q2 | | | | |
| | As reported | Non-GAAP Adjustments | As adjusted | As reported | Non-GAAP Adjustments | As adjusted | As reported | Non-GAAP Adjustments | As adjusted | As reported | Non-GAAP Adjustments | As adjusted | | | |
| Revenue | \$ 181,823 | \$ - | \$ 181,823 | \$ 183,812 | \$ - | \$ 183,812 | \$ 170,989 | \$ - | \$ 170,989 | \$ 188,677 | \$ - | \$ 188,677 | \$ 175,311 | \$ - | \$ 175,311 |
| Expenses | | | | | | | | | | | | | | | |
| Compensation and benefits | 68,268 | - | 68,268 | 61,618 | (7,256) (B) | 74,814 | 64,983 | - | 64,983 | 74,622 | - | 74,622 | 287,129 | (7,256) | 281,126 |
| Long-term retention and incentive plan | - | - | - | - | - | - | 30,626 | (74,126) (D) | 16,481 | 13,389 | (10,842) (C) | 2,411 | 102,889 | (86,107) | 18,882 |
| Other | 69,392 | - | 69,392 | 28,413 | - | 39,813 | 27,419 | - | 27,419 | 66,565 | (1,200) (E) | 65,365 | 288,375 | (1,200) | 287,175 |
| Total | 137,660 | - | 137,660 | 92,031 | (7,256) | 114,627 | 103,418 | (74,126) | 27,802 | 153,576 | (11,042) | 142,534 | 663,933 | (88,113) | 575,820 |
| Operating income (loss) | 44,163 | - | 44,163 | 62,881 | 7,264 | 69,888 | (22,376) | 74,126 | 61,748 | 65,226 | 11,842 | 67,808 | 168,798 | 65,111 | 268,609 |
| Nonrecurring income (loss) | 6,813 | - | 6,813 | 15,488 | (12,947) (B) | 2,041 | 6,632 | - | 6,632 | 7,657 | - | 7,657 | 34,649 | (12,947) | 21,699 |
| Income taxes | 20,589 | 8,659 (A) | 29,248 | 26,621 | (1,458) (B) | 24,322 | (7,265) | 27,426 (C) | 25,161 | 12,919 | 5,646 (D) | 20,837 | 62,264 | 48,424 | 133,688 |
| Minority interest | 288 | - | 288 | 3,382 | (2,312) (B) | 662 | 285 | - | 285 | 612 | - | 612 | 513 | (2,312) | 2,221 |
| Net income (loss) | \$ 18,385 | \$ 3,205 | \$ 21,590 | \$ 45,630 | \$ (4,235) | \$ 49,565 | \$ (3,114) | \$ 49,035 | \$ 34,656 | \$ 29,746 | \$ (1,200) | \$ 28,546 | \$ 113,829 | \$ (13,441) | \$ 100,388 |
| Diluted earnings (loss) per share | \$ 0.84 | \$ (0.12) | \$ 0.71 | \$ 0.79 | \$ (0.02) | \$ 0.71 | \$ (0.16) | \$ 0.71 | \$ 0.66 | \$ 0.70 | \$ (0.02) | \$ 0.72 | \$ 2.17 | \$ 0.80 | \$ 2.70 |
| Diluted shares outstanding | 68,807,458 | 68,807,458 | 68,768,879 | 68,768,879 | 63,479,779 | 70,303,898 | 71,889,632 | 68,889,632 | 68,229,627 | 69,229,627 | 68,969,473 | 68,969,473 | 68,969,473 | 68,969,473 | 68,969,473 |

(A) Diluted earnings per share, as adjusted has been derived from the Company's consolidated financial statements, as follows:

| | Three months ended | | | Six months ended | | |
|---|--------------------|----------|-----------|------------------|-----------|----------|
| | June 30, | | March 31, | June 30, | | June 30, |
| | 2003 | 2004 | 2003 | 2003 | 2004 | |
| Net income, GAAP basis | 53,335 | \$47,996 | \$46,516 | \$99,871 | \$101,203 | |
| Add back: PNC LTP funding requirement | 7,716 | - | 7,374 | 15,110 | - | |
| 10K acquisition costs | - | - | 5,290 | 5,290 | - | |
| Release of reserves related to the New York State tax audit | - | - | - | - | (8,439) | |
| Impact of Trepp sale | (486) | (1,572) | - | (486) | (1,572) | |
| Net income, as adjusted | 60,565 | 46,424 | 59,210 | 120,385 | 92,172 | |
| Diluted earnings per share, GAAP basis | 50.80 | 50.73 | 50.79 | 51.49 | 51.57 | |
| Diluted earnings per share, as adjusted | 50.91 | 50.71 | 50.89 | 51.60 | 51.41 | |



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 |
| 3/31/05 | 18,595 | | 2,195 | | 16,400 |
| 6/30/05 | 20,726 | | 2,335 | | 18,391 |

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



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 |

