
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

May 15, 2006
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 May 17, 2006, Richard J. Johnson, Chief Financial Officer of The PNC Financial Services Group, Inc. (the "Corporation"), gave a presentation to investors at the Lehman Brothers Financial Services Conference in London, England. This presentation was accompanied by a series of electronic slides that included information pertaining to the financial results and business strategies of the Corporation.

Presentation handouts, including these slides and related material, were also made available on the Corporation's website beginning on May 15, 2006. 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.

Date: May 17, 2006

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

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 Lehman Brothers Financial Services Conference on May 17, 2006	Furnished herewith



The PNC Financial Services Group,
Inc.

Lehman
2006 Financial Services Conference
Brothers

May 17,
2006

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, which change over time.

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 and in the version of the presentation materials posted on our corporate website at www.pnc.com. We provide greater detail regarding those factors in our 2005 Form 10-K, including in the Risk Factors and Risk Management sections, and in our first quarter 2006 Form 10-Q and other SEC reports (accessible on the SEC's website at www.sec.gov and on or through 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 or in the Appendix, is qualified by GAAP reconciliation information available on our corporate website at www.pnc.com under "For Investors."



Key Messages

PNC is...

- ▶ A diversified financial services company
- ▶ Maintaining a moderate risk profile that is key to improving consistency
- ▶ Executing strategies focused on continued growth and positive operating leverage

PNC – A Diversified Financial Services Company

Business Leadership

▶ Retail Banking

- A leading community bank in PNC major markets
- Top FDIC-insured lender in the U.S.
- One of the nation's largest wealth management firms

▶ Corporate & Institutional Banking

- Top 10 Treasury Management business
- The nation's second largest lead arranger of asset-based loan syndications
- Harris Williams one of the nation's largest advisory firms for middle market companies

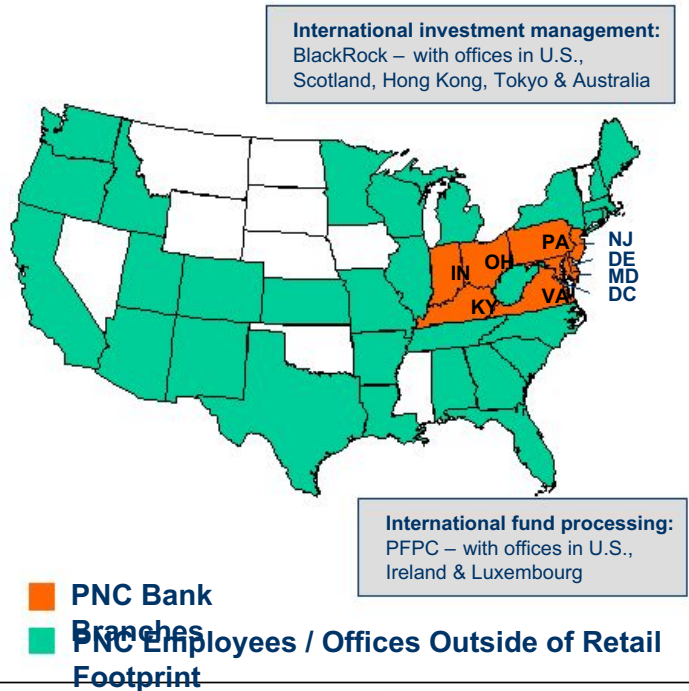
▶ PFPC

- Among the largest providers of mutual fund transfer agency and accounting administration services in the U.S.

▶ BlackRock

- One of the nation's largest publicly traded managers

Regional, National and International

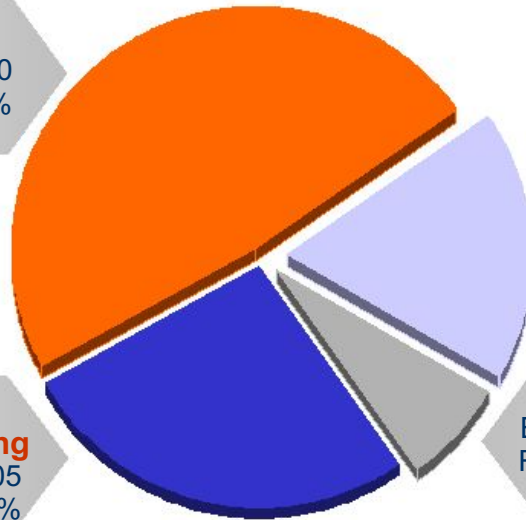


PNCs High Return Business Mix

Business Earnings Contribution Three Months Ended March 31, 2006

\$ millions

Retail Banking
Earnings \$190
Return on capital 26%



BlackRock
Earnings \$71
Return on average equity 30%

Corporate & Institutional Banking
Earnings \$105
Return on capital 22%

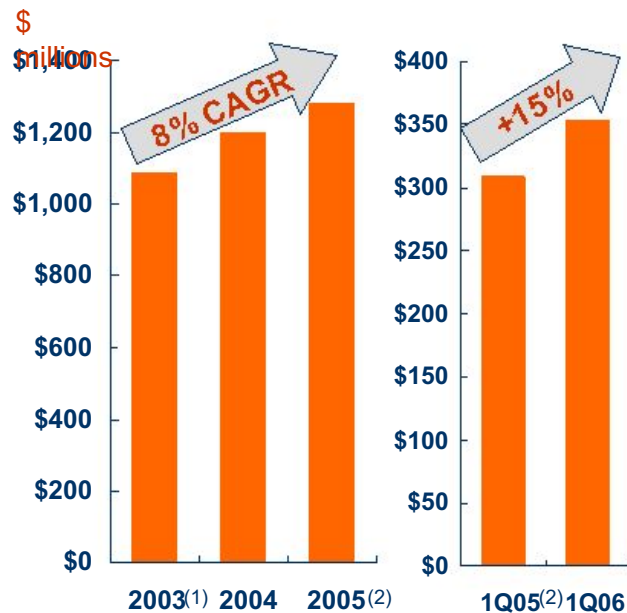
PFPC
Earnings \$27
Return on average equity 28%

Business earnings and return on capital reconciled to GAAP net income and returns in Appendix



We've Been Delivering Results

Consolidated Net Income



Year to Date Highlights

- ▶ Earned \$354 million or \$1.19 per diluted share in first quarter
- ▶ Experienced solid customer growth and business trends
- ▶ Asset quality remained strong
- ▶ Announced 10% dividend increase
- ▶ BlackRock announced agreement to merge with Merrill Lynch's investment management business
- ▶ Well positioned with anticipated significant capital flexibility

(1) 2003 net income excludes expenses related to the DOJ agreement of \$87 million after tax and is reconciled to GAAP in Appendix

(2) 2005 and 1Q05 net income excludes one-time tax benefit of \$45 million and is reconciled to GAAP in Appendix

Appendix



BlackRock/Merrill Lynch Investment Managers Creates a Leading Investment Management Firm

Transaction is a Win–Win for PNC and BlackRock

- ▶ Will create a top ten investment manager worldwide
 - \$1 trillion in assets under management
 - Largest publicly traded asset manager in the U.S.
 - Largest active fixed income manager in the U.S.
 - 4th largest broker-distributed U.S. fund family

- ▶ Will unlock value and create opportunities for PNC
 - PNC retains our share ownership in larger and more valuable company
 - Immediately accretive to PNC's earnings
 - BlackRock contribution to PNC earnings expected to increase
 - \$1.6 billion after-tax gain expected to be recognized, subject to adjustments, at closing
 - Significant additional unrecognized gain on BlackRock investment
 - Will better align our tangible common equity ratio with our regulatory and economic capital



Key Messages

PNC is...

- ▶ A diversified financial services company
- ▶ Maintaining a moderate risk profile that is key to improving consistency
- ▶ Executing strategies focused on continued growth and positive operating leverage

Strong Risk Culture is Essential to Minimizing Surprises

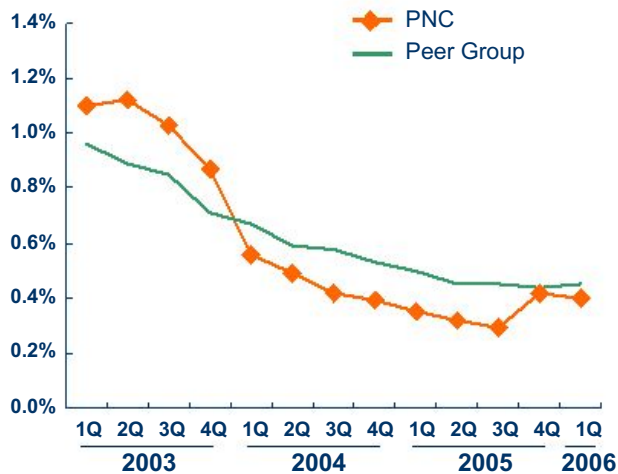
Strategic Actions We've Taken to Enhance our Risk Culture

- ▶ Strengthened personnel and systems
- ▶ Improved diversification
- ▶ Increased loan granularity
- ▶ Enhanced disclosure
- ▶ Remained disciplined

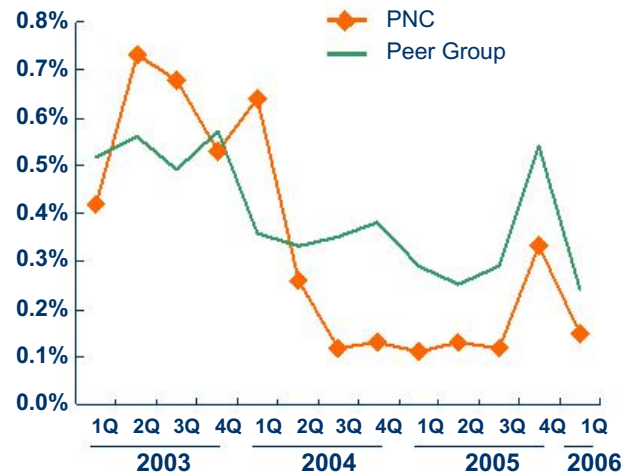
Disciplined Approach Leads to Strong Asset Quality

Asset Quality Compared to Peers

Nonperforming Assets to Loans, Loans Held for Sale and Foreclosed Assets



Net Charge-offs to Average Loans



Source: SNL DataSource

PNC 2Q05 net charge-off ratio excludes \$53 million loan recovery. The ratio was (0.32%) including the recovery. Peer group reflects median of super-regional banks as defined in Appendix excluding PNC

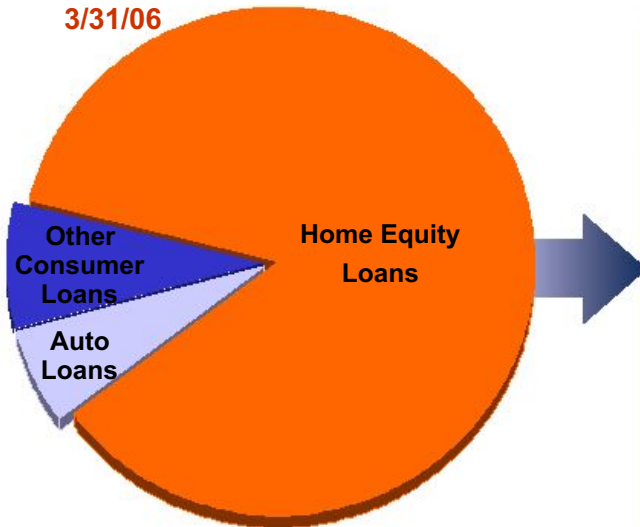


High Quality Consumer Loan Portfolio

Composition of Consumer Loan Portfolio

Average Consumer Loans

For the Three Months Ended
3/31/06

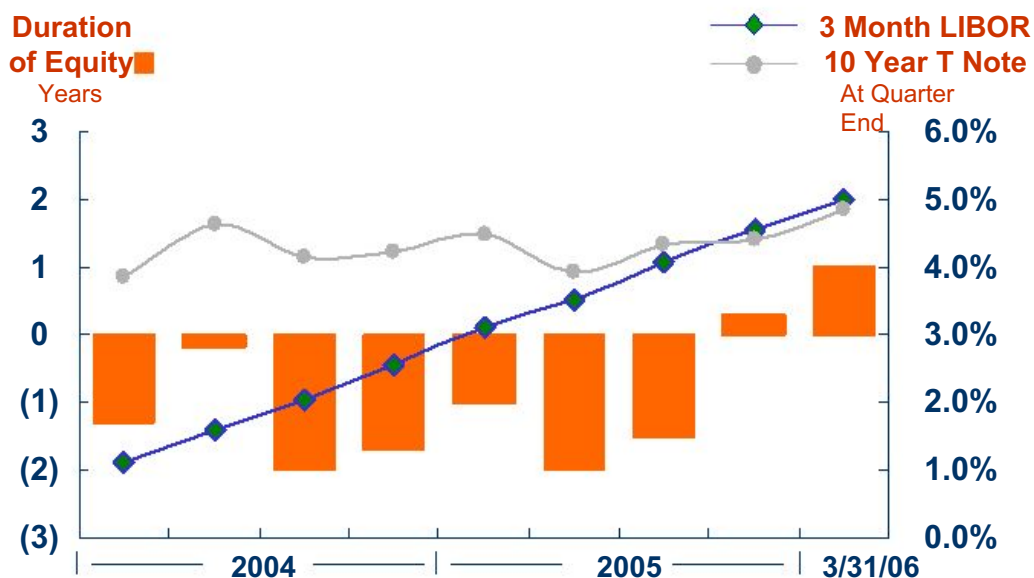


Home Equity Portfolio Credit Statistics

	<u>3/31/06</u>
First lien positions	45%
Weighted average:	
Loan to value	68%
FICO scores	727
90 days past due	0.22%

Our Approach to Interest Rate Risk: Preserve and Optimize Long-Term Value

Neutral Duration of Equity Positions Us Well in This Environment



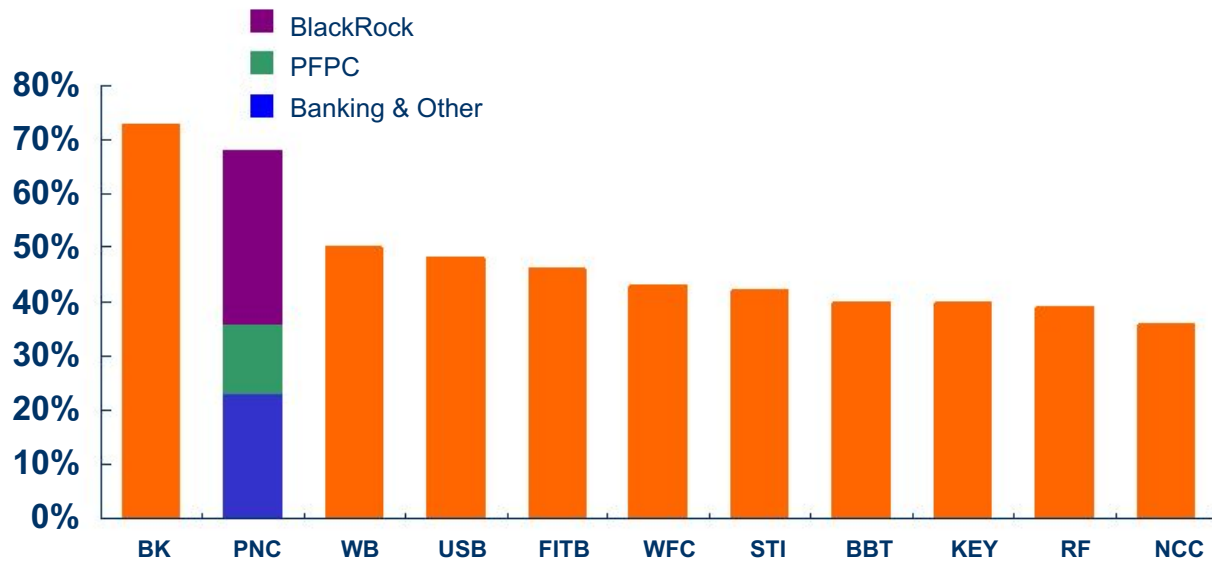
Key Messages

PNC is...

- ▶ A diversified financial services company
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- ▶ Executing strategies focused on continued growth and positive operating leverage

Fee-Based Differentiate PNC

Noninterest Income to Total Revenue

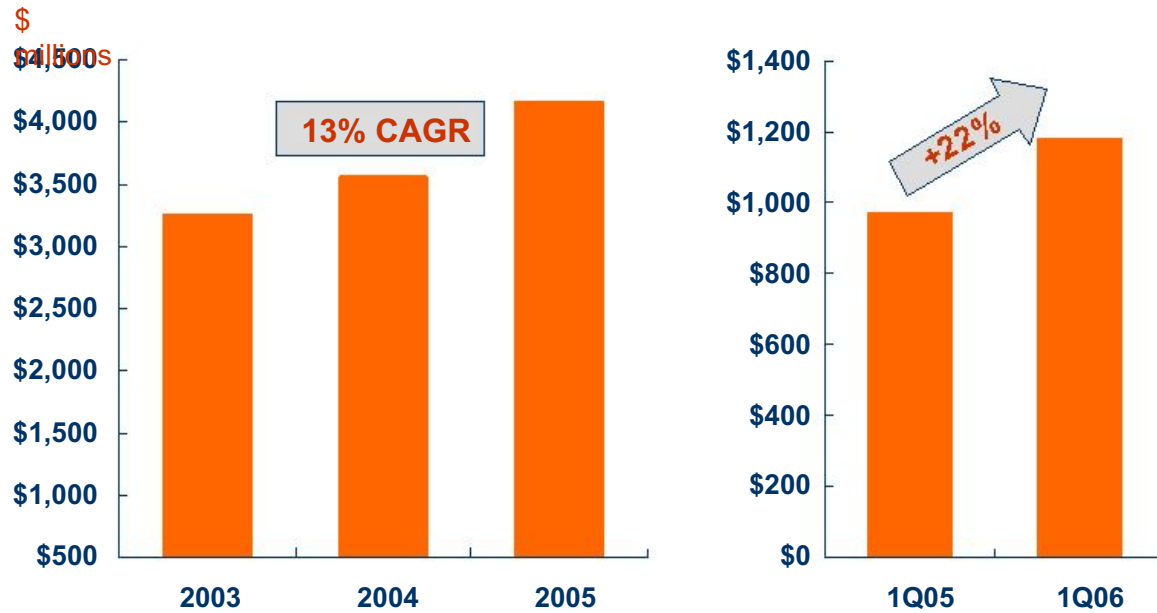


Information for the quarter ended 3/31/2019
BNC amounts calculated in the Appendix
Source: SNL DataSource



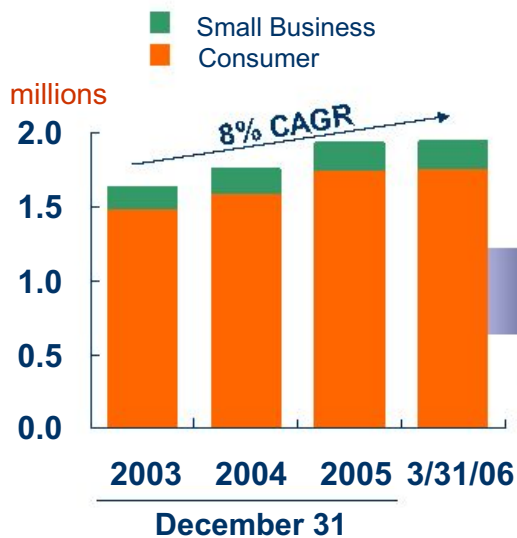
Fee Based Businesses Driving Noninterest Income Growth

Consolidated Noninterest Income



Increasing and Deepening Relationships

Retail Banking Checking Customer Base



...Provides Opportunities for Deepening Relationships

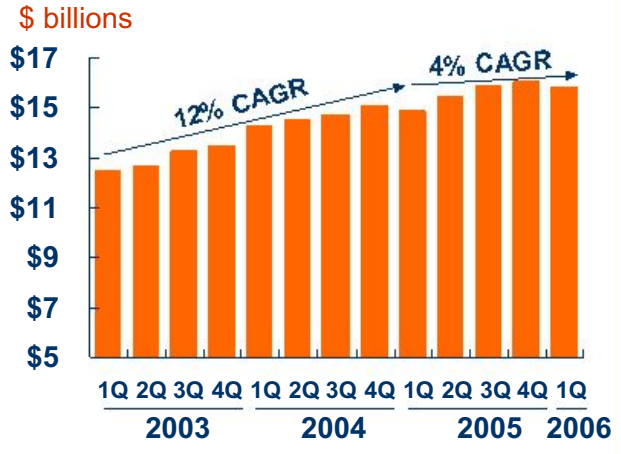
	<u>3/31/06</u>	<u>Growth*</u>
Average home equity loans (\$ billions)	\$13.8	+8%
Consumer on-line banking users	50%	+18%
Consumer online bill-pay users	14%	+92%

* Growth is for 1Q06 vs. 1Q05

Growing a Valuable Core Deposit Base

Relationship Strategy Generating Deposit Growth

Retail Banking Average Demand Deposits



Retail Banking Average Certificates of Deposit



Growing Deposits Faster Than Our

PEERS Deposit Increase Compared to Peers

Average Balances

	1Q06 vs. 1Q05	
	PNC	Peers
Total interest-bearing deposits	15%	9%
Total noninterest-bearing deposits	12%	3%
Total deposits	14%	7%

Source: SNL

Peer Source: reflects median of super-regional banks as identified in the Appendix excluding

PNC



Noninterest-Bearing Deposits Becoming More Valuable

PNC's High Percentage of Noninterest-Bearing Funding

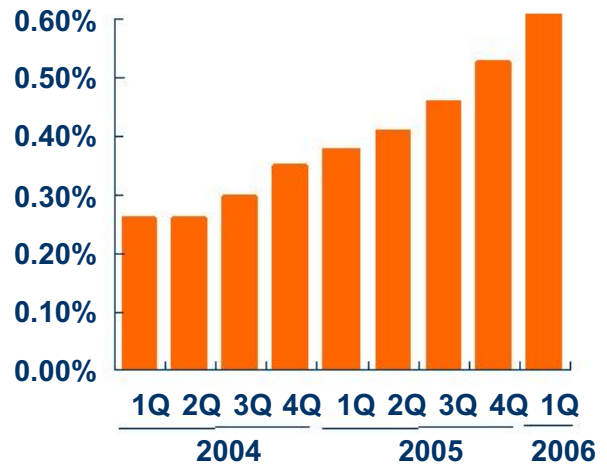
Average Noninterest-Bearing Deposits to Average Earning Assets

	1Q06
WFC	21 %
PNC	18
BK	18
RF	17
KEY	16
USB	16
STI	15
WB	15
FITB	14
NCC	13
BBT	13

Source: SNL
DataSource

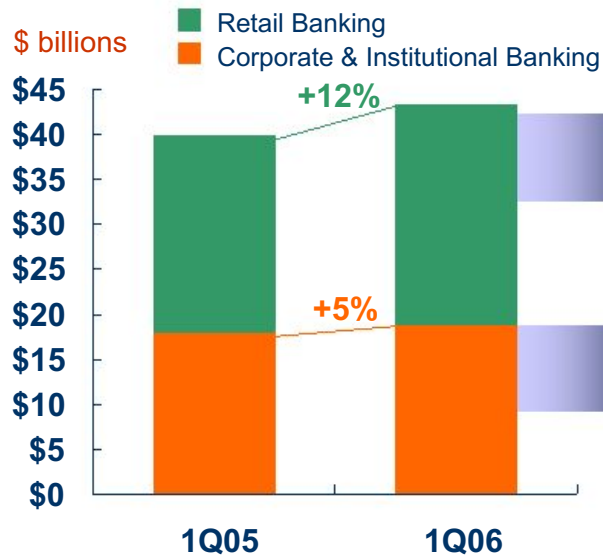
Rising Interest Rates Increase PNC's Noninterest-Bearing

Impact of Noninterest-Bearing Sources on PNC's Net Interest Margin



Improving Execution Driving Loan Growth

Average Loans Outstanding



Drivers of Growth

Retail Banking

- ▶ Focus on home equity loan product
- ▶ Offering enhanced Business Banking product set to small business customers

Corporate & Institutional Banking

- ▶ Leveraging national distribution in Commercial Real Estate and Asset Based Lending
- ▶ Delivering superior product set to market clients

An Opportunity to Secure Yields

Retained Portfolio Flexibility

As of March 31, 2006

- ▶ Effective duration of 3.0 years
- ▶ Weighted-average life of 4.3 years
- ▶ 10% is floating rate
- ▶ 15% matures or re-prices in next twelve months

Increasing Yields on Securities

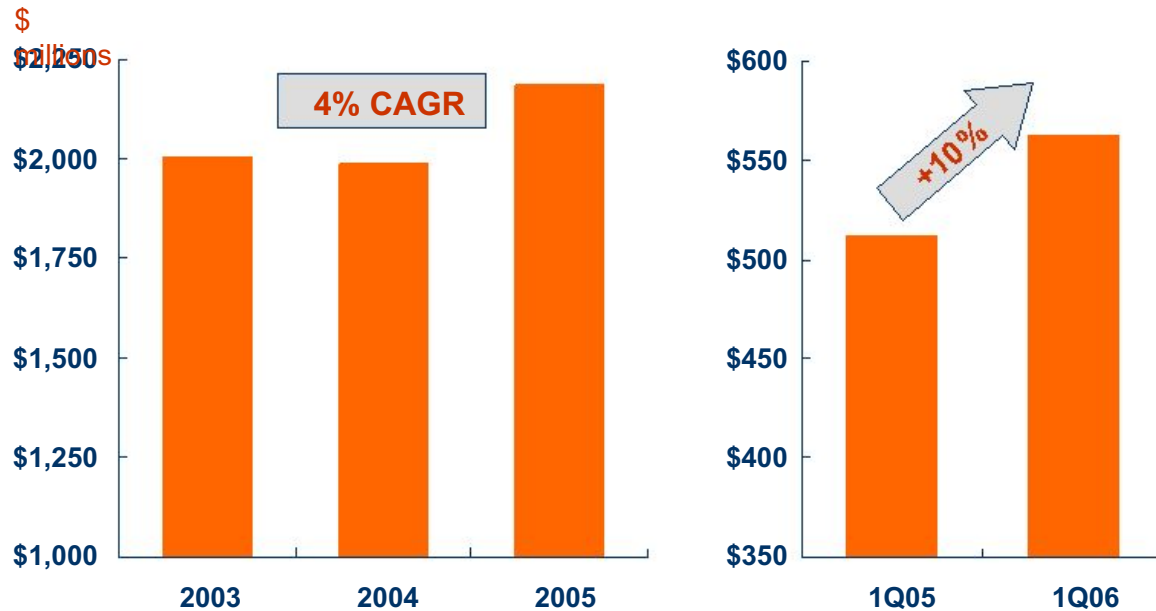
	Yield on Securities Portfolio		
	1Q06	1Q05	Change
BK	4.61 %	3.77 %	+84bp
RF	4.92	4.32	+60bp
PNC	4.66	4.10	+56bp
USB	5.00	4.48	+52bp
WFC	6.06	5.60	+46bp
STI	4.69	4.25	+44bp
BT	4.39	4.08	+31bp
WB	5.24	5.01	+23bp
NCC	5.27	5.07	+20bp
KEY	4.62	4.47	+15bp
FITB	4.52	4.44	+8bp

Source: SNL DataSource and company filings



Net Interest Income Improving

Consolidated Net Interest Income (Taxable-Equivalent Basis)



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



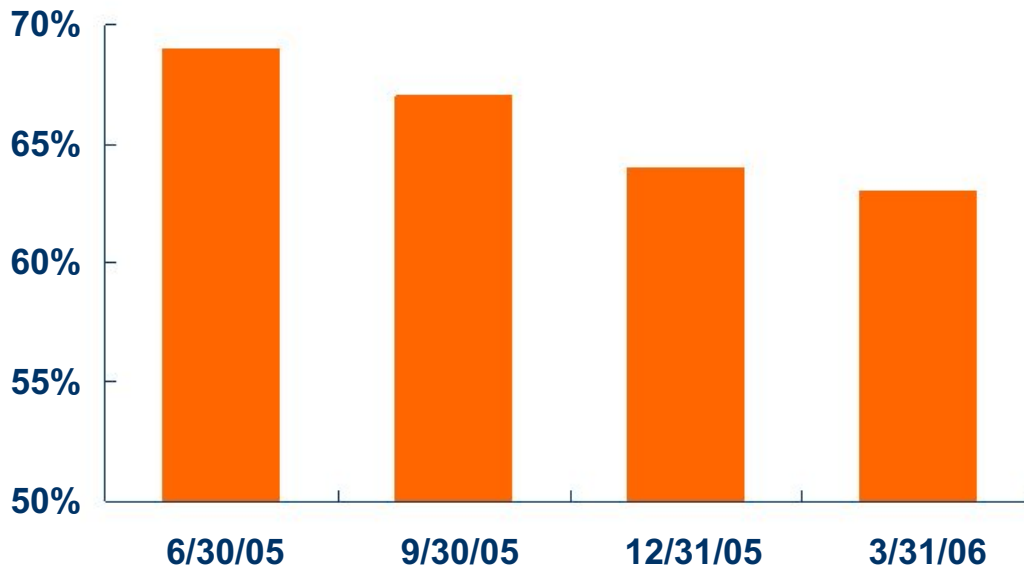
One PNC – Driving Improved Operating Leverage

Building a Culture of Continuous Improvement

Expected Outcomes	Update – As of 3/31/06
<ul style="list-style-type: none">▶ Eliminate 3,000 positions▶ Implement 2,400 ideas▶ Achieve \$400 million total value	<ul style="list-style-type: none">▶ 2,100 positions eliminated▶ 91% of ideas are complete or in process▶ Delivered \$60 million first quarter of 2006. On track to capture \$400 million of value by 2007.

Impact of Expense Management Becoming More Visible

Bank Efficiency Ratio Improving



Bank efficiency ratio represents the consolidated (GAAP basis) efficiency ratio excluding the effect of BlackRock and PNC and is reconciled to GAAP in the Appendix.



Improving Capital Flexibility

Capital Management Priorities

- ▶ Invest in and grow our businesses
- ▶ Disciplined approach to acquisitions
- ▶ Return to shareholders

Tangible Common Equity Ratio

As of December 31,
2005

PNC (Pro forma)	7.3%
FITB	6.9%
KEY	6.7%
NCC	6.6%
WFC	6.2%
BBT	6.1%
USB	5.7%
BK	5.6%
STI	5.6%
PNC	5.0%
WB	4.9%

Pro forma after giving effect to BlackRock/Merrill
transaction and is reconciled to GAAP in
Appendix



Summary

PNC has:

- ▶ Built a differentiated company
- ▶ Comprehensive risk management culture to increase predictability
- ▶ Proven and executable growth strategies



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, 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 "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and 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 materially from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties. We provide greater detail regarding these factors in our Form 10-K for the year ended December 31, 2005, including in the Risk Factors and Risk Management sections, and in our Form 10-Q for the quarter ended March 31, 2006. Our forward-looking statements may also be subject to other risks and uncertainties including those that we may discuss elsewhere in this presentation or our filings with the SEC, accessible on the SEC's website at www.sec.gov and on or through our corporate website at www.pnc.com.

- Our business and operating results are affected by business and economic conditions generally or specifically in the principal markets in which we do business. We are affected by changes in our financial performance, as well as changes in customer preferences and behavior, including as a result of changing economic conditions.
- The value of our assets and liabilities as well as our overall financial performance are affected by changes in interest rates or in valuations in the debt/equity markets. Actions by the Federal Reserve and other government agencies, including those that impact money supply and market interest rates, can affect our activities and financial results.
- Competition can have an impact on customer acquisition, growth and retention, as well as on our credit spreads and product pricing, which can affect market share, deposits and revenues.
- Our ability to implement our One PNC initiative, as well as other business initiatives and strategies we may pursue, could affect our financial performance over the next several years.
- Our ability to grow successfully through acquisitions is impacted by a number of risks and uncertainties related both to the acquisition transactions and to the integration of the acquired businesses into PNC after closing. These uncertainties are present in transactions such as the pending acquisition by BlackRock of Merrill Lynch's investment management business.



Cautionary Statement Regarding Forward-Looking Information (continued)

- Legal and regulatory developments could have an impact on our ability to operate our businesses or our financial condition or results of operations or competitive position or reputation. Reputational impacts, in turn, could affect matters such as business generation and retention, our ability to attract and retain management, liquidity and funding. These developments could include: (a) the resolution of legal proceedings or regulatory or other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and future use of regulatory enforcement tools; (d) legislative and regulatory reforms, including changes to laws and regulations involving tax, pension, and protection of confidential customer information; and (e) changes in accounting policies and principles.
- Our business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through the effective use of third-party insurance and capital management techniques.
- Our ability to anticipate and respond to technological changes can have an impact on our ability to respond to customer needs and to competitive demands.
- The adequacy of our intellectual property protection, and the extent of any costs associated with obtaining rights in intellectual property claimed by others, can impact our business and operating results.
- Our business and operating results can be affected by natural disasters, terrorist activities or international hostilities, either as a result of widespread impact on the economy and financial and capital markets generally or on us or on our customers, suppliers or other counterparties specifically.

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 Annual Report on 2005 Form 10-K, including in the Risk Factors section, BlackRock's other 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 management, and may not reflect PNC's actual or anticipated results.





Appendix

Non-GAAP to GAAP Reconciliation

Appendix

Business Earnings and Return on Capital

\$ millions	Quarter Ended	
	3/31/06 Earnings	Return on Avg Capital *
Business segments		
Retail Banking	\$190	26%
Corporate & Institutional Banking	105	22%
BlackRock	71	30%
PFPC	27	28%
Total business segments	393	
Minority interest in income of BlackRock	(22)	
Other	(17)	
Total consolidated	\$354	17%

* Percentages for BlackRock and PFPC reflect return on average equity



Non-GAAP to GAAP Reconciliation

Appendix

Consolidated Net Income

\$ millions	2005	2004	2003	CAGR 2005 vs2003
	Net income, GAAP basis	\$1,325	\$1,197	\$1,001
Expenses related to DOJ agreement (1)			87	
One-time tax benefit (2)	(45)			
Net income, adjusted	\$1,280	\$1,197	\$1,088	8%

	1Q06	1Q05	% Change 1Q06 vs1Q05
	Net income, GAAP basis	\$354	\$354
One-time tax benefit (2)		(45)	
Net income, adjusted	\$354	\$309	15%

(1) Net income (GAAP basis) for 2003 included expenses totaling \$87 million after taxes in connection with the agreement with the United States Department of Justice, including related legal and consulting costs, which is excluded from adjusted net income as it is not related to and does not result from business operations for the relevant period.

(2) Net income (GAAP basis) for 2005 and 1Q05 included the benefit of the reversal of \$45 million in deferred tax liabilities related to the transfer of PNC's ownership of BankRight from PNC Bank, N.A. to its intermediate bank holding company, which is excluded from adjusted net income as it is not related to business operations for the relevant period.



Non-GAAP to GAAP Reconciliation

Appendix

Noninterest Income to Total Revenue*

\$ millions

	Quarter Ended		Noninterest Income to Consolidated Total Revenue*
	3/31/06	Consolidated Total Revenue	
BlackRock ⁽¹⁾	\$396		23%
PFPC ⁽¹⁾	227		13%
Banking businesses	510		29%
Other	52		3%
			} 32%
Total consolidated	\$1,185	\$1,741	68%

* Sum of net interest income and noninterest

⁽¹⁾ Noninterest income for BlackRock and PFPC reflects operating revenue



Non-GAAP to GAAP Reconciliation

Appendix

Net Interest Income

\$ millions	2005	2004	2003	CAGR 2005 vs2003
	Net interest income, GAAP	\$2,154	\$1,969	\$1,996
taxable-equivalent basis	33	20	10	82%
Net interest income, taxable-equivalent basis	\$2,187	\$1,989	\$2,006	4%

	1Q06	1Q05	% Change 1Q06 vs1Q05
	Net interest income, GAAP	\$556	\$506
taxable-equivalent basis	7	6	17%
Net interest income, taxable-equivalent basis	\$563	\$512	10%



Non-GAAP to GAAP Reconciliation

Appendix

Efficiency Ratios

GAAP and Bank Efficiency Ratios	Quarter ended			
	March 31 2006	December 31 2005	September 30 2005	June 30 2005
GAAP basis efficiency ratio (a)	67%	67%	69%	71%
Bank efficiency ratio (b)	63%	64%	67%	69%

(a) Calculated as noninterest expense divided by the sum of net interest income and noninterest income.

(b) The bank efficiency ratio represents the consolidated (GAAP basis) efficiency ratio excluding the effect of BlackRock and PFPC.

We believe the disclosure of this bank efficiency ratio is meaningful for investors because it provides a more relevant basis of comparison with other financial institutions that may not have significant asset management and processing businesses.

Reconciliation of GAAP amounts with amounts used in the calculation of the bank efficiency ratio:

<i>Dollars in millions</i>	Quarter ended			
	March 31 2006	December 31 2005	September 30 2005	June 30 2005
PNC total revenue, GAAP basis	\$1,741	\$1,709	\$1,675	\$1,463
Less: BlackRock revenue (c)	409	373	320	275
PFPC revenue (c)	218	209	211	212
Revenue, as adjusted	\$1,114	\$1,127	\$1,144	\$976
PNC noninterest expense, GAAP basis	\$1,171	\$1,145	\$1,159	\$1,040
Less: BlackRock noninterest expense	296	256	221	189
PFPC noninterest expense (c)	173	165	171	173
Noninterest expense, as adjusted	\$702	\$724	\$767	\$678

(c) These amounts differ from amounts included on pages 7 and 8 of this financial supplement due to the presentation on pages 7 and 8 of BlackRock revenue on a taxable-equivalent basis and classification differences related to BlackRock and PFPC. Note 21 Segment Reporting in our 2005 Annual Report on Form 10-K provides further details on these differences.

Source: Page 10 of The PNC Financial Services Group, Inc. first quarter 2006 Earnings Release Financial Supplement



Non-GAAP to GAAP Reconciliation

Appendix

Tangible Common Equity Ratio

\$ billions	PNC Consolidated 12/31/05	BlackRock Deconsolidating Adjustments	Transaction Adjustments	PNC Pro forma 12/31/05
Common shareholders equity	\$8.5		\$1.6(a)	\$10.1
Goodwill & other intangible assets	4.1	(\$0.5)		3.6
Tangible common equity	<u>\$4.4</u>			<u>\$6.5</u>
Total assets	\$92.0	(\$1.2)	\$2.5(b)	\$93.3
Goodwill & other intangible assets	4.1	(0.5)		3.6
Tangible assets	<u>\$87.9</u>			<u>\$89.7</u>
Tangible common equity ratio	5.0%			7.3%

(a) Increase equals the expected after-tax gain to be recorded on this transaction, subject to adjustments, at PNC closing.

(b) PNC Investment equals its expected ownership percentage of BlackRock's pro forma book equity



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
Regions Financial	RF
SunTrust Banks, Inc.	STI
U.S. Bancorp	USB
Wachovia Corporation	WB
Wells Fargo & Company	WFC

