
**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

June 11, 2007

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 1.01. Entry into a Material Definitive Agreement.

The PNC Financial Services Group, Inc. (“PNC”), BlackRock, Inc. (“BlackRock”) and PNC Bancorp, Inc. (“Bancorp”) entered into a Second Amendment to Share Surrender Agreement as of June 11, 2007 (“Second Amendment”). The Second Amendment amends the Share Surrender Agreement entered into as of October 10, 2002 by and between PNC, BlackRock and the predecessor entity of Bancorp (the “Share Surrender Agreement”), and the First Amendment to the Share Surrender Agreement entered into as of February 15, 2006 by and between PNC, BlackRock and Bancorp (the “First Amendment” and, together with the Share Surrender Agreement and the Second Amendment, the “Amended Share Surrender Agreement”).

BlackRock was formerly a majority-owned subsidiary of PNC. On September 29, 2006, Merrill Lynch contributed its investment management business to BlackRock in exchange for 65 million shares of newly issued BlackRock common and preferred stock (the “BlackRock/MLIM Transaction”). Immediately following the closing of that transaction, PNC continued to own approximately 44 million shares of BlackRock common stock. As of March 31, 2007, PNC’s ownership interest in BlackRock was approximately 34%.

In 2002, BlackRock adopted a long-term incentive plan (“LTIP”) program to help attract and retain qualified professionals. At that time, PNC agreed to transfer up to 4 million of the shares of BlackRock common stock then held by Bancorp, a wholly owned indirect subsidiary of PNC, to help fund the 2002 LTIP and future programs approved by BlackRock’s board of directors, subject to certain conditions and limitations. The Share Surrender Agreement set forth various obligations between the parties regarding the funding of the 2002 LTIP and the First Amendment clarified those obligations and imposed certain funding limitations in contemplation of the BlackRock/MLIM Transaction. The First Amendment also set forth the characteristics of funding any Future Incentive Plans approved by BlackRock. Neither the First Amendment nor the Second Amendment reduced or expanded PNC’s overall 4 million share funding commitment under the Share Surrender Agreement.

Prior to 2006, BlackRock granted awards of approximately \$230 million under the 2002 LTIP program, of which approximately \$210 million were paid on January 30, 2007. Out of the 4 million shares of BlackRock common stock that PNC agreed to make available for BlackRock incentive programs, PNC transferred approximately 1 million shares in January 2007.

The Second Amendment acknowledges that BlackRock granted additional restricted stock unit awards in January 2007 under a Future Incentive Plan totaling approximately \$260 million, and that such awards were converted into approximately 1.5 million restricted stock units based on a value of \$168.67 per share of BlackRock common stock. In connection with this Future Incentive Plan, the Second Amendment clarifies that the maximum value of all BlackRock awards that will be funded by PNC (through Bancorp) during the Second Award Period (which began with the \$260 million grant in January 2007 and ends in September 2011) will not exceed approximately \$271 million (the “Second Period Funding Cap”), subject to the terms and conditions of each award, including the achievement of all performance criteria and other vesting requirements, and adjusting for any forfeitures. Any shares transferred by PNC pursuant to the Future Incentive Plans contemplated by the Second Amendment shall reduce the outstanding amount available for transfer; any residual amount remaining after such transfers would be available for future awards. The Second Amendment also sets forth a mechanism to calculate the value of any additional awards to be approved by BlackRock during the Second Award Period and any credits that will be provided toward the Second Period Funding Cap for any forfeitures of outstanding awards.

The foregoing summary of the Second Amendment is qualified in its entirety by reference to the full text of the amendment, which is filed as Exhibit 10.50 hereto, and, to the extent not superseded by the Second Amendment, to the full text of the Share Surrender Agreement prior to amendment, which was filed with the Securities and Exchange Commission as Exhibit 10.22 to BlackRock's Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2002, and the full text of the First Amendment, which was filed with the Securities and Exchange Commission as Exhibit 10.3 to BlackRock's Current Report on Form 8-K, as filed on February 22, 2006, each of which is incorporated herein by reference. Capitalized terms used in this summary and not defined have the meanings set forth in the Amended Share Surrender Agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.50 Second Amendment to Share Surrender Agreement

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: June 14, 2007

By: /s/ Samuel R. Patterson
Samuel R. Patterson
Controller

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
10.50	Second Amendment to Share Surrender Agreement made and entered into as of June 11, 2007 by and between The PNC Financial Services Group, Inc., BlackRock, Inc. and PNC Bancorp, Inc.	Filed herewith

**SECOND AMENDMENT TO
SHARE SURRENDER AGREEMENT**

This Second Amendment to the Share Surrender Agreement (the "Second Amendment") is made and entered into as of June 11, 2007 by and between The PNC Financial Services Group, Inc., a Pennsylvania corporation ("PNC"), BlackRock, Inc., a Delaware corporation ("BlackRock") and PNC Bancorp, Inc., a Delaware corporation ("Bancorp") (as successor to PNC Asset Management, Inc., a Delaware corporation ("PAM") under an Assignment and Assumption Agreement entered into as of January 14, 2005 (the "Assignment and Assumption Agreement")). Bancorp is an indirect wholly owned subsidiary of PNC. Capitalized terms used in this Second Amendment and not defined have the meanings set forth in the Amended Share Surrender Agreement (as defined below).

RECITALS

BlackRock, PAM and PNC entered into the Share Surrender Agreement as of October 10, 2002 (the "Share Surrender Agreement"), as amended by the First Amendment to the Share Surrender Agreement as of February 15, 2006, between BlackRock, Bancorp and PNC (the "First Amendment" and, collectively with the Share Surrender Agreement, the "Amended Share Surrender Agreement"), under which PAM agreed to surrender shares of the Common Stock of BlackRock ("BlackRock Stock") held by it to Award Holders under the BlackRock, Inc. 2002 Long-Term Retention and Incentive Plan (the "Plan") and to make available for use in future long-term retention and incentive programs approved by BlackRock to retain BlackRock employees. Bancorp, which now holds the shares of BlackRock Stock formerly held by PAM, has, pursuant to the Assignment and Assumption Agreement, assumed and agreed to be liable for all responsibilities, duties, liabilities and obligations of PAM under the Amended Share Surrender Agreement.

Pursuant to the terms and conditions of the Plan and the Amended Share Surrender Agreement, Bancorp surrendered an aggregate of 1,034,062 shares of BlackRock Stock to Award Holders and to BlackRock in accordance with the Plan and Amended Share Surrender Agreement. The parties acknowledge that the Plan and the Amended Share Surrender Agreement contemplate additional deliveries of BlackRock Stock in each of 2008, 2009 and 2010 in respect of Awards under the Plan outstanding on the date hereof ("Additional First Award Period Deliveries").

The parties acknowledge that BlackRock's Management Development and Compensation Committee (the "Committee") approved \$260,160,150 of awards on January 16, 2007 under a Future Incentive Plan (the "Initial Second Period Awards") and that such awards were converted into 1,542,421 restricted stock units and granted on January 31, 2007 based on a value of \$168.67 per share of BlackRock Stock, which was equal to the five-day average closing price of BlackRock Stock from January 25, 2007 to January 31, 2007.

BlackRock, Bancorp and PNC now desire to clarify (i) the maximum value of all awards that will be funded by Bancorp pursuant to the Amended Share Surrender Agreement for Future Incentive Plans for awards granted during the period from January 16, 2007 through and including September 30, 2011 (such period being, the "Second Award Period" and such maximum value being, the "Second Period Funding Cap"), and (ii) the impact on the remaining funding availability under the Second Period Funding Cap of awards that may be forfeited by holders during the Second Award Period.

Accordingly, the parties to this Second Amendment agree, notwithstanding anything in the Amended Share Surrender Agreement to the contrary, as follows:

1. Agreement as to Second Period Funding Cap. The Second Period Funding Cap shall be \$271,248,000, subject to all terms and conditions of each award, including the achievement of all performance criteria and other vesting requirements, as approved by the Committee. The value of the Initial Second Period Awards, in the absence of forfeitures addressed in Section 3, shall reduce the remaining funding availability under the Second Period Funding Cap in the amount set forth in the recitals hereof. The parties agree that the Second Period Funding Cap shall not be recalculated or adjusted during the Second Award Period. BlackRock agrees that neither PNC nor Bancorp shall have any funding responsibility with respect to any additional awards made under the Plan following the date hereof or for any additional awards made under a Future Incentive Plan during the Second Award Period following the satisfaction of the performance criteria set forth in the Initial Second Period Awards.

2. Calculation of Value of Future Awards During the Second Award Period. The value of additional awards approved by the Committee and granted by BlackRock under Future Incentive Plans during the Second Award Period shall reduce the remaining funding availability under the Second Period Funding Cap and shall be based on the dollar value of the award, which will be converted into a restricted stock unit value, as follows:

- (a) for grants of awards to new hires, the average of the high and low trading price of BlackRock Stock on the employment start date of such employee; and
- (b) for all other awards, the five-day average closing price of BlackRock Stock beginning on the second trading day following the next earnings release after Committee action approving such award.

3. Impact of Forfeitures. The value of any forfeitures during the Second Award Period by holders of any Awards outstanding on the date hereof under the Plan or of awards under a Future Incentive Plan shall be credited toward the funding availability under the Second Period Funding Cap. The amount used in calculating such credit shall equal the value of such award as calculated in connection with its initial grant, i.e., \$168.67 per restricted stock unit for forfeited Initial Second Period Awards, and the conversion values calculated in accordance with Section 2 for all other Future Incentive Plan awards during the Second Period, and not the then current fair market value.

4. Other Awards; No Other Amendments. Nothing in this Second Amendment or the Amended Share Surrender Agreement is intended to limit any awards that may be made by BlackRock that are not intended to be funded by Bancorp pursuant to the Amended Share Surrender Agreement. Except as expressly amended by this Second Amendment, the Amended Share Surrender Agreement shall remain in full force and effect in accordance with its terms. For the avoidance of doubt, nothing in this Second Amendment is intended to reduce the total number of Remainder Shares available for the funding of Future Incentive Plans or to amend, restrict or limit the obligations of PNC and Bancorp to fund Future Incentive Plans with Remainder Shares following the Second Award Period, pursuant to the terms of the Amended Share Surrender Agreement, in a total amount equal to the 4,000,000 shares agreed to in the Share Surrender Agreement less the number of shares funded by Bancorp (i) prior to the date hereof, (ii) pursuant to the Additional First Award Period Deliveries, and (iii) during the Second Award Period.

5. Counterparts. This Second Amendment may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other party, it being understood that each party need not sign the same counterpart.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Second Amendment as of the date first above mentioned.

BLACKROCK, INC.

By: /s/ Steven E. Buller

Name: Steven E. Buller

Title: Managing Director

PNC BANCORP, INC.

By: /s/ James E. Rohr

Name: James E. Rohr

Title: President

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ James E. Rohr

Name: James E. Rohr

Title: Chairman and Chief Executive Officer