**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 29, 2008
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** | **25-1435979** |
| **(State or other jurisdiction of incorporation or organization)** | **(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 January 29, 2008, Richard J. Johnson, Chief Financial Officer of The PNC Financial Services Group, Inc. (the "Corporation"), gave a presentation to investors at the 2008 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 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.**

(d) 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 29, 2008

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

**EXHIBIT INDEX**

| Number | Description | Method of Filing |
|---|---|---|
| 99.1 | Slide presentation and related material for the 2008 Citigroup Financial Services Conference on January 29, 2008 | Furnished herewith |

Exhibit 99.1

# The PNC Financial Services Group, Inc

## Citigroup
Financial Services Conference 2008

New York
January 29, 2008

# Cautionary Statement Regarding Forward-Looking Information and Adjusted 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, which is included in the version of the presentation materials posted on our corporate website at www.pnc.com/investorevents. We provide greater detail regarding these factors in our 2006 Form 10-K, including in the Risk Factors and Risk Management sections, and in our third quarter 2007 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/secfilings).

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.

In this presentation, we will sometimes refer to adjusted results to help illustrate the impact of the deconsolidation of BlackRock near the end of third quarter 2006 and the impact of certain types of items. Adjusted results reflect, as applicable, the following types of adjustments: (1) 2006 and earlier periods reflect the impact of the deconsolidation of BlackRock by adjusting as if we had recorded our BlackRock investment on the equity method prior to its deconsolidation; (2) adjusting 2006 periods, as applicable, to exclude the impact of the third quarter 2006 gain on the BlackRock/MLIM transaction and losses on the repositioning of PNC's securities and mortgage loan portfolios; (3) adjusting fourth quarter 2006 and the 2007 periods to exclude the net mark-to-market adjustments on PNC's remaining BlackRock LTIP shares obligation and, as applicable, the gain PNC recognized in first quarter 2007 in connection with the company's transfer of BlackRock shares to satisfy a portion of its BlackRock LTIP shares obligation; (4) adjusting all 2007 and 2006 periods to exclude, as applicable, integration costs related to acquisitions and to the BlackRock/MLIM transaction; (5) adjusting 2007 periods, as applicable, for the fourth quarter 2007 Visa litigation charge; and (6) adjusting, as appropriate, for the tax impact of these adjustments. We have provided these adjusted amounts and reconciliations so that investors, analysts, regulators and others will be better able to evaluate the impact of these items on our results for the periods presented, in addition to providing a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact of deconsolidation on various components of our income statement and balance sheet. We believe that information as adjusted for the impact of the specified items may be useful due to the extent to which these items are not indicative of our ongoing operations as the result of our management activities on those operations. While we have not provided other adjustments for the periods discussed, this is not intended to imply that there could not have been other similar types of adjustments, but any such adjustments would not have been similar in magnitude to the amount of the adjustments shown. In certain discussions, we may also provide revenue information on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. We believe this adjustment may be useful when comparing yields and margins for all earning assets.

This presentation may also include a discussion of other 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 "About PNC–Investor Relations."

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# 2007 Highlights

## Key Accomplishments

- Delivered solid growth
- Created positive operating leverage on an adjusted basis
- Strong asset quality
- Successful Mercantile integration; poised for growth
- Effective capital deployment
- Well-positioned for this environment

## 2007 Financial Highlights

| | |
|---|---|
| Assets | $139 billion |
| Net income | $1.5 billion |
| Net income adjusted[1] | $1.7 billion |
| Noninterest income to total revenue | 57% |
| NPAs to total assets | .34% |
| Allowance to loans | 1.21% |
| Tier 1 risk-based ratio[2] | 6.8% |

As of or for the year ended December 31, 2007.
(1) Adjusted net income reconciled to GAAP net income in the Appendix.
(2) Estimated.

# PNC's Differentiated Business Model

## Delivering Relatively Strong Results Through Economic Cycles

Key take-aways

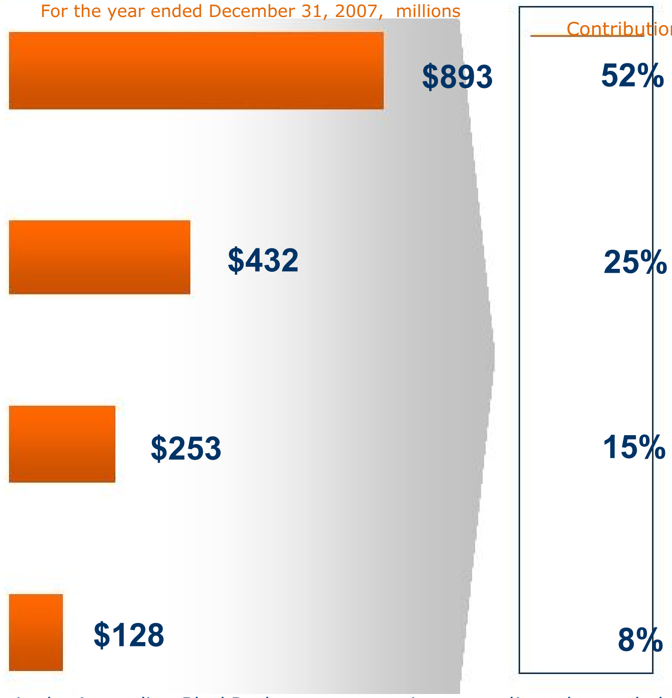
- Diversified business mix with a high fee income contribution
- Positive adjusted operating leverage
- Moderate risk profile
  - Strategic choices
  - Operating discipline
- Disciplined capital management
- Well-positioned for this environment

# Our Focused and Diversified Business Segments

## Business Leadership

- **Retail Banking**
  - Focused on winning in the payments space
  - A leading community bank in PNC major markets
  - One of the nation's largest bank wealth management firms
- **Corporate & Institutional Banking**
  - A premier middle-market franchise
  - Top 10 treasury management business
  - Harris Williams – one of the nations' largest M&A advisory firms for the middle-market
  - The nation's 4th largest lead arranger of asset-based loan syndications, 2nd largest in middle-market
- **BlackRock**
  - A global asset management company with $1.4 trillion in assets under management
- **PFPC**
  - A leading full service provider of processing, technology and business solutions for the global investment industry; $2.5 trillion in serviced assets domestically and internationally.

## Segment Earnings[1]




(1) Business earnings reconciled to GAAP net income of $1,467 million in the Appendix. BlackRock segment earnings are adjusted to exclude our pretax share of BlackRock/MLIM integration costs totaling $4 million.

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# Building a Differentiated Business Mix

## High Fee Income Contribution

Noninterest Income to Total Revenue[1]

| | 2007 |
|---|---|
| PNC | 57 % |
| USB | 52 |
| FITB | 46 |
| WFC | 45 |
| BBT | 42 |
| WB | 41 |
| KEY | 41 |
| RF | 39 |
| STI | 39 |
| NCC | 36 |
| CMA | 30 |

47% without PFPC and BlackRock[2]

## A Funding Advantage

Average Noninterest-Bearing Deposits to Average Interest-Earning Assets[1]

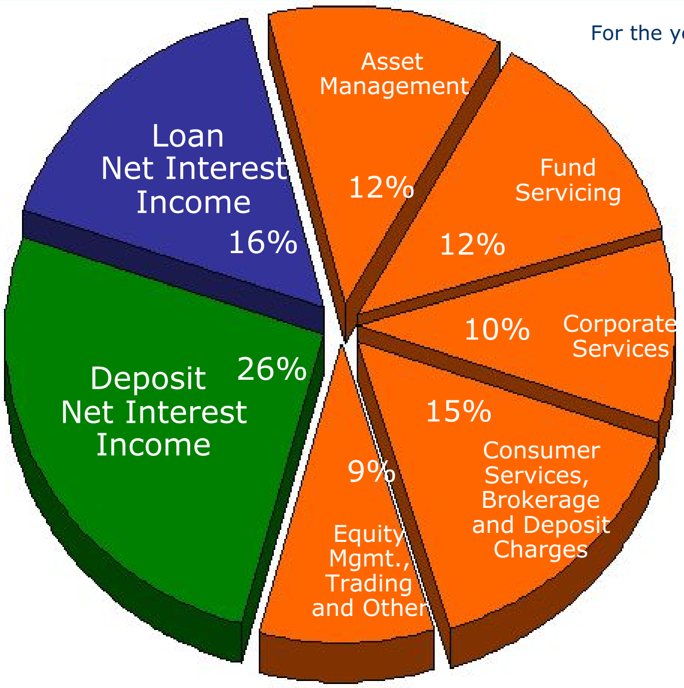
| | 2007 |
|---|---|
| CMA | 21 % |
| WFC | 20 |
| PNC | 18 |
| KEY | 16 |
| RF | 16 |
| FITB | 15 |
| USB | 14 |
| STI | 14 |
| NCC | 13 |
| BBT | 12 |
| WB | 10 |

(1) As of or for the year ended December 31, 2007. (2) Reconciled to GAAP in the Appendix. Source: SNL DataSource, PNC as reported.

# A More Diverse and Valuable Revenue Stream

## A Unique Revenue Mix

Adjusted loan net interest income increased 25% year over year²




Adjusted noninterest income increased 10% year over year²

Adjusted deposit net interest income increased 34% year over year²

(1) As adjusted. (2) Adjusted noninterest income, deposit net interest income, loan net interest income and growth percentages are reconciled to GAAP in the Appendix. Unadjusted change: noninterest income (40%), deposit net interest income 34%, and loan net interest income 24%.

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# PNC's Differentiated Business Model

## Delivering Relatively Strong Results Through Economic Cycles

Key take-aways

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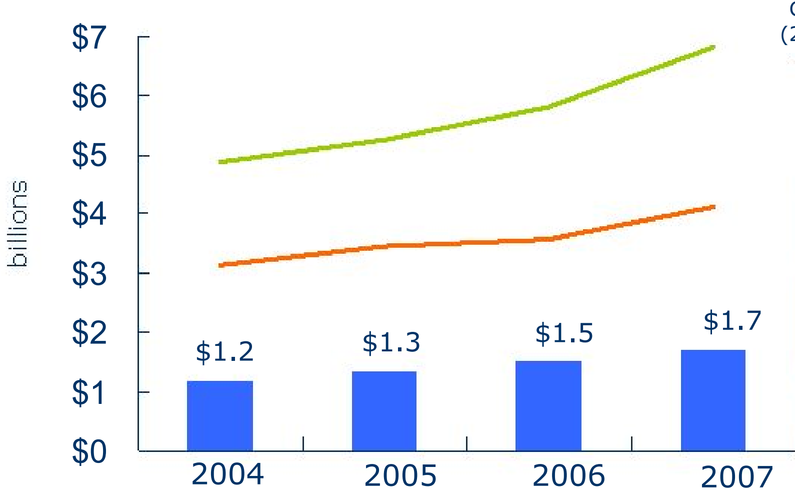
- Well-positioned for this environment

# Creating Positive Operating Leverage

## Growing Revenues Faster Than Expenses




| Compound Annual Growth (2004-2006, as adjusted) [1,3] | 2006-2007 As adjusted [2,3] |
|---|---|
| **Revenue +9%** | **Revenue +18%** |
| **Expense +7%** | **Expense +15%** |
| Operating Leverage **+2%** | Operating Leverage **+3%** |
| **Net Income +12%** | **Net Income +12%** |

- Adjusted Revenue (as reported $5.5 billion, $6.3 billion, $8.6 billion, $6.7 billion for 2004, 2005, 2006, 2007, respectively)
- Adjusted Noninterest Expense (as reported $3.7 billion, $4.3 billion, $4.4 billion, $4.3 billion for 2004, 2005, 2006, 2007, respectively)
- Adjusted Net Income (as reported $1.2 billion, $1.3 billion, $2.6 billion, $1.5 billion for 2004, 2005, 2006, 2007, respectively)

(1) As reported: revenue 24%, expense 9%, operating leverage 15%, net income 47%.
(2) As reported: revenue (22%), expense (3%), operating leverage (19%), net income (43%).
(3) Adjusted amounts are reconciled to GAAP amounts in the Appendix.

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# PNC's Differentiated Business Model

## Delivering Relatively Strong Results Through Economic Cycles

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# Disciplined Approach Leads to Strong Credit Risk Profile

## Overview

- Credit decisions driven by risk-adjusted returns
- Minimal exposure to subprime mortgages, high-yield bridge and leveraged finance loans
- Relatively low commercial real estate exposure
- Highly granular portfolio
- Credit quality migrating at a manageable pace

## Asset Quality

As of December 31, 2007

| | PNC | Peer Group |
|---|---|---|
| Nonperforming loans to total loans | .64% | .85% |
| Nonperforming assets to total assets | .34% | .65% |
| Net charge-offs to average loans (three months ended) | .49% | .73% |
| Allowance for loan and lease losses to loans | 1.21% | 1.23% |
| Allowance for loan and lease losses to nonperforming loans | 190% | 144% |

Source: SNL DataSource; Peer Group represents average of super-regional banks identified in the Appendix other than PNC.

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# A High Quality Consumer Loan Portfolio

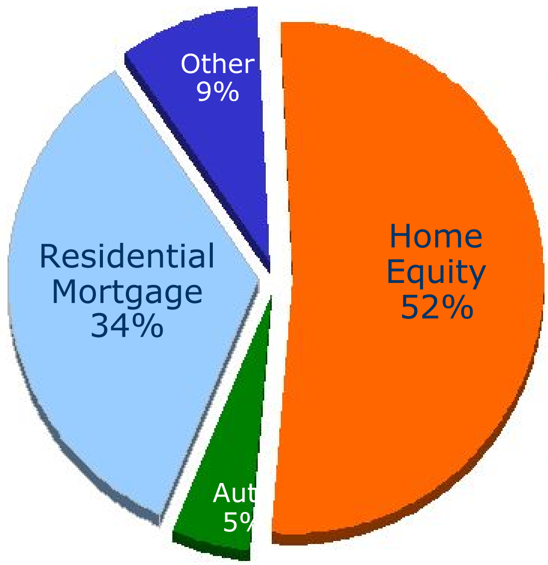
## Composition of Consumer Loan and Residential Mortgage Portfolio

As of December 31, 2007

Total Portfolio $27.9 billion

**Residential Mortgage Portfolio Credit Statistics[1]**

| | |
|---|---|
| Weighted average: | |
| Loan to value | 67% |
| FICO scores | 747 |
| Net charge-offs[2] | 0.01% |
| 90 days past due | 0.77% |




**Home Equity Portfolio Credit Statistics[1]**

| | |
|---|---|
| First lien positions | 39% |
| In-footprint exposure | 93% |
| Weighted average: | |
| Loan to value | 73% |
| FICO scores | 727 |
| Net charge-offs[2] | 0.20% |
| 90 days past due | 0.37% |

(1) Excludes the impact of Yardville, which PNC acquired effective October 26, 2007 and expects to convert during March 2008. Includes loans from acquired portfolios for which lien position and loan-to-value information was limited and represents most recent FICO scores we have on file, where applicable.
(2) For the year ended December 31, 2007.

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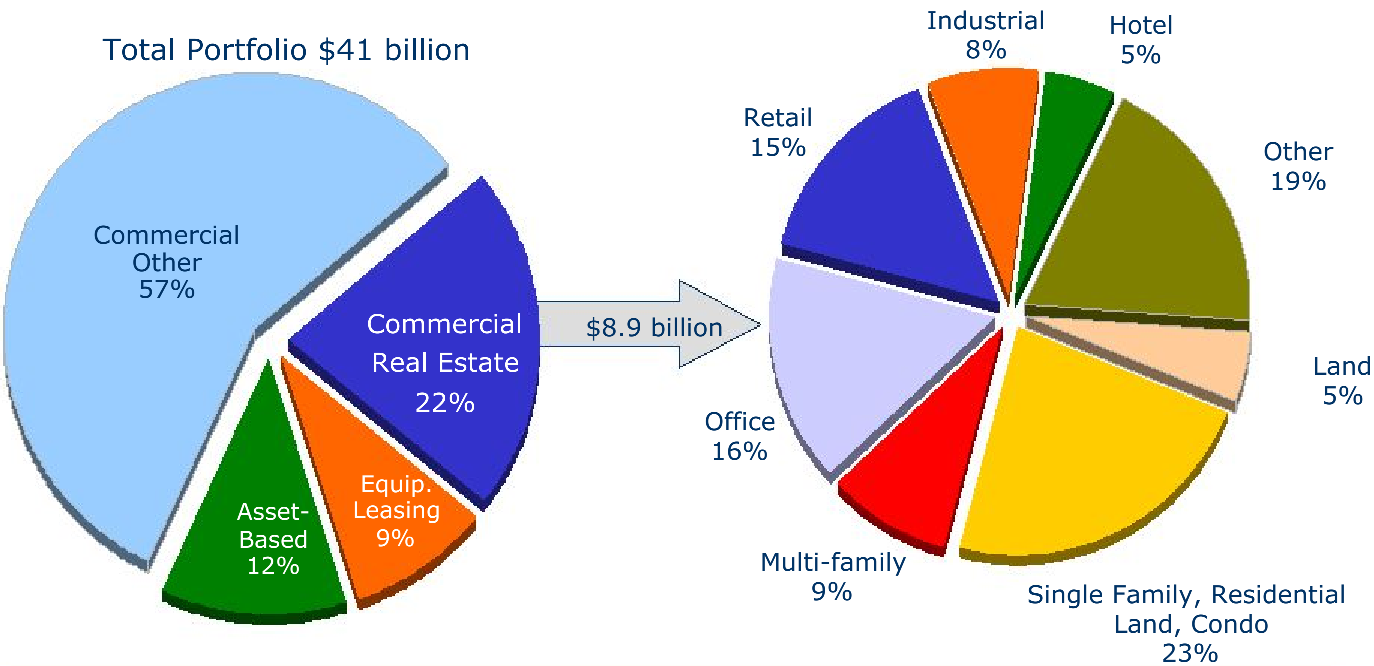
# A Well-balanced Commercial Portfolio

## Composition of Commercial Lending Portfolio

As of December 31, 2007



# PNC's Differentiated Business Model

## Delivering Relatively Strong Results Through Economic Cycles

Key take-aways

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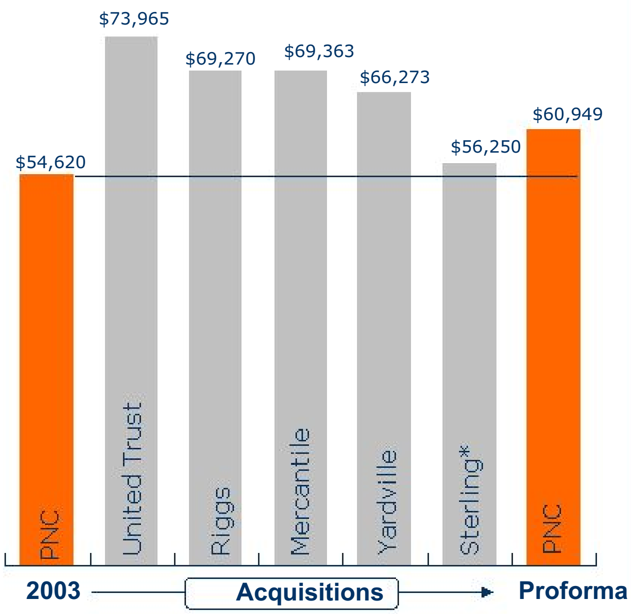
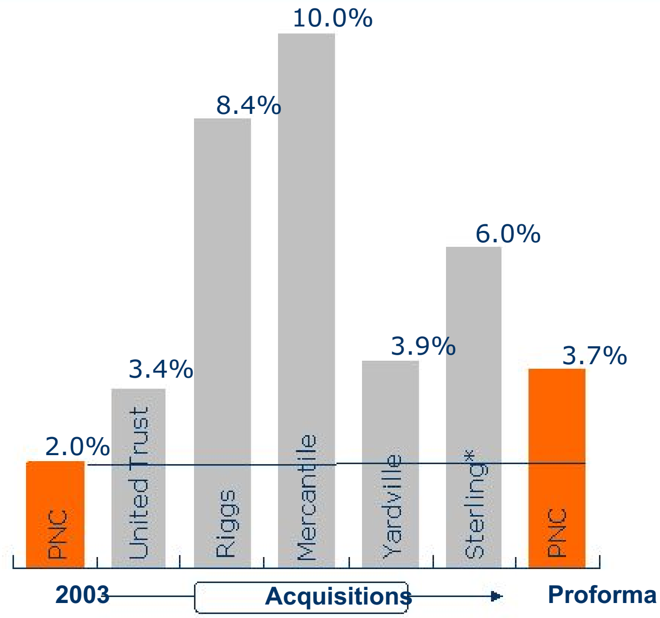
# Improving Our Retail Demographics

## Median Household Income




## Projected 5-Year Population Growth




Amounts based on data at time of acquisition announcement. United Trust data reflects demographics of footprint counties weighted by households. Data reflects demographics of footprint counties of that company in the case of Mercantile, Yardville and Sterling, or by MSA in the case of Riggs, weighted by deposits. PNC 2003 and PNC Proforma amounts reflect demographics, weighted by deposits, of PNC's 68 county footprint and 105 county footprint, respectively, including the impact of PNC's ongoing branch optimization process. PNC and Mercantile headquarter offices excluded for purposes of deposit weighting. Source: SNL DataSource. *Pending.

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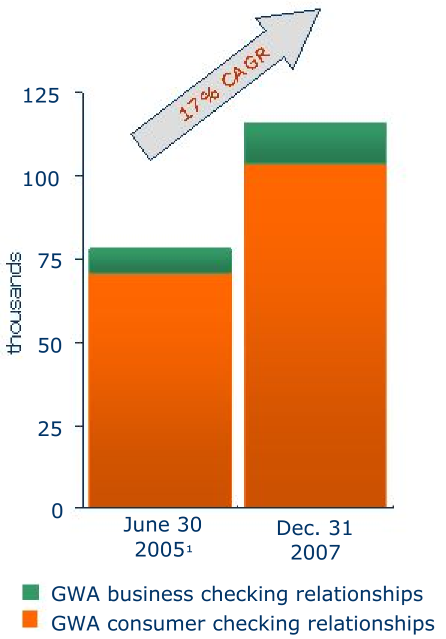
# Executing in the Greater Washington Area

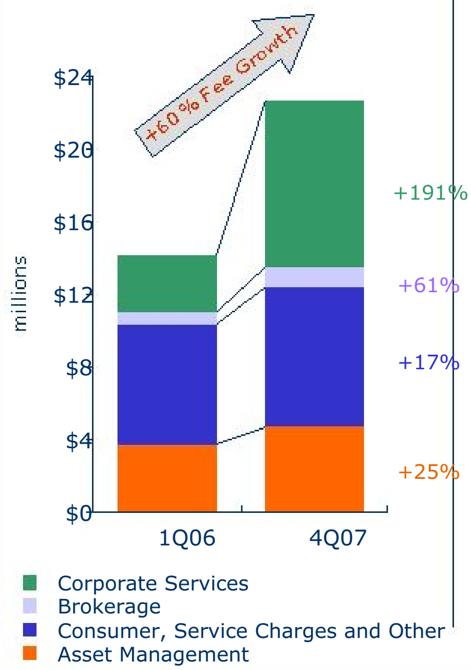
## Deepening Relationships and Growing Noninterest Income*

PNC - GWA Retail Relationships

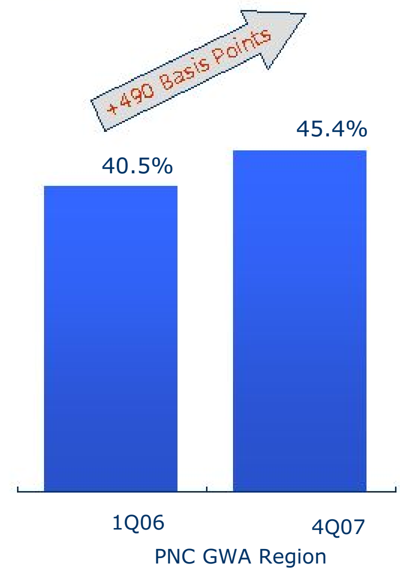



(1) Riggs transaction completed May 2005.

PNC - GWA Fee Growth




GWA noninterest income to total revenue




*Excludes the impact of Mercantile.

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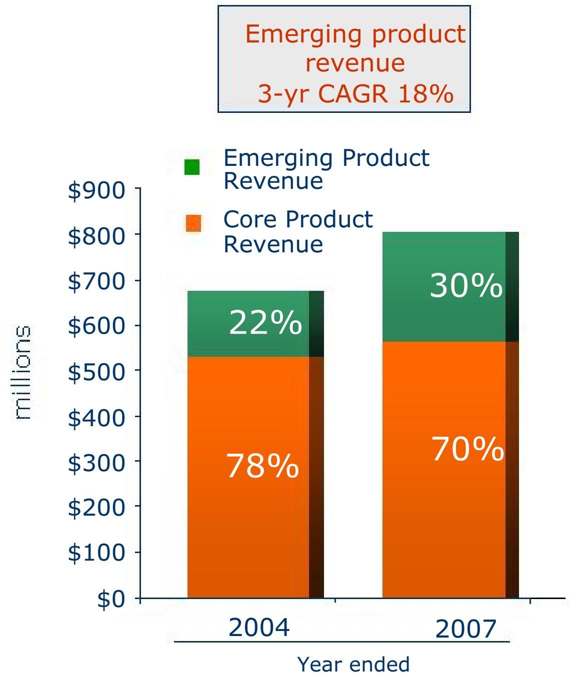
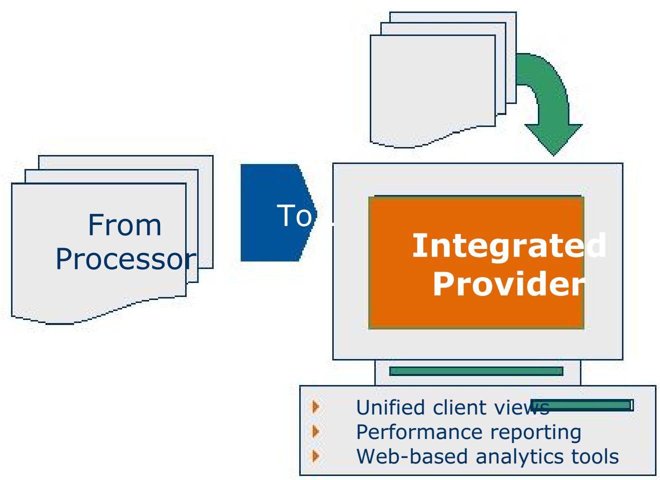
# Transforming the PFPC Business Model

## High Growth Product Focus




## Transforming the Business Model

Albridge Solutions
Coates Analytics

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# PNC's Differentiated Business Model

## Delivering Relatively Strong Results Through Economic Cycles

Key take-aways

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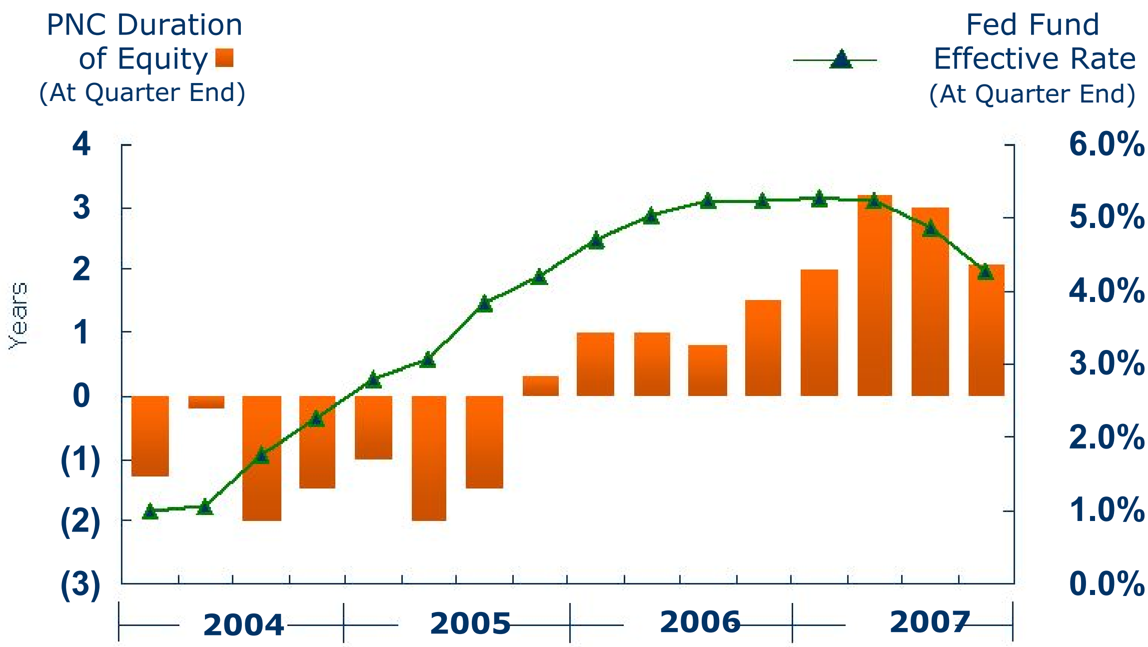
# Proactively Managing the Balance Sheet

## Aligning the Balance Sheet with Expectations




Source: SNL DataSource, PNC as reported.

# Enhancing Our Capital Flexibility in 2008

## Tier 1 Approach Better Aligns Capital Management with Risk

### Tier 1 Risk-based Ratio

- Consistent with economic capital methodologies
- A better measure of risk
- Access to broader capital markets
- PNC benchmark of 7.5% - 8.0%

### Sources/Uses

- Earnings growth
- Capital markets
- Return to shareholders
- Investing in growth

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# Continuing to Build a Great Company

## 2008 Plan

- Remain focused on our strategies
- Execute, execute, execute
- Disciplined investment in opportunities

# Cautionary Statement Regarding Forward-Looking Information

Appendi

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,” “will,” “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. Because forward-looking statements are subject to assumptions and uncertainties, 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.

Our forward-looking statements are subject to the following principal risks and uncertainties. We provide greater detail regarding some of these factors in our Form 10-K for the year ended December 31, 2006, including in the Risk Factors and Risk Management sections of that report, and in our third quarter 2007 Form 10-Q and other SEC reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those that we may discuss elsewhere in this presentation or in 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/secfilings.

- Our businesses and financial results are affected by business and economic conditions, both generally and specifically in the principal markets in which we operate. In particular, our businesses and financial results may be impacted by:
  - Changes in interest rates and valuations in the debt, equity and other financial markets.
  - Disruptions in the liquidity and other functioning of financial markets, including such disruptions in the markets for real estate and other assets commonly securing financial products.
  - Actions by the Federal Reserve and other government agencies, including those that impact money supply and market interest rates.
  - Changes in our customers’, suppliers’ and other counterparties’ performance in general and their creditworthiness in particular.
  - Changes in customer preferences and behavior, whether as a result of changing business and economic conditions or other factors.
- A continuation of recent turbulence in significant portions of the global financial markets could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities and indirectly by affecting the economy generally.
- Our operating results are affected by our liability to provide shares of BlackRock common stock to help fund certain BlackRock long-term incentive plan (“LTIP”) programs, as our LTIP liability is adjusted quarterly (“marked-to-market”) based on changes in BlackRock’s common stock price and the number of remaining committed shares, and we recognize gain or loss on such shares at such times as shares are transferred for payouts under the LTIP programs.
- 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 business initiatives and strategies could affect our financial performance over the next several years.

# Cautionary Statement Regarding Forward-Looking Information (continued)

Appendi

- Legal and regulatory developments could have an impact on our ability to operate our businesses or our financial condition or results of operations or our 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 legal and regulatory developments could include: (a) the unfavorable 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 laws and regulations involving tax, pension, education lending, and the 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, derivatives, 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 meet 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 also be affected by widespread natural disasters, terrorist activities or international hostilities, either as a result of the impact on the economy and capital and other financial 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 equity interest in BlackRock, Inc. are discussed in more detail in BlackRock's filings with the SEC, including in the Risk Factors sections of BlackRock's reports. BlackRock's SEC filings are accessible on the SEC's website and on or through BlackRock's website at www.blackrock.com.

We grow our business from time to time by acquiring other financial services companies, including our pending Sterling Financial Corporation ("Sterling") acquisition. Acquisitions in general present us with risks in addition to those presented by the nature of the business acquired. In particular, acquisitions may be substantially more expensive to complete (including as a result of costs incurred in connection with 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. In some cases, acquisitions involve our entry into new businesses or new geographic or other markets, and these situations also present risks resulting from our inexperience in these new areas. As a regulated financial institution, our pursuit of attractive acquisition opportunities could be negatively impacted due to regulatory delays or other regulatory issues. Regulatory and/or legal issues related to the pre-acquisition operations 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 arising as a result of those issues.

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, Sterling's or other company's actual or anticipated results.

# Additional Information About The PNC/Sterling Financial Corporation Transaction

Appendi

The PNC Financial Services Group, Inc. and Sterling Financial Corporation ("Sterling") will be filing a proxy statement/prospectus and 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 at http://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 Sterling will be available free of charge from Sterling by contacting Shareholder Relations at (877) 248-6420.

The directors, executive officers, and certain other members of management and employees of Sterling are participants in the solicitation of proxies in favor of the merger from the shareholders of Sterling. Information about the directors and executive officers of Sterling is included in the proxy statement for its May 8, 2007 annual meeting of shareholders, which was filed with the SEC on April 2, 2007. Additional information regarding the interests of such participants will be included in the proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.

# Non-GAAP to GAAP Reconcilement

Appendi

## Earnings Summary

| **THREE MONTHS ENDED** *In millions, except per share data* | December 31, 2007 Adjustments, Pretax | Net Income | Diluted EPS | September 30, 2007 Adjustments, Pretax | Net Income | Diluted EPS | December 31, 2006 Adjustments, Pretax | Net Income | Diluted EPS |
|---|---|---|---|---|---|---|---|---|---|
| Net income, as reported | | $178 | $0.52 | | $407 | $1.19 | | $376 | $1.27 |
| Adjustments: | | | | | | | | | |
| BlackRock LTIP (a) | $128 | 84 | .24 | $50 | 32 | .09 | $12 | 7 | .02 |
| Visa indemnification (b) | 82 | 53 | .16 | | | | | | |
| Integration costs (c) | 79 | 50 | .15 | 43 | 30 | .09 | 10 | 8 | .03 |
| Net income, as adjusted | | $365 | $1.07 | | $469 | $1.37 | | $391 | $1.32 |

| **YEAR ENDED** *In millions, except per share data* | December 31, 2007 Adjustments, Pretax | Net Income | Diluted EPS | December 31, 2006 Adjustments, Pretax | Net Income | Diluted EPS |
|---|---|---|---|---|---|---|
| Net income, as reported | | $1,467 | $4.35 | | $2,595 | $8.73 |
| Adjustments: | | | | | | |
| BlackRock LTIP (a) | $127 | 83 | .24 | $12 | 7 | .02 |
| Visa indemnification (b) | 82 | 53 | .16 | | | |
| Integration costs (c) | 151 | 99 | .30 | 101 | 47 | .16 |
| Gain on BlackRock/MLIM transaction (d) | | | | (2,078) | (1,293) | (4.36) |
| Securities portfolio rebalancing loss (d) | | | | 196 | 127 | .43 |
| Mortgage loan portfolio repositioning loss (d) | | | | 48 | 31 | .10 |
| Net income, as adjusted | | $1,702 | $5.05 | | $1,514 | $5.08 |

(a) Includes the impact of the gain recognized in connection with PNC's transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation and the net mark-to-market adjustment on our remaining BlackRock LTIP shares obligation, as applicable.

(b) Our payment services business issues and acquires credit and debit card transactions through Visa U.S.A. Inc. card association or its affiliates (“Visa”). In October 2007, Visa completed a restructuring and issued shares of Visa Inc. common stock to its financial institution members in contemplation of its initial public offering (“IPO”) currently anticipated in the first quarter of 2008 (the “Visa Reorganization”). As part of the Visa Reorganization, we received our proportionate share of a class of Visa Inc. common stock allocated to the U.S. members. Visa expects that a portion of these shares will be redeemed for cash out of the proceeds of the IPO. The U.S. members are obligated to indemnify Visa for judgments and settlements related to specified litigation. Visa will set aside a portion of the proceeds from the IPO in an escrow account for the benefit of the U.S. member financial institutions to fund the expenses of the litigation as well as the members' proportionate share of any judgments or settlements that may arise out of the litigation.
In accordance with GAAP, we recorded a liability and operating expense totaling $82 million before taxes in the fourth quarter of 2007 representing our estimate of the fair value of our indemnification obligation for potential losses arising from this litigation. Our estimate is based on publicly available information and other information made available to all of the affected Visa members and does not reflect any direct knowledge of the relative strengths and weaknesses of the litigation still pending or the status of any on-going settlement discussions. We believe that the IPO will be completed and cash will be available through the escrow to satisfy litigation settlements. In addition, based on estimates provided by Visa regarding its planned IPO, we believe that our ownership interest in Visa has a value significantly in excess of our indemnification liability. Our Visa shares will not generally be transferable until they can be converted into shares of the publicly traded class of stock, which cannot happen until the later of three years after the IPO or settlement of all of the specified litigation.

(c) In addition to integration costs related to recent or pending PNC acquisitions reflected in the 2007 periods, the first three quarters of 2007 and all 2006 periods include BlackRock/MLIM integration costs. BlackRock/MLIM integration costs recognized by PNC in the first three quarters of 2007 and the fourth quarter of 2006 were included in noninterest income as a negative component of the "Asset management" line item, which includes the impact of our equity earnings from our investment in BlackRock. For the first nine months of 2006, BlackRock/MLIM transaction integration costs were included in noninterest expense.

(d) Included in noninterest income on a pretax basis.

PNC

# Non-GAAP to GAAP Reconcilement



## Business Segment Summary and Noninterest Income

| | Year ended December 31 | |
|---|---|---|
| | Earnings (Loss) | |
| *Dollars in millions* | 2007 | % of Segments |
| Retail Banking | $893 | 52% |
| Corporate & Institutional Banking | 432 | 25% |
| BlackRock (a) | 253 | 15% |
| PFPC | 128 | 8% |
| Total business segment earnings | 1,706 | |
| Other (a) | (239) | |
| Total consolidated net income | $1,467 | |

(a) Pre-tax BlackRock/MLIM transaction integration costs totaling $4 million for the year ended December 31, 2007 have been reclassified from BlackRock to "Other."

| | Year ended December 31, 2007 | | | | | | |
|---|---|---|---|---|---|---|---|
| *Dollars in millions* | Retail Banking | Corporate & Institutional Banking | Other | Banking and Other | BlackRock | PFPC | Total |
| Net interest income (expense) | $2,059 | $805 | $83 | $2,947 | | ($32) | $2,915 |
| Noninterest income | 1,736 | 720 | 133 | 2,589 | $338 | 863 | 3,790 |
| Total Revenue | $3,795 | $1,525 | $216 | $5,536 | $338 | $831 | $6,705 |
| Noninterest income as a % of total revenue | 46% | 47% | 62% | 47% | 100% | 104% | 57% |

# Non-GAAP to GAAP Reconcilement



## Income Statement Summary – For the year ended

| ***Year ended*** | December 31, 2007 | | | December 31, 2006 | | | | |
|---|---|---|---|---|---|---|---|---|
| *In millions* | As Reported | Adjustments | As Adjusted (a) | As Reported | Adjustments | As Adjusted (b) | % Change As Reported | % Change As Adjusted |
| Net interest income | $2,915 | | $2,915 | $2,245 | ($10) | $2,235 | | |
| Net interest income: | | | | | | | | |
| Loans | 1,110 | | 1,110 | 895 | (10) | 885 | 24% | 25% |
| Deposits | 1,805 | | 1,805 | 1,350 | | 1,350 | 34% | 34% |
| Noninterest Income | 3,790 | $131 | 3,921 | 6,327 | (2,755) | 3,572 | (40%) | 10% |
| Total revenue | 6,705 | 131 | 6,836 | 8,572 | (2,765) | 5,807 | (22%) | 18% |
| Loan net interest income as a % of total revenue | 16.6% | | 16.2% | 10.4% | | 15.2% | | |
| Deposit net interest income as a % of total revenue | 26.9% | | 26.4% | 15.7% | | 23.2% | | |
| Noninterest income as a % of total revenue | 56.5% | | 57.4% | 73.8% | | 61.5% | | |
| Provision for credit losses | 315 | (45) | 270 | 124 | | 124 | | |
| Noninterest income | 3,790 | 131 | 3,921 | 6,327 | (2,755) | 3,572 | | |
| Noninterest expense | 4,296 | (184) | 4,112 | 4,443 | (856) | 3,587 | (3%) | 15% |
| Income before minority interest and income taxes | 2,094 | 360 | 2,454 | 4,005 | (1,909) | 2,096 | | |
| Minority interest in income of BlackRock | | | | 47 | (47) | | | |
| Income taxes | 627 | 125 | 752 | 1,363 | (781) | 582 | | |
| Net income | $1,467 | $235 | $1,702 | $2,595 | ($1,081) | $1,514 | (43%) | 12% |
| Noninterest income: | | | | | | | | |
| Asset management | $784 | $4 | $788 | $1,420 | ($882) | $538 | (45%) | 46% |
| Other | 3,006 | 127 | 3,133 | 4,907 | (1,873) | 3,034 | (39%) | 3% |
| Total noninterest income | $3,790 | $131 | $3,921 | $6,327 | ($2,755) | $3,572 | (40%) | 10% |

(a) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of $83 million recognized in connection with PNC's transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation, (2) the net mark-to-market adjustment totaling $210 million on our remaining BlackRock LTIP shares obligation, (3) acquisition integration costs totaling $151 million, and (4) Visa indemnification charge of $82 million. The net tax impact of these items is reflected in the adjustment to income taxes.

(b) Amounts adjusted to exclude the impact of the following pretax items: $2,078 million gain on BlackRock/MLIM transaction, $196 million securities portfolio rebalancing loss, $101 million of BlackRock/MLIM transaction integration costs, $48 million mortgage loan portfolio repositioning loss, and $12 million net loss related to our BlackRock LTIP shares obligation. Also adjusted as if we had recorded our investment in BlackRock on the equity method for all periods presented. The net tax impact of these items is reflected in the adjustment to income taxes.

| | 2006 to 2007 Change | |
|---|---|---|
| ***Operating Leverage - Year Ended*** | As Reported | As Adjusted |
| Total revenue | (22%) | 18% |
| Noninterest expense | (3%) | 15% |
| Operating leverage | (19%) | 3% |

PNC

# Non-GAAP to GAAP Reconcilement

Appendi

## Income Statement Summary – For the three months ended

| ***For the three months ended December 31, 2007*** | PNC | | PNC | % Change vs. Sept 30, 2007 | |
|---|---|---|---|---|---|
| *In millions* | As Reported | Adjustments (a) | As Adjusted | Reported | Adjusted |
| Net interest income | $793 | | $793 | | |
| Loan net interest income | 304 | | 304 | 3% | 3% |
| Deposit net interest income | 489 | | 489 | 5% | 5% |
| Provision for credit losses | 188 | ($45) | 143 | | |
| Net interest income less provision for credit losses | 605 | (45) | 650 | | |
| Asset management | 225 | (1) | 224 | | |
| Other | 609 | 128 | 737 | | |
| Total noninterest income | 834 | 127 | 961 | (16%) | (8%) |
| Compensation and benefits | 553 | (10) | 543 | | |
| Other | 660 | (107) | 553 | | |
| Total noninterest expense | 1,213 | (117) | 1,096 | 10% | 4% |
| Income before income taxes | 226 | 289 | 515 | | |
| Income taxes | 48 | 102 | 150 | | |
| Net income | $178 | $187 | $365 | (56%) | (22%) |

| ***For the three months ended September 30, 2007*** | PNC | | PNC |
|---|---|---|---|
| *In millions* | As Reported | Adjustments (b) | As Adjusted |
| Net interest income | $761 | | $761 |
| Loan net interest income | 294 | | 294 |
| Deposit net interest income | 467 | | 467 |
| Provision for credit losses | 65 | | 65 |
| Net interest income less provision for credit losses | 696 | | 696 |
| Asset management | 204 | $2 | 206 |
| Other | 786 | 50 | 836 |
| Total noninterest income | 990 | 52 | 1,042 |
| Compensation and benefits | 553 | (16) | 537 |
| Other | 546 | (25) | 521 |
| Total noninterest expense | 1,099 | (41) | 1,058 |
| Income before income taxes | 587 | 93 | 680 |
| Income taxes | 180 | 31 | 211 |
| Net income | $407 | $62 | $469 |

(a) Amounts adjusted to exclude the impact of the following items on a pretax basis: $128 million net loss related to our BlackRock/LTIP shares obligation, $82 million Visa indemnification charge, and $79 million of acquisition integration costs. The net tax impact of these items is reflected in the adjustment to income taxes.

(b) Amounts adjusted to exclude the impact of the following items on a pretax basis: $50 million net loss related to our BlackRock/LTIP shares obligation and $43 million of acquisition integration costs. The net tax impact of these items is reflected in the adjustment to income taxes.

# Non-GAAP to GAAP Reconcilement

Appendi

## Income Statement Summary – 2004 to 2007

| *For the year ended December 31, 2007*<br>*In millions* | PNC<br>As Reported | Adjustments (a) | PNC<br>As Adjusted |
|---|---|---|---|
| Net interest income | $2,915 | | $2,915 |
| Provision for credit losses | 315 | $(45) | 270 |
| Noninterest income | 3,790 | 131 | 3,921 |
| Noninterest expense | 4,296 | (184) | 4,112 |
| Income before income taxes | 2,094 | 360 | 2,454 |
| Income taxes | 627 | 125 | 752 |
| Net income | $1,467 | $235 | $1,702 |

(a) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of $83 million recognized in connection with PNC's transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation, (2) the net mark-to-market adjustment totaling $210 million on our remaining BlackRock LTIP shares obligation, (3) acquisition integration costs totaling $151 million, and (4) Visa indemnification charge of $82 million. The net tax impact of these items is reflected in the adjustment to income taxes.

| *For the year ended December 31, 2006*<br>*In millions* | PNC<br>As Reported | Adjustments (a) | BlackRock<br>Deconsolidation and<br>Other Adjustments | BlackRock<br>Equity Method | PNC<br>As Adjusted |
|---|---|---|---|---|---|
| Net interest income | $2,245 | | $(10) | | $2,235 |
| Provision for credit losses | 124 | | | | 124 |
| Noninterest income | 6,327 | $(1,812) | (1,087) | $144 | 3,572 |
| Noninterest expense | 4,443 | (91) | (765) | | 3,587 |
| Income before minority interest and income taxes | 4,005 | (1,721) | (332) | 144 | 2,096 |
| Minority interest in income of BlackRock | 47 | 18 | (65) | | |
| Income taxes | 1,363 | (658) | (130) | 7 | 582 |
| Net income | $2,595 | $(1,081) | $(137) | $137 | $1,514 |

(a) Includes the impact of the following pretax items: $2,078 million gain on BlackRock/MLIM transaction, $196 million securities portfolio rebalancing loss, $101 million of BlackRock/MLIM transaction integration costs, $48 million mortgage loan portfolio repositioning loss, and $12 million net loss related to our BlackRock LTIP shares obligation. The net tax impact of these items is reflected in the adjustment to income taxes.

PNC

# Non-GAAP to GAAP Reconcilement

Appendi

## Income Statement Summary – 2004 to 2007 (continued)

| *For the year ended December 31, 2005* | | BlackRock | | |
|---|---|---|---|---|
| | PNC | Deconsolidation and | BlackRock | PNC |
| *In millions* | As Reported | Other Adjustments | Equity Method | As Adjusted |
| Net interest income | $2,154 | $(12) | | $2,142 |
| Provision for credit losses | 21 | | | 21 |
| Noninterest income | 4,173 | (1,214) | $163 | 3,122 |
| Noninterest expense | 4,306 | (853) | | 3,453 |
| Income before minority interest and income taxes | 2,000 | (373) | 163 | 1,790 |
| Minority interest in income of BlackRock | 71 | (71) | | |
| Income taxes | 604 | (150) | 11 | 465 |
| Net income | $1,325 | $(152) | $152 | $1,325 |

| *For the year ended December 31, 2004* | | BlackRock | | |
|---|---|---|---|---|
| | PNC | Deconsolidation and | BlackRock | PNC |
| *In millions* | As Reported | Other Adjustments | Equity Method | As Adjusted |
| Net interest income | $1,969 | $(14) | | $1,955 |
| Provision for credit losses | 52 | | | 52 |
| Noninterest income | 3,572 | (745) | $101 | 2,928 |
| Noninterest expense | 3,712 | (564) | | 3,148 |
| Income before minority interest and income taxes | 1,777 | (195) | 101 | 1,683 |
| Minority interest in income of BlackRock | 42 | (42) | | |
| Income taxes | 538 | (59) | 7 | 486 |
| Net income | $1,197 | $(94) | $94 | $1,197 |

# Non-GAAP to GAAP Reconcilement

Appendi

## Income Statement Summary – 2004 to 2007 (continued)

| *In millions* | For the year ended December 31, as adjusted 2004 | 2005 | 2006 | 2007 | Adjusted 2004-2006 CAGR | % Change 2006-2007 |
|---|---|---|---|---|---|---|
| Adjusted net interest income | $1,955 | $2,142 | $2,235 | $2,915 | 7% | 30% |
| Adjusted noninterest income | 2,928 | 3,122 | 3,572 | 3,921 | 10% | 10% |
| Adjusted total revenue | 4,883 | 5,264 | 5,807 | 6,836 | 9% | 18% |
| Adjusted noninterest expense | 3,148 | 3,453 | 3,587 | 4,112 | 7% | 15% |
| Adjusted net income | 1,197 | 1,325 | 1,514 | 1,702 | 12% | 12% |
| Adjusted operating leverage | | | | | 2% | 3% |

| *In millions* | For the year ended December 31, as reported 2004 | 2005 | 2006 | 2007 | Reported 2004-2006 CAGR | % Change 2006-2007 |
|---|---|---|---|---|---|---|
| Net interest income, as reported | $1,969 | $2,154 | $2,245 | $2,915 | 7% | 30% |
| Noninterest income, as reported | 3,572 | 4,173 | 6,327 | 3,790 | 33% | (40%) |
| Total revenue, as reported | 5,541 | 6,327 | 8,572 | 6,705 | 24% | (22%) |
| Noninterest expense, as reported | 3,712 | 4,306 | 4,443 | 4,296 | 9% | (3%) |
| Net income, as reported | 1,197 | 1,325 | 2,595 | 1,467 | 47% | (43%) |
| Operating leverage, as reported | | | | | 15% | (19%) |

PNC

# Peer Group of Super-Regional Banks

Appendi

| | Ticker |
|---|---|
| The PNC Financial Services Group, Inc. | PNC |
| BB&T Corporation | BBT |
| Comerica | CMA |
| Fifth Third Bancorp | FITB |
| KeyCorp | KEY |
| National City Corporation | NCC |
| Regions Financial | RF |
| SunTrust Banks, Inc. | STI |
| U.S. Bancorp | USB |
| Wachovia Corporation | WB |
| Wells Fargo & Company | WFC |