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YARDVILLE NATIONAL BANCORP

Form 425

October 18, 2007

**Filed by The PNC Financial Services Group, Inc.**

**Pursuant to Rule 425 under the Securities Act of 1933 and**

**deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934**

**Subject Company: Yardville National Bancorp**

**Commission File No. 000-26086**

On October 18, 2007, The PNC Financial Services Group, Inc. ( PNC ) issued a press release and held a conference call for investors regarding PNC s earnings and business results for the three months ended September 30, 2007. PNC also provided supplementary financial information on its web site, including financial information disclosed in connection with its press release, and provided electronic presentation slides on its web site used in connection with the related investor conference call. Such supplementary financial information and electronic presentation slides consisted of the following:

**THE PNC FINANCIAL SERVICES GROUP, INC.**

**FINANCIAL SUPPLEMENT**

**THIRD QUARTER 2007**

**(UNAUDITED)**

**THE PNC FINANCIAL SERVICES GROUP, INC.****FINANCIAL SUPPLEMENT****THIRD QUARTER 2007****(UNAUDITED)**

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available on October 18, 2007. We have reclassified certain prior period amounts included in this Financial Supplement to be consistent with the current period presentation. This information speaks only as of the particular date or dates included in the schedules. We do not undertake any obligation to, and disclaim any duty to, correct or update any of the information provided in this Financial Supplement. Our future financial performance is subject to risks and uncertainties as described in our United States Securities and Exchange Commission ( SEC ) filings.

***Additional Information About The PNC/Sterling Financial Corporation Transaction***

The PNC Financial Services Group, Inc. and Sterling Financial Corporation 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 Financial Corporation will be available free of charge from Sterling Financial Corporation by contacting Shareholder Relations at (877) 248-6420.

The directors, executive officers, and certain other members of management and employees of Sterling Financial Corporation are participants in the solicitation of proxies in favor of the merger from the shareholders of Sterling Financial Corporation. Information about the directors and executive officers of Sterling Financial Corporation 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.

**THE PNC FINANCIAL SERVICES GROUP, INC.**

***Additional Information About The PNC/Yardville National Bancorp Transaction***

The PNC Financial Services Group, Inc. ( PNC ) and Yardville National Bancorp ( Yardville ) have filed with the United States Securities and Exchange Commission (the SEC ) a proxy statement/prospectus and other relevant documents concerning the proposed transaction. YARDVILLE SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED MERGER OF PNC AND YARDVILLE, WHICH WAS FIRST MAILED TO YARDVILLE SHAREHOLDERS ON OR ABOUT SEPTEMBER 5, 2007, BECAUSE IT CONTAINS IMPORTANT INFORMATION.

Yardville shareholders may obtain a free copy of the proxy statement/prospectus and other related documents filed by PNC and Yardville with the SEC at the SEC's web site at <http://www.sec.gov>. In addition, documents filed with the SEC by PNC will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Yardville will be available free of charge from Yardville by contacting Howard N. Hall, Assistant Treasurer's Office, 2465 Kuser Road, Hamilton, NJ 08690 or by calling (609) 631-6223.

The directors, executive officers, and certain other members of management and employees of Yardville are participants in the solicitation of proxies in favor of the merger from the shareholders of Yardville. Information about the directors and executive officers of Yardville is set forth in its Annual Report on Form 10-K filed on March 30, 2007 for the year ended December 31, 2006, as amended by the Form 10-K/A filed on May 10, 2007. Additional information regarding the interests of such participants is included in the proxy statement/prospectus and the other relevant documents filed with the SEC.

***Mercantile Acquisition***

We completed our acquisition of Mercantile Bankshares Corporation ( Mercantile ) on March 2, 2007 and our financial results include Mercantile from that date. PNC issued approximately 53 million shares of common stock and paid approximately \$2.1 billion in cash as consideration for the acquisition, and accounted for the transaction under the purchase method. PNC converted the Mercantile banks' data onto PNC's financial and operational systems during September 2007.

***BlackRock/MLIM Transaction***

As further described in our Annual Report on Form 10-K for the year ended December 31, 2006, on September 29, 2006, Merrill Lynch contributed its investment management business ( MLIM ) to BlackRock, Inc. ( BlackRock ), formerly a majority-owned subsidiary of PNC, in exchange for 65 million shares of newly issued BlackRock common and preferred stock.

For the three months and nine months ended September 30, 2006 presented in this Financial Supplement, our Consolidated Income Statement reflects our former majority ownership interest in BlackRock. However, our Consolidated Income Statement for the quarters ended September 30, 2007, June 30, 2007, March 31, 2007, and December 31, 2006 and the nine months ended September 30, 2007 and our Consolidated Balance Sheet as of September 30, 2007, June 30, 2007, March 31, 2007, December 31, 2006 and September 30, 2006 reflect the September 29, 2006 deconsolidation of BlackRock's balance sheet amounts and recognize our approximate 34% ownership interest in BlackRock as of those dates as an investment accounted for under the equity method.

We have also provided, for information purposes only, adjusted results in this Financial Supplement to reflect BlackRock as if it had been accounted for under the equity method for all periods presented.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Consolidated Income Statement (Unaudited)**

<i>In millions, except per share data</i>	<i>For the nine months ended</i>			<i>For the three months ended</i>			
	September 30 2007	September 30 2006	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<b>Interest Income</b>							
Loans	\$ 3,109	\$ 2,382	\$ 1,129	\$ 1,084	\$ 896	\$ 821	\$ 838
Securities available for sale	1,031	769	366	355	310	280	271
Other	356	244	132	115	109	116	94
<b>Total interest income</b>	<b>4,496</b>	<b>3,395</b>	<b>1,627</b>	<b>1,554</b>	<b>1,315</b>	<b>1,217</b>	<b>1,203</b>
<b>Interest Expense</b>							
Deposits	1,531	1,140	531	532	468	450	434
Borrowed funds	843	576	335	284	224	201	202
<b>Total interest expense</b>	<b>2,374</b>	<b>1,716</b>	<b>866</b>	<b>816</b>	<b>692</b>	<b>651</b>	<b>636</b>
Net interest income	2,122	1,679	761	738	623	566	567
Provision for credit losses	127	82	65	54	8	42	16
Net interest income less provision for credit losses	1,995	1,597	696	684	615	524	551
<b>Noninterest Income</b>							
Asset management	559	1,271	204	190	165	149	381
Fund servicing	620	644	208	209	203	249	213
Service charges on deposits	258	234	89	92	77	79	81
Brokerage	209	183	71	72	66	63	61
Consumer services	304	272	106	107	91	93	89
Corporate services	533	449	198	176	159	177	157
Equity management gains	81	82	47	2	32	25	21
Net securities gains (losses)	(4)	(207)	(2)	1	(3)		(195)
Trading	114	150	33	29	52	33	38
Net gains (losses) related to BlackRock	1	2,078	(50)	(1)	52	(12)	2,078
Other	281	202	86	98	97	113	19
<b>Total noninterest income</b>	<b>2,956</b>	<b>5,358</b>	<b>990</b>	<b>975</b>	<b>991</b>	<b>969</b>	<b>2,943</b>
<b>Noninterest Expense</b>							
Compensation	1,368	1,686	480	470	418	442	573
Employee benefits	219	249	73	74	72	55	86
Net occupancy	255	241	87	81	87	69	79
Equipment	227	234	77	79	71	69	77
Marketing	86	81	36	29	21	23	39
Other	928	983	346	307	275	311	313
<b>Total noninterest expense</b>	<b>3,083</b>	<b>3,474</b>	<b>1,099</b>	<b>1,040</b>	<b>944</b>	<b>969</b>	<b>1,167</b>
Income before minority interest and income taxes	1,868	3,481	587	619	662	524	2,327
Minority interest in income of BlackRock		47					6

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Income taxes	579	1,215	180	196	203	148	837
<b>Net income</b>	<b>\$ 1,289</b>	<b>\$ 2,219</b>	<b>\$ 407</b>	<b>\$ 423</b>	<b>\$ 459</b>	<b>\$ 376</b>	<b>\$ 1,484</b>
<b>Earnings Per Common Share</b>							
Basic	\$ 3.92	\$ 7.60	\$ 1.21	\$ 1.24	\$ 1.49	\$ 1.29	\$ 5.09
Diluted	\$ 3.85	\$ 7.46	\$ 1.19	\$ 1.22	\$ 1.46	\$ 1.27	\$ 5.01
<b>Average Common Shares Outstanding</b>							
Basic	329	292	337	342	308	291	291
Diluted	333	297	340	346	312	295	296
<b>Efficiency</b>	61%	49%	63%	61%	58%	63%	33%
<b>Noninterest income to total revenue</b>	58%	76%	57%	57%	61%	63%	84%
<b>Effective tax rate (a)</b>	31.0%	34.9%	30.7%	31.7%	30.7%	28.2%	36.0%

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- (a) The effective tax rates are presented on a GAAP basis. The higher effective tax rates for the first nine months of 2006 and the third quarter of 2006 are primarily due to the third quarter 2006 gain on the BlackRock/MLIM transaction and a related \$57 million cumulative adjustment to deferred taxes recorded in the same quarter. The lower effective tax rate in the fourth quarter of 2006 was primarily due to a reduction in tax reserves for interest.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Adjusted Condensed Consolidated Income Statement (Unaudited) (a)**

<i>For the nine months ended - in millions</i>	<b>September 30 2007</b>	<b>September 30 2006</b>
<b>Net Interest Income</b>		
Net interest income	\$ 2,122	\$ 1,669
Provision for credit losses	127	82
Net interest income less provision for credit losses	1,995	1,587
<b>Noninterest Income</b>		
Asset management	564	379
Other	2,396	2,202
Total noninterest income	2,960	2,581
<b>Noninterest Expense</b>		
Compensation and benefits	1,560	1,368
Other	1,456	1,250
Total noninterest expense	3,016	2,618
Income before income taxes	1,939	1,550
Income taxes	602	427
Net income	\$ 1,337	\$ 1,123

<i>For the three months ended in millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
<b>Net Interest Income</b>					
Net interest income	\$ 761	\$ 738	\$ 623	\$ 566	\$ 564
Provision for credit losses	65	54	8	42	16
Net interest income less provision for credit losses	696	684	615	524	548
<b>Noninterest Income</b>					
Asset management	206	191	167	159	122
Other	836	786	774	832	710
Total noninterest income	1,042	977	941	991	832
<b>Noninterest Expense</b>					
Compensation and benefits	537	535	488	497	461
Other	521	490	445	472	411
Total noninterest expense	1,058	1,025	933	969	872
Income before income taxes	680	636	623	546	508

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Income taxes		211	202	189	155	128
Net income	\$	469	\$ 434	\$ 434	\$ 391	\$ 380

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- (a) This schedule is provided for informational purposes only and reflects historical condensed consolidated financial information of PNC: (1) with amounts adjusted for the impact of certain specified items; (2) as if we had recorded our investment in BlackRock on the equity method for all periods presented; and (3) adjusted in each case, as appropriate, for the tax impact. See the Appendix to this Financial Supplement for reconciliations of these amounts to the corresponding GAAP amounts for each of the periods presented. 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 these periods, 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. Adjusted information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results.



**THE PNC FINANCIAL SERVICES GROUP, INC.****Consolidated Balance Sheet (Unaudited)**

<i>In millions, except par value</i>	June 30				
	September 30 2007	2007	March 31 2007	December 31 2006	September 30 2006
<b>Assets</b>					
Cash and due from banks	\$ 3,318	\$ 3,177	\$ 3,234	\$ 3,523	\$ 3,018
Federal funds sold and resale agreements	2,360	1,824	1,604	1,763	2,818
Other short-term investments, including trading securities	3,944	3,667	3,041	3,130	2,718
Loans held for sale	3,004	2,562	2,382	2,366	4,317
Securities available for sale	28,430	25,903	26,475	23,191	19,512
Loans, net of unearned income of \$986, \$1,004, \$1,005, \$795, and \$815	65,760	64,714	62,925	50,105	48,900
Allowance for loan and lease losses	(717)	(703)	(690)	(560)	(566)
Net loans	65,043	64,011	62,235	49,545	48,334
Goodwill	7,836	7,745	7,739	3,402	3,418
Other intangible assets	1,099	913	929	641	590
Equity investments	5,975	5,584	5,408	5,330	5,130
Other	10,357	10,265	9,516	8,929	8,581
Total assets	\$ 131,366	\$ 125,651	\$ 122,563	\$ 101,820	\$ 98,436
<b>Liabilities</b>					
Deposits					
Noninterest-bearing	\$ 18,570	\$ 18,302	\$ 18,191	\$ 16,070	\$ 14,840
Interest-bearing	59,839	58,919	59,176	50,231	49,732
Total deposits	78,409	77,221	77,367	66,301	64,572
Borrowed funds					
Federal funds purchased	6,658	7,212	5,638	2,711	3,475
Repurchase agreements	1,990	2,805	2,586	2,051	2,275
Bank notes and senior debt	7,794	7,537	4,551	3,633	2,177
Subordinated debt	3,976	4,226	4,628	3,962	4,436
Federal Home Loan Bank borrowings	4,772	104	111	42	50
Other	2,263	2,632	2,942	2,629	2,282
Total borrowed funds	27,453	24,516	20,456	15,028	14,695
Allowance for unfunded loan commitments and letters of credit	127	125	121	120	117
Accrued expenses	4,077	3,663	3,864	3,970	3,855
Other	5,095	4,252	4,649	4,728	4,031
Total liabilities	115,161	109,777	106,457	90,147	87,270
Minority and noncontrolling interests in consolidated entities	1,666	1,370	1,367	885	408
<b>Shareholders Equity</b>					
Preferred stock (a)					
Common stock \$5 par value					
Authorized 800 shares, issued 353 shares	1,764	1,764	1,764	1,764	1,764
Capital surplus	2,631	2,606	2,520	1,651	1,628
Retained earnings	11,531	11,339	11,134	10,985	10,771
Accumulated other comprehensive loss	(255)	(439)	(162)	(235)	(109)
	(1,132)	(766)	(517)	(3,377)	(3,296)

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Common stock held in treasury at cost: 16, 11, 7, 60, and 59 shares

Total shareholders equity	14,539	14,504	14,739	10,788	10,758
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Total liabilities, minority and noncontrolling interests, and shareholders equity	\$ 131,366	\$ 125,651	\$ 122,563	\$ 101,820	\$ 98,436
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**Capital Ratios**

Tier 1 risk-based (b)	7.5%	8.3%	8.6%	10.4%	10.4
Total risk-based (b)	10.8	11.8	12.2	13.5	13.6
Leverage (b)	6.8	7.3	8.7	9.3	9.4
Tangible common equity	5.2	5.5	5.8	7.4	7.5
Common shareholders equity to assets	11.1	11.5	12.0	10.6	10.9

(a) Less than \$.5 million at each date.

(b) The ratios as of September 30, 2007 are estimated.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Summary of Business Segment Results (Unaudited)**

	September 30	June 30	March 31	December 31	September 30
<i>Three months ended in millions (a) (c)</i>	2007	2007	2007	2006	2006
<b>Earnings</b>					
Retail Banking (b)	\$ 250	\$ 227	\$ 201	\$ 184	\$ 206
Corporate & Institutional Banking (b)	87	122	132	126	111
PFPC	33	32	31	31	40
Other, including BlackRock (b) (c)	37	42	95	35	1,127
Total consolidated net income	\$ 407	\$ 423	\$ 459	\$ 376	\$ 1,484
<b>Revenue (d)</b>					
Retail Banking (b)	\$ 985	\$ 978	\$ 839	\$ 799	\$ 791
Corporate & Institutional Banking (b)	388	381	370	390	352
PFPC (e)	209	208	200	194	186
Other, including BlackRock (b) (c)	175	154	211	157	2,188
Total consolidated revenue	\$ 1,757	\$ 1,721	\$ 1,620	\$ 1,540	\$ 3,517

- (a) This summary also serves as a reconciliation of total earnings and revenue for all businesses to total consolidated net income and revenue. Our business information is presented based on our management accounting practices and our management structure. We refine our methodologies from time to time as our management accounting practices are enhanced and our businesses and management structure change.
- (b) Amounts for 2007 subsequent to March 2, 2007 include the impact of Mercantile.
- (c) We consider BlackRock to be a separate reportable business segment but have combined its results with Other for this presentation. Our Quarterly Report on Form 10-Q for the third quarter of 2007 will provide additional business segment disclosures for BlackRock. Generally, PNC's business segment earnings from BlackRock can be estimated by multiplying our current 33.7% ownership interest by BlackRock's reported GAAP earnings, less the additional income taxes recorded by PNC on those earnings. The effective tax rate on those earnings is typically less than PNC's consolidated effective tax rate due to the tax treatment of dividends received, if any, from BlackRock. PNC's effective tax rate on its earnings from BlackRock for the third quarter of 2007 was 23.9%.
- (d) Business revenue is presented on a taxable-equivalent basis. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than a taxable investment. To provide more meaningful comparisons of yields and margins for all earning assets, we also provide revenue 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 other taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement. The following is a reconciliation of total consolidated revenue on a book (GAAP) basis to total consolidated revenue on a taxable-equivalent basis (in millions):

	September 30	June 30	March 31	December 31	September 30
	2007	2007	2007	2006	2006
Total consolidated revenue, book (GAAP) basis	\$ 1,751	\$ 1,713	\$ 1,614	\$ 1,535	\$ 3,510
Taxable-equivalent adjustment	6	8	6	5	7
Total consolidated revenue, taxable-equivalent basis	\$ 1,757	\$ 1,721	\$ 1,620	\$ 1,540	\$ 3,517

- (e) PFPC revenue represents the sum of servicing revenue and nonoperating income (expense) less debt financing costs. Prior period servicing revenue amounts have been reclassified to conform with the current period presentation.

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	September 30	June 30	March 31	December 31	September 30
	2007	2007	2007	2006	2006
<b>Period-end Employees</b>					
Full-time employees:					
Retail Banking	11,753	11,804	11,838	9,549	9,531
Corporate & Institutional Banking	2,267	2,084	2,038	1,936	1,925
PFPC	4,504	4,522	4,400	4,381	4,317
Other					
Operations & Technology	4,243	4,501	4,493	3,909	3,927
Staff Services	2,044	2,115	2,059	1,680	1,674
Total Other	6,287	6,616	6,552	5,589	5,601
Total full-time employees	24,811	25,026	24,828	21,455	21,374
Total part-time employees	2,823	3,028	2,867	2,328	2,165
Total employees	27,634	28,054	27,695	23,783	23,539

The period-end employee statistics disclosed for each business reflect staff directly employed by the respective business and exclude operations, technology and staff services employees. Mercantile employees are included in the Retail Banking, Corporate & Institutional Banking, and Other businesses at September 30, 2007, June 30, 2007 and March 31, 2007. PFPC employee statistics are provided on a legal entity basis.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Retail Banking (Unaudited)***Three months ended**Taxable-equivalent basis (a)*

<i>Dollars in millions</i>	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<b>INCOME STATEMENT</b>					
Net interest income	\$ 535	\$ 535	\$ 452	\$ 419	\$ 427
Noninterest income	450	443	387	380	364
Total revenue	985	978	839	799	791
Provision for credit losses	8	37	23	35	9
Noninterest expense	577	579	496	471	456
Pretax earnings	400	362	320	293	326
Income taxes	150	135	119	109	120
Earnings	\$ 250	\$ 227	\$ 201	\$ 184	\$ 206
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
<b>Consumer</b>					
Home equity	\$ 14,296	\$ 14,237	\$ 13,881	\$ 13,807	\$ 13,849
Indirect	2,033	2,036	1,480	1,133	1,069
Other consumer	1,610	1,596	1,490	1,322	1,221
Total consumer	17,939	17,869	16,851	16,262	16,139
Commercial	13,799	13,678	8,201	5,907	5,821
Floor plan	939	1,037	952	853	854
Residential mortgage	2,050	2,038	1,781	1,031	1,509
Other	230	235	233	234	250
Total loans	34,957	34,857	28,018	24,287	24,573
Goodwill and other intangible assets	5,703	5,737	2,942	1,574	1,580
Loans held for sale	1,567	1,554	1,562	1,505	1,513
Other assets	2,848	2,626	1,927	1,671	1,640
Total assets	\$ 45,075	\$ 44,774	\$ 34,449	\$ 29,037	\$ 29,306
<b>Deposits</b>					
Noninterest-bearing demand	\$ 11,191	\$ 11,065	\$ 8,871	\$ 7,834	\$ 7,848
Interest-bearing demand	8,869	9,097	8,354	7,865	7,787
Money market	17,020	17,100	15,669	14,822	14,832
Total transaction deposits	37,080	37,262	32,894	30,521	30,467
Savings	2,831	2,981	2,243	1,877	1,976
Certificates of deposit	16,502	17,531	15,738	14,694	14,053
Total deposits	56,413	57,774	50,875	47,092	46,496
Other liabilities	540	679	708	598	515
Capital	3,595	3,724	3,287	3,034	2,988

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Total funds	\$ 60,548	\$ 62,177	\$ 54,870	\$ 50,724	\$ 49,999
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**PERFORMANCE RATIOS**

Return on average capital	28%	24%	25%	24%	27%
Noninterest income to total revenue	46	45	46	48	46
Efficiency	59	59	59	59	58

(a) See notes (a), (b) and (d) on page 5.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Retail Banking** (Unaudited) (Continued)

<i>Three months ended, dollars in millions except as noted</i>	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<b>OTHER INFORMATION, INCLUDING MERCANTILE (a) (b)</b>					
<u>Credit-related statistics:</u>					
Nonperforming assets	\$ 137	\$ 140	\$ 123	\$ 106	\$ 95
Net charge-offs	\$ 34	\$ 25	\$ 27	\$ 21	\$ 31
Annualized net charge-off ratio	.39%	.29%	.39%	.34%	.50%
<u>Other statistics:</u>					
Full-time employees	11,753	11,804	11,838	9,549	9,531
Part-time employees	2,248	2,360	2,224	1,829	1,660
ATMs	3,870	3,917	3,862	3,581	3,594
Branches (c)	1,072	1,084	1,077	852	848
<b>ASSETS UNDER ADMINISTRATION (in billions) (d)</b>					
<u>Assets under management</u>					
Personal	\$ 57	\$ 55	\$ 54	\$ 44	\$ 42
Institutional	20	22	22	10	10
Total	\$ 77	\$ 77	\$ 76	\$ 54	\$ 52
<u>Asset Type</u>					
Equity	\$ 44	\$ 43	\$ 41	\$ 34	\$ 32
Fixed income	20	20	20	12	12
Liquidity/Other	13	14	15	8	8
Total	\$ 77	\$ 77	\$ 76	\$ 54	\$ 52
<u>Nondiscretionary assets under administration</u>					
Personal	\$ 31	\$ 30	\$ 31	\$ 25	\$ 27
Institutional	81	81	80	61	62
Total	\$ 112	\$ 111	\$ 111	\$ 86	\$ 89
<u>Asset Type</u>					
Equity	\$ 50	\$ 47	\$ 42	\$ 33	\$ 32
Fixed income	27	28	28	24	27
Liquidity/Other	35	36	41	29	30
Total	\$ 112	\$ 111	\$ 111	\$ 86	\$ 89

(a) Presented as of period-end, except for net charge-offs and annualized net charge-off ratio.

(b) Amounts subsequent to March 2, 2007 include the impact of Mercantile.

(c) Excludes certain satellite branches that provide limited products and service hours.

(d) Excludes brokerage account assets.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Retail Banking (Unaudited) (Continued)**

<i>Three months ended</i>	<b>September 30</b>	<b>June 30</b>	<b>March 31</b>	<b>December 31</b>	<b>September 30</b>
	<b>2007</b>	<b>2007 (b)</b>	<b>2007 (b)</b>	<b>2006</b>	<b>2006</b>
<i>Dollars in millions except as noted</i>					
<b>OTHER INFORMATION, INCLUDING</b>					
<b>MERCANTILE AT SEPTEMBER 30, 2007 ONLY</b>					
(a) (b)					
<u>Home equity portfolio credit statistics:</u>					
% of first lien positions (c)	39%	42%	43%	43%	44%
Weighted average loan-to-value ratios (c)	72%	70%	70%	70%	69%
Weighted average FICO scores (d)	726	727	726	728	728
Loans 90 days past due	.30%	.26%	.25%	.24%	.22%
<u>Checking-related statistics:</u>					
Retail Banking checking relationships	2,275,000	1,967,000	1,962,000	1,954,000	1,958,000
Consumer DDA households using online banking	1,050,000	975,000	960,000	938,000	920,000
% of consumer DDA households using online banking	52%	55%	54%	53%	52%
Consumer DDA households using online bill payment	604,000	505,000	450,000	404,000	361,000
% of consumer DDA households using online bill payment	30%	29%	25%	23%	20%
<u>Small business loans and managed deposits:</u>					
Small business loans	\$ 13,157	\$ 5,410	\$ 5,284	\$ 5,116	\$ 5,080
<u>Managed deposits:</u>					
<u>On-balance sheet</u>					
Noninterest-bearing demand	\$ 6,119	\$ 4,250	\$ 4,284	\$ 4,383	\$ 4,402
Interest-bearing demand	2,027	1,505	1,517	1,649	1,752
Money market	3,389	2,595	2,635	2,592	2,689
Certificates of deposit	1,070	584	681	802	763
<u>Off-balance sheet (e)</u>					
Small business sweep checking	3,203	1,933	1,827	1,733	1,651
Total managed deposits	\$ 15,808	\$ 10,867	\$ 10,944	\$ 11,159	\$ 11,257
<u>Brokerage statistics:</u>					
Margin loans	\$ 161	\$ 162	\$ 166	\$ 163	\$ 170
Financial consultants (f)	765	767	757	758	752
Full service brokerage offices	100	99	99	99	99
Brokerage account assets (billions)	\$ 49	\$ 47	\$ 46	\$ 46	\$ 44
<u>Other statistics:</u>					
Gains on sales of education loans (g)	\$ 12	\$ 5	\$ 3	\$ 11	\$ 11

- (a) Presented as of period-end for all periods presented, except for gains on sales of education loans which are for the three months ended and small business sweep checking amounts, which are average. Small business loans and on-balance sheet managed deposits data for periods prior to the three months ended September 30, 2007 was previously provided on an average basis.
- (b) This information excludes the impact of acquisitions between PNC's acquisition date and the date of conversion of the acquired companies data onto PNC's financial and operational systems because such information was not available prior to the conversion date. Therefore, information presented above as of and for the three months ended June 30, 2007 and March 31, 2007 excludes the impact of Mercantile, which PNC acquired effective March 2, 2007 and converted during September 2007.
- (c) Includes loans from acquired portfolios for which lien position and loan-to-value information was limited.
- (d) Represents the most recent FICO scores we have on file.



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- (e) Represents small business balances, a portion of which are calculated on a one-month lag. These balances are swept into liquidity products managed by other PNC business segments, the majority of which are off-balance sheet.
- (f) Financial consultants provide services in full service brokerage offices and PNC traditional branches.
- (g) Included in Noninterest income on page 6.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Corporate & Institutional Banking (Unaudited)***Three months ended**Taxable-equivalent basis (a)*

<i>Dollars in millions except as noted</i>	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<b>INCOME STATEMENT</b>					
Net interest income	\$ 204	\$ 194	\$ 183	\$ 186	\$ 178
Noninterest income					
Corporate service fees	161	139	127	149	131
Other	23	48	60	55	43
Noninterest income	184	187	187	204	174
Total revenue	388	381	370	390	352
Provision for (recoveries of) credit losses	55	17	(16)	6	7
Noninterest expense	211	192	193	199	181
Pretax earnings	122	172	193	185	164
Income taxes	35	50	61	59	53
Earnings	\$ 87	\$ 122	\$ 132	\$ 126	\$ 111
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Corporate (b)	\$ 9,625	\$ 9,274	\$ 8,909	\$ 8,885	\$ 8,670
Commercial real estate	3,576	3,555	3,253	3,143	2,953
Commercial real estate related	3,746	3,736	2,733	2,189	2,476
Asset-based lending	4,647	4,562	4,513	4,594	4,563
Total loans (b)	21,594	21,127	19,408	18,811	18,662
Goodwill and other intangible assets	2,085	1,837	1,544	1,399	1,366
Loans held for sale	1,207	982	1,302	965	865
Other assets	4,544	4,531	4,244	4,550	4,288
Total assets	\$ 29,430	\$ 28,477	\$ 26,498	\$ 25,725	\$ 25,181
<b>Deposits</b>					
Noninterest-bearing demand	\$ 7,238	\$ 6,953	\$ 7,083	\$ 7,210	\$ 6,817
Money market	4,960	4,653	4,530	3,644	2,678
Other	1,436	1,113	926	921	995
Total deposits	13,634	12,719	12,539	11,775	10,490
Other liabilities	3,109	2,960	2,850	3,093	2,967
Capital	2,132	2,050	2,064	1,935	1,735
Total funds	\$ 18,875	\$ 17,729	\$ 17,453	\$ 16,803	\$ 15,192
<b>PERFORMANCE RATIOS</b>					
Return on average capital	16%	24%	26%	26%	25%
Noninterest income to total revenue	47	49	51	52	49
Efficiency	54	50	52	51	51

## COMMERCIAL MORTGAGE

SERVICING PORTFOLIO (in billions)					
Beginning of period	\$ 222	\$ 206	\$ 200	\$ 180	\$ 151
Acquisitions/additions	36	28	16	33	37
Repayments/transfers	(14)	(12)	(10)	(13)	(8)
End of period (c)	\$ 244	\$ 222	\$ 206	\$ 200	\$ 180

## OTHER INFORMATION

Consolidated revenue from: (d)					
Treasury Management	\$ 121	\$ 114	\$ 110	\$ 107	\$ 106
Capital Markets	\$ 73	\$ 76	\$ 67	\$ 79	\$ 64
Midland Loan Services	\$ 59	\$ 56	\$ 54	\$ 53	\$ 47
Total loans (e)	\$ 22,455	\$ 21,662	\$ 21,193	\$ 18,957	\$ 19,265
Nonperforming assets (e)	\$ 141	\$ 100	\$ 77	\$ 63	\$ 94
Net charge-offs	\$ 15	\$ 7	\$ 9	\$ 24	\$ 14
Full-time employees (e)	2,267	2,084	2,038	1,936	1,925
Net gains on commercial mortgage loan sales (c)	\$ 5	\$ 9	\$ 15	\$ 18	\$ 12
Net carrying amount of commercial mortgage servicing rights (c) (e)	\$ 708	\$ 493	\$ 487	\$ 471	\$ 414

(a) See notes (a), (b) and (d) on page 5.

(b) Includes lease financing.

(c) Amounts at September 30, 2007 include the impact of the July 2, 2007 acquisition of ARCS Commercial Mortgage.

(d) Represents consolidated PNC amounts.

(e) Presented as of period end.

## THE PNC FINANCIAL SERVICES GROUP, INC.

PFPC (Unaudited) (a)

Three months ended

	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<i>Dollars in millions except as noted</i>					
<b>INCOME STATEMENT</b>					
Servicing revenue (b)	\$ 216	\$ 216	\$ 208	\$ 203	\$ 196
Operating expense (b)	159	158	153	146	144
Operating income	57	58	55	57	52
Debt financing	9	9	10	10	11
Nonoperating income (c)	2	1	2	1	1
Pretax earnings	50	50	47	48	42
Income taxes (d)	17	18	16	17	2
Earnings	\$ 33	\$ 32	\$ 31	\$ 31	\$ 40
<b>PERIOD-END BALANCE SHEET</b>					
Goodwill and other intangible assets	\$ 1,002	\$ 1,005	\$ 1,008	\$ 1,012	\$ 1,015
Other assets	1,169	1,395	1,370	1,192	1,038
Total assets	\$ 2,171	\$ 2,400	\$ 2,378	\$ 2,204	\$ 2,053
Debt financing	\$ 702	\$ 734	\$ 760	\$ 792	\$ 813
Other liabilities	878	1,109	1,091	917	772
Shareholder's equity	591	557	527	495	468
Total funds	\$ 2,171	\$ 2,400	\$ 2,378	\$ 2,204	\$ 2,053
<b>PERFORMANCE RATIOS</b>					
Return on average equity	23%	24%	25%	26%	35%
Operating margin (e)	26	27	26	28	27
<b>SERVICING STATISTICS (at period end)</b>					
Accounting/administration net fund assets ( <i>in billions</i> )					
Domestic	\$ 806	\$ 765	\$ 731	\$ 746	\$ 695
Offshore	116	103	91	91	79
Total	\$ 922	\$ 868	\$ 822	\$ 837	\$ 774
<i>Asset type (in billions)</i>					
Money market	\$ 328	\$ 286	\$ 280	\$ 281	\$ 260
Equity	377	373	352	354	331
Fixed income	117	118	111	117	111
Other (f)	100	91	79	85	72
Total	\$ 922	\$ 868	\$ 822	\$ 837	\$ 774
Custody fund assets ( <i>in billions</i> )	\$ 497	\$ 467	\$ 435	\$ 427	\$ 399
Shareholder accounts ( <i>in millions</i> )					

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Transfer agency	19	20	18	18	18
Subaccounting	51	50	50	50	48
Total	70	70	68	68	66
<b>OTHER INFORMATION</b>					
Period-end full-time employees	4,504	4,522	4,400	4,381	4,317

- 
- (a) See note (a) on page 5.
- (b) Certain out-of-pocket expense items which are then client billable are included in both servicing revenue and operating expense above, but offset each other entirely and therefore have no net effect on operating income. Distribution revenue and expenses which relate to 12b-1 fees that PFPC receives from certain fund clients for the payment of marketing, sales and service expenses also entirely offset each other, but are netted for presentation purposes above. Prior period amounts have been reclassified to conform with the current period presentation.
- (c) Net of nonoperating expense.
- (d) Income taxes for the quarter ended September 30, 2006 included the benefit of a \$13.5 million reversal of deferred taxes related to foreign subsidiary earnings.
- (e) Total operating income divided by servicing revenue.
- (f) Includes alternative investment net assets serviced.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Efficiency Ratio (Unaudited)**

	September 30 2007	June 30 2007	Three months ended March 31 2007	December 31 2006	September 30 2006
Efficiency, as reported (a)	63%	61%	58%	63%	33%
Efficiency, as adjusted (b)	59%	60%	60%	62%	62%

- (a) Calculated as noninterest expense divided by the sum of net interest income and noninterest income on the Consolidated Income Statement.
- (b) Calculated as PNC's efficiency ratio adjusted: (1) for the impact of certain specified items; (2) as if we had recorded our investment in BlackRock on the equity method for all periods presented; and (3) in each case, as appropriate, adjusted for the tax impact. We have provided these adjusted amounts and reconciliations so that shareholders, investor analysts, regulators and others will be better able to evaluate the impact of these items on our as reported efficiency ratio for these periods, in addition to providing a basis of comparability for the impact of the BlackRock deconsolidation. Amounts used for these adjusted ratios are reconciled to amounts used in the PNC efficiency ratio as reported (GAAP basis).

<i>Dollars in millions</i>	September 30 2007	June 30 2007	Three months ended March 31 2007	December 31 2006	September 30 2006
<u>Reconciliation of GAAP amounts with amounts used in the calculation of the adjusted efficiency ratio:</u>					
GAAP basis net interest income	\$ 761	\$ 738	\$ 623	\$ 566	\$ 567
Adjustment to net interest income: BlackRock equity method (c)					(3)
Adjusted net interest income	\$ 761	\$ 738	\$ 623	\$ 566	\$ 564
GAAP basis noninterest income	\$ 990	\$ 975	\$ 991	\$ 969	\$ 2,943
Adjustments:					
Gain on BlackRock/MLIM transaction					(2,078)
Securities portfolio rebalancing loss					196
Mortgage loan portfolio repositioning loss					48
Integration costs	2	1	2	10	
BlackRock LTIP	50	1	(52)	12	
BlackRock equity method (c)					(277)
Adjusted noninterest income	\$ 1,042	\$ 977	\$ 941	\$ 991	\$ 832
Adjusted total revenue	\$ 1,803	\$ 1,715	\$ 1,564	\$ 1,557	\$ 1,396
GAAP basis noninterest expense	\$ 1,099	\$ 1,040	\$ 944	\$ 969	\$ 1,167
Adjustments:					
Integration costs	(41)	(15)	(11)		(72)
BlackRock equity method (c)					(223)
Adjusted noninterest expense	\$ 1,058	\$ 1,025	\$ 933	\$ 969	\$ 872
<b>Adjusted efficiency ratio</b>	<b>59%</b>	<b>60%</b>	<b>60%</b>	<b>62%</b>	<b>62%</b>

- (c) See the Appendix to this Financial Supplement.



**THE PNC FINANCIAL SERVICES GROUP, INC.****Details of Net Interest Income, Net Interest Margin, and Trading Revenue (Unaudited)**

<i>In millions</i>	September 30		Three months ended		September 30
	2007	June 30 2007	March 31 2007	December 31 2006	
<b>Net Interest Income</b>					
Interest income, taxable equivalent basis					
Loans	\$ 1,134	\$ 1,088	\$ 899	\$ 824	\$ 841
Securities available for sale	368	355	310	279	272
Other	131	119	112	119	97
Total interest income	1,633	1,562	1,321	1,222	1,210
Interest expense					
Deposits	531	532	468	450	434
Borrowed funds	335	284	224	201	202
Total interest expense	866	816	692	651	636
Net interest income, taxable-equivalent basis	767	746	629	571	574
Less: Taxable-equivalent adjustment	6	8	6	5	7
Net interest income, GAAP basis	\$ 761	\$ 738	\$ 623	\$ 566	\$ 567

<i>In millions</i>	September 30		Three months ended		September 30
	2007	June 30 2007	March 31 2007	December 31 2006	
<b>Net Interest Margin</b>					
Average yields/rates					
Yield on interest-earning assets					
Loans	6.89%	6.81%	6.68%	6.63%	6.59%
Securities available for sale	5.42	5.37	5.31	5.27	5.01
Other	5.56	5.94	5.83	5.56	5.78
Total yield on interest-earning assets	6.37	6.35	6.23	6.15	6.09
Rate on interest-bearing liabilities					
Deposits	3.49	3.52	3.52	3.54	3.43
Borrowed funds	5.22	5.28	5.33	5.39	5.40
Total rate on interest-bearing liabilities	3.99	3.98	3.95	3.97	3.88
Interest rate spread	2.38	2.37	2.28	2.18	2.21
Impact of noninterest-bearing sources	.62	.66	.67	.70	.68
Net interest margin	3.00 %	3.03 %	2.95 %	2.88 %	2.89 %

<i>In millions</i>	September 30		Three months ended		September 30
	2007	June 30 2007	March 31 2007	December 31 2006	
<b>Trading Revenue (a)</b>					
Net interest income (expense)	\$ (1)	\$ 1		\$ (2)	\$ (1)



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Noninterest income	33	29	\$ 52	33	38
Total trading revenue	\$ 32	\$ 30	\$ 52	\$ 31	\$ 37
Securities underwriting and trading (b)	\$ 14	\$ 8	\$ 9	\$ 11	\$ 7
Foreign exchange	15	13	14	13	11
Financial derivatives	3	9	29	7	19
Total trading revenue	\$ 32	\$ 30	\$ 52	\$ 31	\$ 37

(a) See pages 13-14 for disclosure of average trading assets and liabilities.

(b) Includes changes in fair value for certain loans accounted for at fair value. See page 13 for disclosure of average loans at fair value.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Average Consolidated Balance Sheet (Unaudited)**

<i>Three months ended - in millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
<b>Assets</b>					
Interest-earning assets:					
Securities available for sale					
Residential mortgage-backed	\$ 19,541	\$ 19,280	\$ 17,198	\$ 16,082	\$ 15,282
Commercial mortgage-backed	4,177	3,646	3,338	2,640	2,182
Asset-backed	2,454	2,531	1,876	1,561	1,457
U.S. Treasury and government agencies	281	344	394	441	2,285
State and municipal	233	203	162	140	144
Other debt	25	33	79	89	90
Corporate stocks and other	381	383	347	277	259
<b>Total securities available for sale (a)</b>	<b>27,092</b>	<b>26,420</b>	<b>23,394</b>	<b>21,230</b>	<b>21,699</b>
Loans, net of unearned income					
Commercial	26,352	25,845	21,479	20,458	20,431
Commercial real estate	8,272	8,320	5,478	3,483	3,268
Lease financing	2,581	2,566	2,534	2,789	2,790
Consumer	17,954	17,886	16,865	16,272	16,150
Residential mortgage	9,325	8,527	7,173	5,606	7,332
Other	393	411	527	385	367
<b>Total loans, net of unearned income</b>	<b>64,877</b>	<b>63,555</b>	<b>54,056</b>	<b>48,993</b>	<b>50,338</b>
Loans held for sale	2,842	2,611	2,955	3,167	2,408
Federal funds sold and resale agreements	2,163	1,832	2,092	2,049	1,401
Other	4,342	3,606	2,735	3,198	2,805
<b>Total interest-earning assets</b>	<b>101,316</b>	<b>98,024</b>	<b>85,232</b>	<b>78,637</b>	<b>78,651</b>
Noninterest-earning assets:					
Allowance for loan and lease losses	(708)	(692)	(612)	(557)	(609)
Cash and due from banks	3,047	2,991	2,945	2,999	3,161
Other	23,977	22,997	19,857	17,969	14,142
<b>Total assets</b>	<b>\$ 127,632</b>	<b>\$ 123,320</b>	<b>\$ 107,422</b>	<b>\$ 99,048</b>	<b>\$ 95,345</b>

**Supplemental Average Balance Sheet Information**

(Unaudited)

**Trading Assets**

Securities (b)	\$ 3,293	\$ 2,144	\$ 1,569	\$ 2,111	\$ 1,460
Resale agreements (c)	1,267	1,247	820	1,247	537
Financial derivatives (d)	1,389	1,221	1,115	1,209	1,220
Loans at fair value (d)	164	161	193	172	168
<b>Total trading assets</b>	<b>\$ 6,113</b>	<b>\$ 4,773</b>	<b>\$ 3,697</b>	<b>\$ 4,739</b>	<b>\$ 3,385</b>

(a) Average securities held to maturity totaled less than \$.5 million for each of the periods presented and are included in the Other debt category above.

(b) Included in Interest-earning assets-Other above.

(c) Included in Federal funds sold and resale agreements above.

(d) Included in Noninterest-earning assets-Other above.



**THE PNC FINANCIAL SERVICES GROUP, INC.****Average Consolidated Balance Sheet (Unaudited) (Continued)**

<i>Three months ended - in millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
<b>Liabilities, Minority and Noncontrolling Interests, and Shareholders Equity</b>					
Interest-bearing liabilities:					
Interest-bearing deposits					
Money market	\$ 24,151	\$ 23,979	\$ 22,503	\$ 20,879	\$ 20,565
Demand	9,275	9,494	8,671	8,143	8,075
Savings	2,841	2,988	2,250	1,882	2,021
Retail certificates of deposit	16,563	17,426	15,691	14,837	14,209
Other time	2,748	2,297	1,623	1,355	1,467
Time deposits in foreign offices	4,616	4,220	3,129	3,068	3,712
Total interest-bearing deposits	60,194	60,404	53,867	50,164	50,049
Borrowed funds					
Federal funds purchased	6,249	6,102	4,533	3,167	3,831
Repurchase agreements	2,546	2,507	1,858	2,264	2,027
Bank notes and senior debt	7,537	5,681	4,182	2,757	2,801
Subordinated debt	4,039	4,466	4,370	4,361	4,436
Federal Home Loan Bank borrowings	2,097	106	64	44	193
Other	2,741	2,459	1,813	2,117	1,434
Total borrowed funds	25,209	21,321	16,820	14,710	14,722
Total interest-bearing liabilities	85,403	81,725	70,687	64,874	64,771
Noninterest-bearing liabilities, minority and noncontrolling interests, and shareholders equity:					
Demand and other noninterest-bearing deposits	18,211	17,824	15,807	14,827	14,549
Allowance for unfunded loan commitments and letters of credit	125	121	126	117	104
Accrued expenses and other liabilities	8,117	7,655	7,961	7,882	6,346
Minority and noncontrolling interests in consolidated entities	1,414	1,367	893	542	640
Shareholders equity	14,362	14,628	11,948	10,806	8,935
Total liabilities, minority and noncontrolling interests, and shareholders equity	\$ 127,632	\$ 123,320	\$ 107,422	\$ 99,048	\$ 95,345

**Supplemental Average Balance Sheet Information (Unaudited)**  
(Continued)**Deposits and Common Shareholders Equity**

Interest-bearing deposits	\$ 60,194	\$ 60,404	\$ 53,867	\$ 50,164	\$ 50,049
Demand and other noninterest-bearing deposits	18,211	17,824	15,807	14,827	14,549
Total deposits	\$ 78,405	\$ 78,228	\$ 69,674	\$ 64,991	\$ 64,598
Transaction deposits	\$ 51,637	\$ 51,297	\$ 46,981	\$ 43,849	\$ 43,189
Common shareholders equity	\$ 14,355	\$ 14,621	\$ 11,941	\$ 10,799	\$ 8,928
<b>Trading Liabilities</b>					
Securities sold short (a)	\$ 1,960	\$ 1,431	\$ 1,264	\$ 1,553	\$ 867
Repurchase agreements and other borrowings (b)	637	669	363	1,096	708
Financial derivatives (c)	1,400	1,230	1,126	1,156	1,151
Borrowings at fair value (c)	41	40	39	34	40

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Total trading liabilities	\$	4,038	\$	3,370	\$	2,792	\$	3,839	\$	2,766
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- (a) Included in Borrowed funds-Other above.
  - (b) Included in Borrowed funds-Repurchase agreements and Borrowed funds-Other above.
  - (c) Included in Accrued expenses and other liabilities above.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Details of Loans (Unaudited)**

	September 30	June 30	March 31	December 31	September 30
<i>Period ended - in millions</i>	2007	2007	2007	2006	2006
<b>Commercial</b>					
Retail/wholesale	\$ 6,181	\$ 6,031	\$ 6,075	\$ 5,301	\$ 5,245
Manufacturing	4,472	4,439	4,490	4,189	4,318
Other service providers	3,292	3,212	3,113	2,186	2,155
Real estate related (a)	4,502	4,939	4,869	2,825	3,000
Financial services	1,861	1,545	1,560	1,324	1,423
Health care	1,075	1,097	1,028	707	685
Other	5,352	4,681	4,603	4,052	3,858
<b>Total commercial</b>	<b>26,735</b>	<b>25,944</b>	<b>25,738</b>	<b>20,584</b>	<b>20,684</b>
<b>Commercial real estate</b>					
Real estate projects	5,807	5,767	5,756	2,716	2,691
Mortgage	2,507	2,564	2,597	816	794
<b>Total commercial real estate</b>	<b>8,314</b>	<b>8,331</b>	<b>8,353</b>	<b>3,532</b>	<b>3,485</b>
Equipment lease financing	3,539	3,587	3,527	3,556	3,609
<b>Total commercial lending</b>	<b>38,588</b>	<b>37,862</b>	<b>37,618</b>	<b>27,672</b>	<b>27,778</b>
<b>Consumer</b>					
Home equity	14,366	14,268	14,263	13,749	13,876
Automobile	1,521	1,962	1,956	1,135	1,061
Other	2,270	1,804	1,769	1,631	1,419
<b>Total consumer</b>	<b>18,157</b>	<b>18,034</b>	<b>17,988</b>	<b>16,515</b>	<b>16,356</b>
Residential mortgage	9,605	9,440	7,960	6,337	5,234
Other	396	382	364	376	347
Unearned income	(986)	(1,004)	(1,005)	(795)	(815)
<b>Total, net of unearned income</b>	<b>\$ 65,760</b>	<b>\$ 64,714</b>	<b>\$ 62,925</b>	<b>\$ 50,105</b>	<b>\$ 48,900</b>

(a) Includes loans related to customers in the real estate, rental, leasing and construction industries.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit, and Net Unfunded Commitments**  
(Unaudited)**Change in Allowance for Loan and Lease Losses**

	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<i>Three months ended - in millions</i>					
Beginning balance	\$ 703	\$ 690	\$ 560	\$ 566	\$ 611
Charge-offs					
Commercial	(38)	(27)	(31)	(23)	(39)
Commercial real estate	(3)	(1)		(1)	(2)
Equipment lease financing				(14)	
Consumer	(17)	(15)	(17)	(15)	(13)
Residential mortgage				(1)	(2)
Total charge-offs	(58)	(43)	(48)	(54)	(56)
Recoveries					
Commercial	5	8	7	3	6
Commercial real estate		1		1	
Equipment lease financing				1	
Consumer	4	2	5	4	3
Total recoveries	9	11	12	9	9
Net recoveries (charge-offs)					
Commercial	(33)	(19)	(24)	(20)	(33)
Commercial real estate	(3)				(2)
Equipment lease financing				(13)	
Consumer	(13)	(13)	(12)	(11)	(10)
Residential mortgage				(1)	(2)
Total net charge-offs	(49)	(32)	(36)	(45)	(47)
Provision for credit losses	65	54	8	42	16
Acquired allowance - Mercantile		(5)	142		
Net change in allowance for unfunded loan commitments and letters of credit	(2)	(4)	16	(3)	(14)
Ending balance	\$ 717	\$ 703	\$ 690	\$ 560	\$ 566

**Supplemental Information**

Commercial lending net charge-offs (a)	\$ (36)	\$ (19)	\$ (24)	\$ (33)	\$ (35)
Consumer lending net charge-offs (b)	(13)	(13)	(12)	(12)	(12)
Total net charge-offs	\$ (49)	\$ (32)	\$ (36)	\$ (45)	\$ (47)
<u>Net charge-offs to average loans</u>					
Commercial lending	.38%	.21%	.33%	.49%	.52%
Consumer lending	.19	.20	.20	.22	.20

(a) Includes commercial, commercial real estate and equipment lease financing.

(b) Includes consumer and residential mortgage.

**Change in Allowance for Unfunded Loan Commitments and Letters of Credit**

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<i>Three months ended - in millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
Beginning balance	\$ 125	\$ 121	\$ 120	\$ 117	\$ 103
Acquired allowance Mercantile			17		
Net change in allowance for unfunded loan commitments and letters of credit	2	4	(16)	3	14
Ending balance	\$ 127	\$ 125	\$ 121	\$ 120	\$ 117

<i>In millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
<b>Net Unfunded Commitments</b>					
Net unfunded commitments	\$ 52,604	\$ 50,678	\$ 49,263	\$ 44,835	\$ 43,804



**THE PNC FINANCIAL SERVICES GROUP, INC.****Details of Nonperforming Assets (Unaudited)****Nonperforming Assets by Type**

<i>Period ended - in millions</i>	September 30 2007	June 30 2007	March 31 2007	December 31 2006	September 30 2006
<b>Nonaccrual loans</b>					
Commercial	\$ 144	\$ 126	\$ 121	\$ 109	\$ 112
Commercial real estate	75	62	25	12	14
Consumer	15	14	14	13	14
Residential mortgage	10	14	16	12	13
Equipment lease financing	3	2	2	1	14
<b>Total nonaccrual loans</b>	<b>247</b>	<b>218</b>	<b>178</b>	<b>147</b>	<b>167</b>
<b>Foreclosed and other assets</b>					
Residential mortgage	16	12	11	10	9
Equipment lease financing	12	12	12	12	12
Other	11	4	3	2	3
<b>Total foreclosed and other assets</b>	<b>39</b>	<b>28</b>	<b>26</b>	<b>24</b>	<b>24</b>
<b>Total nonperforming assets (a) (b)</b>	<b>\$ 286</b>	<b>\$ 246</b>	<b>\$ 204</b>	<b>\$ 171</b>	<b>\$ 191</b>
Nonperforming loans to total loans	.38%	.34%	.28%	.29%	.34%
Nonperforming assets to total loans and foreclosed assets	.43	.38	.32	.34	.39
Nonperforming assets to total assets	.22	.20	.17	.17	.19
Net charge-offs to average loans (For the three months ended)	.30	.20	.27	.36	.37
Allowance for loan and lease losses to loans	1.09	1.09	1.10	1.12	1.16
Allowance for loan and lease losses to nonperforming loans	290	322	388	381	339
(a) Excludes equity management assets carried at estimated fair value (amounts include troubled debt restructured assets of \$4 million for each period presented):	\$ 12	\$ 13	\$ 15	\$ 11	\$ 12
(b) Excludes loans held for sale carried at lower of cost or market value, related to the Mercantile acquisition	\$ 7	\$ 17	\$ 18		

**Change in Nonperforming Assets**

<i>In millions</i>	<b>Nine months ended</b>
January 1, 2007	\$ 171
Transferred in	304
Acquisition Mercantile	35
Asset sales	(7)
Returned to performing	(8)
Charge-offs and valuation adjustments	(94)
Principal activity including payoffs	(115)
September 30, 2007	\$ 286



**THE PNC FINANCIAL SERVICES GROUP, INC.****Details of Nonperforming Assets (Unaudited) (Continued)****Nonperforming Assets by Business**

<i>Period ended - in millions</i>	<b>September 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>
<b>Retail Banking</b>					
Nonperforming loans	\$ 127	\$ 130	\$ 114	\$ 96	\$ 85
Foreclosed and other assets	10	10	9	10	10
Total	\$ 137	\$ 140	\$ 123	\$ 106	\$ 95
<b>Corporate &amp; Institutional Banking</b>					
Nonperforming loans	\$ 119	\$ 87	\$ 64	\$ 50	\$ 81
Foreclosed and other assets	22	13	13	13	13
Total	\$ 141	\$ 100	\$ 77	\$ 63	\$ 94
<b>Other (a)</b>					
Nonperforming loans	\$ 1	\$ 1		\$ 1	\$ 1
Foreclosed and other assets	7	5	\$ 4	1	1
Total	\$ 8	\$ 6	\$ 4	\$ 2	\$ 2
<b>Consolidated Totals</b>					
Nonperforming loans	\$ 247	\$ 218	\$ 178	\$ 147	\$ 167
Foreclosed and other assets	39	28	26	24	24
Total (b)	\$ 286	\$ 246	\$ 204	\$ 171	\$ 191

(a) Amounts include residential mortgages related to PNC's Asset & Liability management function.

**Largest Individual Nonperforming Assets at September 30, 2007 in millions (b)**

<b>Ranking</b>	<b>Outstandings</b>	<b>Industry</b>
1	\$ 25	Heavy and Civil Engineering Construction
2	21	Health and Personal Care Stores
3	15	Wood Product Manufacturing
4	12	Air Transportation
5	11	Heavy and Civil Engineering Construction
6	7	Printing and Related Support Activities
7	5	Wood Product Manufacturing
8	5	Food Services and Drinking Places
9	4	Construction of Buildings
10	4	Real Estate
Total	\$ 109	

As a percent of total nonperforming assets  
38%

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(b) Amounts shown are not net of related allowance for loan and lease losses, if applicable.

### *Glossary of Terms*

Accounting/administration net fund assets Net domestic and foreign fund investment assets for which we provide accounting and administration services. We do not include these assets on our Consolidated Balance Sheet.

Adjusted average total assets Primarily comprised of total average quarterly (or annual) assets plus (less) unrealized losses (gains) on available-for-sale debt securities, less goodwill and certain other intangible assets (net of eligible deferred taxes).

Annualized Adjusted to reflect a full year of activity.

Assets under management Assets over which we have sole or shared investment authority for our customers/clients. We do not include these assets on our Consolidated Balance Sheet.

Basis point One hundredth of a percentage point.

Charge-off Process of removing a loan or portion of a loan from our balance sheet because it is considered uncollectible. We also record a charge-off when a loan is transferred to held for sale by reducing the carrying amount by the allowance for loan losses associated with such loan or if the market value is less than its carrying amount.

Common shareholders' equity to total assets Common shareholders' equity divided by total assets. Common shareholders' equity equals total shareholders' equity less the liquidation value of preferred stock.

Credit spread The difference in yield between debt issues of similar maturity. The excess of yield attributable to credit spread is often used as a measure of relative creditworthiness, with a reduction in the credit spread reflecting an improvement in the borrower's perceived creditworthiness.

Custody assets Investment assets held on behalf of clients under safekeeping arrangements. We do not include these assets on our Consolidated Balance Sheet. Investment assets held in custody at other institutions on our behalf are included in the appropriate asset categories on the Consolidated Balance Sheet as if physically held by us.

Derivatives Financial contracts whose value is derived from publicly traded securities, interest rates, currency exchange rates or market indices. Derivatives cover a wide assortment of financial contracts, including forward contracts, futures, options and swaps.

Duration of equity An estimate of the rate sensitivity of our economic value of equity. A negative duration of equity is associated with asset sensitivity (*i.e.*, positioned for rising interest rates), while a positive value implies liability sensitivity (*i.e.*, positioned for declining interest rates). For example, if the duration of equity is +1.5 years, the economic value of equity declines by 1.5% for each 100 basis point increase in interest rates.

Earning assets Assets that generate income, which include: federal funds sold; resale agreements; other short-term investments, including trading securities; loans held for sale; loans, net of unearned income; securities; and certain other assets.

Economic capital Represents the amount of resources that a business segment should hold to guard against potentially large losses that could cause insolvency. It is based on a measurement of economic risk, as opposed to risk as defined by regulatory bodies. The economic capital measurement process involves converting a risk distribution to the capital that is required to support the risk, consistent with our target credit rating. As such, economic risk serves as a common currency of risk that allows us to compare different risks on a similar basis.

Economic value of equity ( EVE ) The present value of the expected cash flows of our existing assets less the present value of the expected cash flows of our existing liabilities, plus the present value of the net cash flows of our existing off-balance sheet positions.

**Effective duration** A measurement, expressed in years, that, when multiplied by a change in interest rates, would approximate the percentage change in value of on- and off- balance sheet positions.

**Efficiency** Noninterest expense divided by the sum of net interest income (GAAP basis) and noninterest income.

**Funds transfer pricing** A management accounting methodology designed to recognize the net interest income effects of sources and uses of funds provided by the assets and liabilities of a business segment. We assign these balances LIBOR-based funding rates at origination that represent the interest cost for us to raise/invest funds with similar maturity and repricing structures.

**Futures and forward contracts** Contracts in which the buyer agrees to purchase and the seller agrees to deliver a specific financial instrument at a predetermined price or yield. May be settled either in cash or by delivery of the underlying financial instrument.

**GAAP** Accounting principles generally accepted in the United States of America.

**Leverage ratio** Tier 1 risk-based capital divided by adjusted average total assets.

**Net interest income from loans and deposits** A management accounting assessment, using funds transfer pricing methodology, of the net interest contribution from loans and deposits.

**Net interest margin** Annualized taxable-equivalent net interest income divided by average earning assets.

**Nondiscretionary assets under administration** Assets we hold for our customers/clients in a non-discretionary, custodial capacity. We do not include these assets on our Consolidated Balance Sheet.

**Noninterest income to total revenue** Noninterest income divided by the sum of net interest income (GAAP basis) and noninterest income.

**Nonperforming assets** Nonperforming assets include nonaccrual loans, troubled debt restructured loans, foreclosed assets and other assets. We do not accrue interest income on assets classified as nonperforming.

**Nonperforming loans** Nonperforming loans include loans to commercial, commercial real estate, equipment lease financing, consumer, and residential mortgage customers as well as troubled debt restructured loans. Nonperforming loans do not include loans held for sale or foreclosed and other assets. We do not accrue interest income on loans classified as nonperforming.

**Notional amount** A number of currency units, shares, or other units specified in a derivatives contract.

**Operating leverage** The period to period percentage change in total revenue (GAAP basis) less the percentage change in noninterest expense. A positive percentage indicates that revenue growth exceeded expense growth (*i.e.*, positive operating leverage) while a negative percentage implies expense growth exceeded revenue growth (*i.e.*, negative operating leverage).

**Recovery** Cash proceeds received on a loan that we had previously charged off. We credit the amount received to the allowance for loan and lease losses.

**Return on average capital** Annualized net income divided by average capital.

**Return on average assets** Annualized net income divided by average assets.

**Return on average common equity** Annualized net income divided by average common shareholders' equity.

**Risk-weighted assets** Primarily computed by the assignment of specific risk-weights (as defined by The Board of Governors of the Federal Reserve System) to assets and off-balance sheet instruments.

**Securitization** The process of legally transforming financial assets into securities.

**Tangible common equity ratio** Period-end common shareholders' equity less goodwill and other intangible assets (net of eligible deferred taxes), and excluding mortgage servicing rights, divided by period-end assets less goodwill and other intangible assets (net of eligible deferred taxes), and excluding mortgage servicing rights.

**Taxable-equivalent interest** The interest income earned on certain assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of yields and margins for all interest-earning assets, we also provide revenue 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 other taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement.

**Tier 1 risk-based capital** Tier 1 risk-based capital equals: total shareholders' equity, plus trust preferred capital securities, plus certain minority interests that are held by others; less goodwill and certain other intangible assets (net of eligible deferred taxes), less equity investments in nonfinancial companies and less net unrealized holding losses on available-for-sale equity securities. Net unrealized holding gains on available-for-sale equity securities, net unrealized holding gains (losses) on available-for-sale debt securities and net unrealized holding gains (losses) on cash flow hedge derivatives are excluded from total shareholders' equity for tier 1 risk-based capital purposes.

**Tier 1 risk-based capital ratio** Tier 1 risk-based capital divided by period-end risk-weighted assets.

**Total fund assets serviced** Total domestic and offshore fund investment assets for which we provide related processing services. We do not include these assets on our Consolidated Balance Sheet.

**Total return swap** A non-traditional swap where one party agrees to pay the other the total return of a defined underlying asset (*e.g.*, a loan), usually in return for receiving a stream of LIBOR-based cash flows. The total returns of the asset, including interest and any default shortfall, are passed through to the counterparty. The counterparty is therefore assuming the credit and economic risk of the underlying asset.

**Total risk-based capital** Tier 1 risk-based capital plus qualifying subordinated debt and trust preferred securities, other minority interest not qualified as tier 1, and the allowance for loan and lease losses, subject to certain limitations.

**Total risk-based capital ratio** Total risk-based capital divided by period-end risk-weighted assets.

**Transaction deposits** The sum of money market and interest-bearing demand deposits and demand and other noninterest-bearing deposits.

**Yield curve** A graph showing the relationship between the yields on financial instruments or market indices of the same credit quality with different maturities. For example, a normal or positive yield curve exists when long-term bonds have higher yields than short-term bonds. A flat yield curve exists when yields are the same for short-term and long-term bonds. A steep yield curve exists when yields on long-term bonds are significantly higher than on short-term bonds. An inverted or negative yield curve exists when short-term bonds have higher yields than long-term bonds.

***Business Segment Descriptions***

***Retail Banking*** provides deposit, lending, brokerage, trust, investment management, and cash management services to approximately 2.9 million consumer and small business customers within our primary geographic markets. Our customers are serviced through 1,072 offices in our branch network, the call center located in Pittsburgh, and the Internet [www.pncbank.com](http://www.pncbank.com). The branch network is located primarily in Pennsylvania, New Jersey, Washington, D.C., Maryland, Virginia, Ohio, Kentucky and Delaware. Brokerage services are provided through PNC Investments, LLC, and J.J.B. Hilliard, W.L. Lyons, Inc. Retail Banking also serves as investment manager and trustee for employee benefit plans and charitable and endowment assets and provides nondiscretionary defined contribution plan services and investment options through its *Vested Interest*<sup>®</sup> product. These services are provided to individuals and corporations primarily within our primary geographic markets.

***Corporate & Institutional Banking*** provides lending, treasury management, and capital markets-related products and services to mid-sized corporations, government entities, and selectively to large corporations. Lending products include secured and unsecured loans, letters of credit and equipment leases. Treasury management services include cash and investment management, receivables management, disbursement services, funds transfer services, information reporting, and global trade services. Capital markets-related products and services include foreign exchange, derivatives, loan syndications, mergers and acquisitions advisory and related services to middle-market companies, securities underwriting, and securities sales and trading. Corporate & Institutional Banking also provides commercial loan servicing, real estate advisory and technology solutions for the commercial real estate finance industry. Corporate & Institutional Banking provides products and services generally within our primary geographic markets, with certain products and services provided nationally.

***BlackRock*** is one of the world's largest publicly traded investment management firms. The firm manages assets on behalf of institutions and individuals worldwide through a variety of equity, fixed income, cash management and alternative investment products. In addition, BlackRock provides BlackRock Solutions<sup>®</sup> investment system, risk management, and financial advisory services to a growing number of institutional investors. The firm has a major presence in key global markets, including the United States, Europe, Asia, Australia and the Middle East. At September 30, 2007, PNC's ownership interest in BlackRock was 33.7%.

***PFPC*** is a leading full service provider of processing, technology and business solutions for the global investment industry. Securities services include custody, securities lending, and accounting and administration for funds registered under the 1940 Act and alternative investments. Investor services include transfer agency, managed accounts, subaccounting, and distribution. PFPC serviced \$2.5 trillion in total assets and 70 million shareholder accounts as of September 30, 2007 both domestically and internationally through its Ireland and Luxembourg operations.



## Appendix to Financial Supplement

The PNC Financial Services Group, Inc.

**Adjusted Condensed Consolidated Income Statement Reconciliations (Unaudited) (a)**

<i>For the nine months ended September 30, 2007</i>	PNC		PNC
	<i>In millions</i>	As Reported	Adjustments (b)
<b>Net Interest Income</b>			
Net interest income	\$ 2,122		\$ 2,122
Provision for credit losses	127		127
Net interest income less provision for credit losses	1,995		1,995
<b>Noninterest Income</b>			
Asset management	559	\$ 5	564
Other	2,397	(1)	2,396
Total noninterest income	2,956	4	2,960
<b>Noninterest Expense</b>			
Compensation and benefits	1,587	(27)	1,560
Other	1,496	(40)	1,456
Total noninterest expense	3,083	(67)	3,016
Income before income taxes	1,868	71	1,939
Income taxes	579	23	602
Net income	\$ 1,289	\$ 48	\$ 1,337

<i>For the nine months ended September 30, 2006</i>	PNC		BlackRock Deconsolidation and		PNC	
	<i>In millions</i>	As Reported	Adjustments (c)	Other Adjustments	BlackRock Equity Method (d)	As Adjusted
<b>Net Interest Income</b>						
Net interest income	\$ 1,679			\$ (10)		\$ 1,669
Provision for credit losses	82					82
Net interest income less provision for credit losses	1,597			(10)		1,587
<b>Noninterest Income</b>						
Asset management	1,271			(1,036)	\$ 144	379
Other	4,087	\$ (1,834)		(51)		2,202
Total noninterest income	5,358	(1,834)		(1,087)	144	2,581
<b>Noninterest Expense</b>						
Compensation and benefits	1,935	(44)		(523)		1,368

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Other	1,539	(47)	(242)		1,250
Total noninterest expense	3,474	(91)	(765)		2,618
Income before minority interest and income taxes	3,481	(1,743)	(332)	144	1,550
Minority interest in income of BlackRock	47	18	(65)		
Income taxes	1,215	(665)	(130)	7	427
Net income	\$ 2,219	\$ (1,096)	\$ (137)	\$ 137	\$ 1,123

- (a) These adjusted condensed consolidated income statement reconciliations are provided for informational purposes only and reflect historical condensed consolidated financial information of PNC (1) with amounts adjusted for the impact of certain specified items and (2) as if we had recorded our investment in BlackRock on the equity method for all periods presented, in each case, as appropriate, adjusted for the tax impact. These reconciliations are from the reported GAAP amounts shown on page 2 of the Financial Supplement to the corresponding adjusted amounts shown on page 3 of the Financial Supplement. 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 these periods, in addition to providing a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact of the deconsolidation on various components of our income statement. 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, as a result of the following attributes. Integration costs can vary significantly from period to period depending on whether or not we have any such transaction pending or in process and depending on the nature of the transaction. Our BlackRock LTIP shares obligation results from an agreement entered into in 2002 and predominantly reflects the market price of BlackRock stock at specified times. We have provided information adjusted for the impact of the third quarter 2006 gain on the BlackRock/MLIM transaction due to the magnitude of that transaction, and have provided information adjusted for the impact of the third quarter 2006 securities portfolio rebalancing and mortgage loan portfolio repositioning losses due to the nature of those transactions. Adjusted information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results. Our 2006 Form 10-K includes additional information regarding our accounting for the BlackRock/MLIM transaction and the BlackRock LTIP shares obligation. Our first and second quarter 2007 Form 10-Qs provide additional information regarding integration costs. The absence of other adjustments 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.
- (b) Includes the impact of the following items on a pretax basis: \$72 million of acquisition and BlackRock/MLIM transaction integration costs and \$1 million net gain related to our BlackRock LTIP shares obligation.
- (c) Includes the impact of the following items, all on a pretax basis: \$2,078 million gain on BlackRock/MLIM transaction, \$196 million securities portfolio rebalancing loss, \$91 million of BlackRock/MLIM transaction integration costs, and \$48 million mortgage loan portfolio repositioning loss.
- (d) BlackRock investment revenue represents PNC's approximately 69% ownership interest in earnings of BlackRock for the nine months ended September 30, 2006, excluding pretax BlackRock/MLIM transaction integration costs totaling \$91 million. The income taxes amount represents additional income taxes recorded by PNC related to BlackRock earnings.

**Appendix to Financial Supplement (Continued)**

The PNC Financial Services Group, Inc.

**Adjusted Condensed Consolidated Income Statement Reconciliations (Unaudited) (a)***For the three months ended September 30, 2007*

<i>In millions</i>	PNC		PNC
	As Reported	Adjustments (b)	As Adjusted
<b>Net Interest Income</b>			
Net interest income	\$ 761		\$ 761
Provision for credit losses	65		65
Net interest income less provision for credit losses	696		696
<b>Noninterest Income</b>			
Asset management	204	\$ 2	206
Other	786	50	836
Total noninterest income	990	52	1,042
<b>Noninterest Expense</b>			
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

*For the three months ended June 30, 2007*

<i>In millions</i>	PNC		PNC
	As Reported	Adjustments (c)	As Adjusted
<b>Net Interest Income</b>			
Net interest income	\$ 738		\$ 738
Provision for credit losses	54		54
Net interest income less provision for credit losses	684		684
<b>Noninterest Income</b>			
Asset management	190	\$ 1	191
Other	785	1	786
Total noninterest income	975	2	977
<b>Noninterest Expense</b>			
Compensation and benefits	544	(9)	535
Other	496	(6)	490
Total noninterest expense	1,040	(15)	1,025

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Income before income taxes	619	17	636
Income taxes	196	6	202
Net income	\$ 423	\$ 11	\$ 434

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- (a) See note (a) on page A1.
  - (b) Includes 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 and BlackRock/MLIM transaction integration costs.
  - (c) Includes the impact of the following items on a pretax basis: \$16 million of acquisition and BlackRock/MLIM transaction integration costs and \$1 million net loss related to our BlackRock LTIP shares obligation.

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**Appendix to Financial Supplement (Continued)**

The PNC Financial Services Group, Inc.

**Adjusted Condensed Consolidated Income Statement Reconciliations (Unaudited) (a)***For the three months ended March 31, 2007*

	PNC		PNC
<i>In millions</i>	As Reported	Adjustments (b)	As Adjusted
<b>Net Interest Income</b>			
Net interest income	\$ 623		\$ 623
Provision for credit losses	8		8
Net interest income less provision for credit losses	615		615
<b>Noninterest Income</b>			
Asset management	165	\$ 2	167
Other	826	(52)	774
Total noninterest income	991	(50)	941
<b>Noninterest Expense</b>			
Compensation and benefits	490	(2)	488
Other	454	(9)	445
Total noninterest expense	944	(11)	933
Income before income taxes	662	(39)	623
Income taxes	203	(14)	189
Net income	\$ 459	\$ (25)	\$ 434

*For the three months ended December 31, 2006*

	PNC		PNC
<i>In millions</i>	As Reported	Adjustments (c)	As Adjusted
<b>Net Interest Income</b>			
Net interest income	\$ 566		\$ 566
Provision for credit losses	42		42
Net interest income less provision for credit losses	524		524
<b>Noninterest Income</b>			
Asset management	149	\$ 10	159
Other	820	12	832
Total noninterest income	969	22	991
<b>Noninterest Expense</b>			
Compensation and benefits	497		497
Other	472		472
Total noninterest expense	969		969

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Income before income taxes	524	22	546
Income taxes	148	7	155
Net income	\$ 376	\$ 15	\$ 391

- 
- (a) See note (a) on page A1.
  - (b) Includes the impact of the following items on a pretax basis: \$52 million net gain related to our BlackRock LTIP shares obligation and \$13 million of acquisition and BlackRock/MLIM transaction integration costs.
  - (c) Includes the impact of the following items on a pretax basis: \$12 million net loss related to our BlackRock LTIP shares obligation and \$10 million of BlackRock/MLIM transaction integration costs.

**Appendix to Financial Supplement (Continued)**

The PNC Financial Services Group, Inc.

**Adjusted Condensed Consolidated Income Statement Reconciliation (Unaudited) (a)**

<i>For the three months ended September 30, 2006 In millions</i>	PNC		BlackRock Deconsolidation and		PNC
	As Reported	Adjustments (b)	Other Adjustments	BlackRock Equity Method (c)	As Adjusted
<b>Net Interest Income</b>					
Net interest income	\$ 567		\$ (3)		\$ 564
Provision for credit losses	16				16
Net interest income less provision for credit losses	551		(3)		548
<b>Noninterest Income</b>					
Asset management	381		(302)	\$ 43	122
Other	2,562	\$ (1,834)	(18)		710
Total noninterest income	2,943	(1,834)	(320)	43	832
<b>Noninterest Expense</b>					
Compensation and benefits	659	(44)	(154)		461
Other	508	(28)	(69)		411
Total noninterest expense	1,167	(72)	(223)		872
Income before minority interest and income taxes	2,327	(1,762)	(100)	43	508
Minority interest in income of BlackRock	6	14	(20)		
Income taxes	837	(672)	(38)	1	128
Net income	\$ 1,484	\$ (1,104)	\$ (42)	\$ 42	\$ 380

(a) See note (a) on page A1.

(b) Includes the impact of the following items, all on a pretax basis: \$2,078 million gain on BlackRock/MLIM transaction, \$196 million securities portfolio rebalancing loss, \$72 million of BlackRock/MLIM transaction integration costs, and \$48 million mortgage loan portfolio repositioning loss.

(c) BlackRock investment revenue represents PNC's approximately 69% ownership interest in earnings of BlackRock for the third quarter of 2006, excluding pretax BlackRock/MLIM transaction integration costs totaling \$72 million. The income taxes amount represents additional income taxes recorded by PNC related to BlackRock earnings.

The PNC Financial Services Group, Inc.  
Third Quarter 2007  
Earnings Conference Call  
October 18, 2007



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](http://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  
first  
and  
second

quarter  
2007  
Form  
10-Qs  
and  
other  
SEC  
reports  
(accessible  
on  
the  
SEC's  
website  
at  
[www.sec.gov](http://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.

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.  
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as  
applicable,  
the  
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types  
of  
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impact  
of  
the  
deconsolidation  
of  
BlackRock  
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we  
had  
recorded  
our  
BlackRock  
investment  
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the  
equity  
method  
prior  
to  
its  
deconsolidation;  
(2)

adjusting  
the  
2006  
periods  
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  
periods  
to  
exclude,  
as  
applicable,  
integration  
costs  
related  
to  
acquisitions  
and  
to  
the  
BlackRock/MLIM  
transaction;

and  
(5)  
adjusting,  
as  
appropriate,  
for  
the  
tax  
impact  
of  
these  
adjustments.  
We  
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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  
the  
impact  
of  
the  
BlackRock  
deconsolidation  
given  
the  
magnitude  
of  
the  
the  
impact  
of  
deconsolidation  
on  
various  
components  
of  
our  
income  
statement  
and  
balance  
sheet.  
We  
believe  
that  
information  
as  
adjusted  
for  
the  
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,  
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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  
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](http://www.pnc.com)

under

About

PNC

Investor

Relations.

Cautionary Statement Regarding Forward-Looking  
Information and Adjusted Information

Organic client growth is strong  
Expense base contained and well managed  
Primary businesses met or exceeded expectations  
Asset quality remains strong  
Mercantile integration successful  
Well-positioned balance sheet  
Continuing to Execute on Our Strategies

2007 Third Quarter Highlights

Key Take-Aways

Execution Delivers Outstanding Results

Reported 3Q07 earnings of \$1.19 per diluted share

Adjusted earnings

1

of \$1.37 per diluted share

Diverse revenue streams delivering strong results despite



market volatility

Continued to create year-to-date positive operating leverage  
on an adjusted basis

2

Maintaining a moderate risk profile and flexible balance  
sheet

(1)

Adjusted third quarter 2007 earnings are reconciled to GAAP earnings in the Appendix.

(2)

GAAP basis operating leverage for the year-to-date period was negative due to the impact of the third quarter 2006 gain from the  
BlackRock/MLIM transaction and is reconciled in the Appendix.

Nine months ended September 30, As Adjusted

1,2

+15%

+32%

+20%

+20%

Growing High Quality Revenue Streams

Total Revenue Growth

(1)

Adjusted amounts are reconciled to GAAP amounts in the Appendix.

(2)

Unadjusted 2006 mix: noninterest income 76%, deposit net interest income 14%, loan net interest income 10%.

Unadjusted 2007 mix: noninterest income 58%, deposit net interest income 26%, loan net interest income 16%.

(3)

Unadjusted % change: total revenue (28%), noninterest income (45%), deposit net interest income 32%, loan net interest income 16%  
2007 vs 2006

1,3

2006 Mix

2006 Mix

Revenue Mix

2007 Mix

2007 Mix

Noninterest

Income

61%

Deposit NII

23%

Loan NII

16%

Noninterest

Income

58%

Deposit NII

26%

Loan NII

16%

\$5.5

5.0

4.5

4.0

3.5

3.0

2.5

2.0

1.5

1.0

0.5

\$0.0

\$0  
\$1  
\$2  
\$3  
\$4  
\$5  
\$6

\$7

2004

2005

2006

Revenue

9%

Creating Positive Operating Leverage

Growing Revenues Faster Than Expenses

billions

Compound Annual

Growth Rate

(2004

2006)

Adjusted Revenue

(as reported

\$5.5 billion, \$6.3 billion, \$8.6 billion for 2004, 2005, 2006, respectively)

Adjusted Noninterest

Expense

(as reported \$3.7 billion, \$4.3 billion, \$4.4 billion for 2004, 2005, 2006, respectively)

Adjusted Net Income

(as reported \$1.2 billion, \$1.3 billion, \$2.6 billion for 2004, 2005, 2006, respectively)

Net Income

12%

\$1.2

\$1.3

\$1.5

Expense

7%

Revenue +20%

Expense +15%

Net Income +19%

Trend Continues<sup>1</sup>

(1) As reported: revenue (28%) expense (11%) net income (42%). Adjusted amounts are reconciled to GAAP in the Appendix

Nine months ended September 30, as adjusted

2007 vs 2006

Maintaining a Moderate Risk Profile

Strong credit quality

Credit decisions driven by risk-adjusted returns

Minimal exposure to subprime mortgages, high-yield bridge and leveraged finance loans

No hung  
syndications  
Relatively low commercial real  
estate exposure as a percentage of  
Tier 1 capital  
Credit Risk Profile  
Well-Positioned for the Yield Curve  
Duration of equity  
3 years  
Low loan to deposit ratio  
High fee income to revenue  
percentage  
High demand deposits as a  
percentage of total deposits

Cautionary Statement Regarding  
Forward-Looking Information  
Appendix  
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.  
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  
first  
and  
second  
quarter  
2007  
Form  
10-Qs  
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 news release or in our filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on or through our corporate website at [www.pnc.com](http://www.pnc.com) under About PNC

Investor  
Relations

Financial  
Information.

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  
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.

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  
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  
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  
equity  
interest  
in  
BlackRock,  
Inc.  
are  
discussed  
in  
more  
detail  
in  
BlackRock's  
2006  
Form  
10-K,  
including  
in  
the  
Risk  
Factors  
section,  
and  
in  
BlackRock's  
other  
filings  
with  
the  
SEC,  
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 )  
and  
Yardville  
National  
Bancorp  
( Yardville )  
acquisitions.  
Acquisitions  
in  
general  
present  
us  
with  
risks  
other  
than  
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, Yardville's, Sterling's or other company's actual or anticipated results.

Cautionary Statement Regarding

Forward-Looking Information (continued)

Appendix



The  
PNC  
Financial  
Services  
Group,  
Inc.  
and

Sterling  
Financial  
Corporation  
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  
Financial  
Corporation  
will  
be  
available  
free  
of  
charge  
from  
Sterling  
Financial  
Corporation  
by  
contacting  
Shareholder  
Relations  
at  
(877)  
248-6420.  
The  
directors,  
executive  
officers,  
and  
certain  
other  
members  
of  
management  
and  
employees  
of  
Sterling  
Financial  
Corporation  
are

participants  
in  
the  
solicitation  
of  
proxies  
in  
favor  
of  
the  
merger  
from  
the  
shareholders  
of  
Sterling  
Financial  
Corporation.  
Information  
about  
the  
directors  
and  
executive  
officers  
of  
Sterling  
Financial  
Corporation  
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.

Additional Information About The PNC/Sterling  
Financial Corporation Transaction  
Appendix

The  
PNC  
Financial  
Services  
Group,  
Inc.  
( PNC )

and  
Yardville  
National  
Bancorp  
( Yardville )  
have  
filed  
with  
the  
United  
States  
Securities  
and  
Exchange  
Commission  
(the  
SEC )  
a  
proxy  
statement/prospectus  
and  
other  
relevant  
documents  
concerning  
the  
proposed  
transaction.  
YARDVILLE  
SHAREHOLDERS  
ARE  
URGED  
TO  
READ  
THE  
PROXY  
STATEMENT/PROSPECTUS  
REGARDING  
THE  
PROPOSED  
MERGER  
OF  
PNC  
AND  
YARDVILLE,  
WHICH  
WAS  
FIRST  
MAILED  
TO



YARDVILLE  
SHAREHOLDERS  
ON  
OR  
ABOUT  
SEPTEMBER  
5,  
2007,  
BECAUSE  
IT  
CONTAINS  
IMPORTANT  
INFORMATION.

Yardville  
shareholders  
may  
obtain  
a  
free  
copy  
of  
the  
proxy  
statement/prospectus  
and  
other  
related  
documents  
filed  
by  
PNC  
and  
Yardville  
with  
the  
SEC  
at  
the  
SEC's  
web  
site  
at  
<http://www.sec.gov>.  
In  
addition,  
documents  
filed  
with  
the  
SEC

by  
PNC  
will  
be  
available  
free  
of  
charge  
from  
Shareholder  
Relations  
at  
(800)  
843-2206.  
Documents  
filed  
with  
the  
SEC  
by  
Yardville  
will  
be  
available  
free  
of  
charge  
from  
Yardville  
by  
contacting  
Howard  
N.  
Hall,  
Assistant  
Treasurer s  
Office,  
2465  
Kuser  
Road,  
Hamilton,  
NJ  
08690  
or  
by  
calling  
(609)  
631-6223.  
The  
directors,

executive  
officers,  
and  
certain  
other  
members  
of  
management  
and  
employees  
of  
Yardville  
are  
participants  
in  
the  
solicitation  
of  
proxies  
in  
favor  
of  
the  
merger  
from  
the  
shareholders  
of  
Yardville.  
Information  
about  
the  
directors  
and  
executive  
officers  
of  
Yardville  
is  
set  
forth  
in  
its  
Annual  
Report  
on  
Form  
10-K  
filed  
on

March  
30,  
2007  
for  
the  
year  
ended  
December  
31,  
2006,  
as  
amended  
by  
the  
Form  
10-K/A  
filed  
on  
May  
10,  
2007.  
Additional  
information  
regarding  
the  
interests  
of  
such  
participants  
is  
included  
in  
the  
proxy  
statement/prospectus  
and  
the  
other  
relevant  
documents  
filed  
with  
the  
SEC.  
Additional Information About The PNC/  
Yardville National Bancorp Transaction  
Appendix

Non-GAAP to GAAP  
Reconcilement  
Earnings Summary  
Appendix  
THREE MONTHS ENDED  
In millions, except per share data  
Adjustments,

Net  
 Diluted  
 Adjustments,  
 Net  
 Diluted  
 Pretax  
 Income  
 EPS  
 Pretax  
 Income  
 EPS  
 Net income, as reported  
 \$407  
 \$1.19  
 \$423  
 \$1.22  
 Adjustments:  
     BlackRock LTIP (a)  
 \$50  
 32  
 .09  
  
 \$1  
     Integration costs (b)  
 43  
  
 30  
  
 .09  
  
 16  
  
 11  
  
 .03  
  
 Net income, as adjusted  
 \$469  
 \$1.37  
 \$434  
 \$1.25  
 Adjustments,  
 Net  
 Diluted  
 Pretax  
 Income  
 EPS  
 Net income, as reported  
 \$1,484  
 \$5.01

Adjustments:

Gain on BlackRock/MLIM transaction (c)

\$(2,078)

(1,293)

(4.36)

Securities portfolio rebalancing loss (c)

196

127

.43

Integration costs (b)

72

31

.10

Mortgage loan portfolio repositioning loss (c)

48

31

.10

Net income, as adjusted

\$380

\$1.28

(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)  
In  
addition  
to  
acquisition  
integration  
costs  
related  
to  
recent  
or  
pending  
PNC  
acquisitions  
reflected  
in  
the  
2007  
periods,  
all  
2007  
and  
2006  
periods  
presented  
include  
BlackRock/MLIM  
transaction  
integration  
costs.  
BlackRock/MLIM  
transaction  
integration  
costs  
recognized  
by  
PNC  
in  
2007  
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.

The  
third  
quarter  
of  
2006

BlackRock/MLIM transaction integration costs were included in noninterest expense.

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

September 30, 2007

June 30, 2007

September 30, 2006

Non-GAAP to GAAP  
Reconciliation  
Income Statement Summary  
For the Nine Months Ended September 30  
Appendix  
NINE MONTHS ENDED  
In millions

As Reported  
 Adjustments  
 As Adjusted (a)  
 As Reported  
 Adjustments  
 As Adjusted (b)  
 Net interest income  
 \$2,122  
 \$2,122  
 \$1,679  
 (\$10)  
 \$1,669  
 Net interest income:  
 % Change As  
 Reported  
 % Change As  
 Adjusted  
     Loans  
 806  
  
 806  
  
 682  
  
 (10)  
  
 672  
  
 18%  
 20%  
     Deposits  
 1,316  
  
 1,316  
  
 997  
  
 997  
  
 32%  
 32%  
 Noninterest Income  
 2,956  
  
 \$4  
 2,960  
  
 5,358  
  
 (2,777)

2,581

(45%)

15%

Total revenue

5,078

4

5,082

7,037

(2,787)

4,250

(28%)

20%

Loan net interest income as a % of total revenue

15.9%

15.9%

9.7%

15.8%

Deposit net interest income as a % of total revenue

25.9%

25.9%

14.2%

23.5%

Noninterest income as a % of total revenue

58.2%

58.2%

76.1%

60.7%

Provision for credit losses

127

127

82

82

Noninterest income

2,956

4

2,960

5,358

(2,777)

2,581

Noninterest expense

3,083

(67)

3,016

3,474

(856)

2,618

(11%)

15%

Income before minority interest  
and income taxes

1,868

71

1,939

3,481

(1,931)

1,550

Minority interest in income  
of BlackRock

47

(47)

Income taxes

579

23

602

1,215

(788)

427

Net income

\$1,289

\$48

\$1,337

\$2,219

(\$1,096)

\$1,123

(42%)

19%

OPERATING LEVERAGE - NINE MONTHS ENDED

As Reported

As Adjusted

Total revenue

(28%)

20%

Noninterest expense

(11%)

15%

Operating leverage

(17%)

5%

(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  
\$82  
million  
on  
our  
remaining  
BlackRock  
LTIP  
shares

obligation,  
and

(3)  
acquisition  
and

BlackRock/MLIM

transaction integration costs totaling \$72 million. The net tax impact of these items is reflected in the adjustment to income tax

(b)  
Amounts  
adjusted  
to

exclude  
the  
impact  
of  
the  
following

pretax  
items:

(1)  
the  
gain  
of  
\$2.078  
billion

on  
the  
BlackRock/MLIM  
transaction,

(2)  
the  
loss  
of  
\$196  
million  
on  
the  
securities  
portfolio  
rebalancing,

(3)  
BlackRock/MLIM  
transaction  
integration  
costs  
of  
\$91  
million  
for  
the

first  
nine  
months  
of  
2006,  
and  
(4)  
the  
mortgage  
loan  
portfolio  
repositioning  
loss  
of  
\$48  
million.

The  
net  
tax  
impact  
of  
these  
items  
is  
reflected  
in  
the  
adjustment  
to  
income  
taxes.

We  
believe  
that  
information  
as  
adjusted  
for  
the  
impact  
of  
these  
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.  
Additionally,  
the  
amounts  
are  
also  
adjusted  
as  
if  
we  
had  
recorded  
our  
investment  
in  
BlackRock  
on  
the  
equity  
method.  
We  
believe  
that  
providing  
amounts  
adjusted  
as  
if  
we  
had  
recorded  
our  
investment

in  
BlackRock  
on  
the  
equity  
method  
for  
all  
periods  
presented  
provides  
a

basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact on various components  
2006 to 2007 Change  
September 30, 2007  
September 30, 2006

Non-GAAP to GAAP  
Reconciliation  
Income Statement Summary  
For the Three Months Ended  
Appendix  
For the three months ended September 30, 2007  
PNC

PNC

In millions

As Reported

Adjustments (a)

As Adjusted

Reported

Adjusted

Net interest income

\$761

\$761

Loan net interest income

294

294

5%

5%

Deposit net interest income

467

467

2%

2%

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

2%

7%

Compensation and benefits

553

(16)

537

Other

546

(25)

521

Total noninterest expense

1,099

(41)  
 1,058  
 6%  
 3%  
 Income before income taxes  
 587  
 93  
 680  
 Income taxes  
 180  
 31  
 211  
     Net income  
 \$407  
 \$62  
 \$469  
 (4%)  
 8%  
 For the three months ended June 30, 2007  
 PNC  
 PNC  
 In millions  
 As Reported  
 Adjustments (b)  
 As Adjusted  
 Net interest income  
 \$738  
 \$738  
 Loan net interest income  
 280  
 280  
 Deposit net interest income  
 458  
 458  
 Provision for credit losses  
 54  
 54  
     Net interest income less provision for credit losses  
 684  
 684  
 Asset management  
 190  
 \$1  
 191  
 Other  
 785  
 1  
 786  
     Total noninterest income  
 975

2  
977  
Compensation and benefits  
544  
(9)  
535  
Other  
496  
(6)  
490  
    Total noninterest expense  
1,040  
(15)  
1,025  
Income before income taxes  
619  
17  
636  
Income taxes  
196  
6  
202  
    Net income  
\$423  
\$11  
\$434  
% Change vs. June 30, 2007  
(a)  
Includes  
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  
and  
BlackRock/MLIM transaction integration costs. The net tax impact of these items is reflected in the adjustment to income tax expense.

(b)  
Includes  
the  
impact  
of  
the  
following  
items  
on  
a  
pretax  
basis:  
\$16  
million  
of  
acquisition  
and  
BlackRock/MLIM  
transaction  
integration  
costs  
and  
\$1  
million  
net  
loss  
related to our BlackRock LTIP shares obligation. The net tax impact of these items is reflected in the adjustment to income tax expense.

Non-GAAP to GAAP  
Reconciliation  
Income Statement Summary  
2004 to 2006  
Appendix  
BlackRock  
For the year ended December 31, 2006



PNC  
 Deconsolidation and  
 BlackRock  
 PNC  
 In millions  
 As Reported  
 Adjustments (a)  
 Other Adjustments  
 Equity Method  
 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

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

(a)

Includes

the

impact

of

the  
following  
items,  
all  
on  
a  
pretax  
basis,  
and  
adjustment  
for  
the  
tax  
impact  
thereof:  
\$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.

Non-GAAP to GAAP  
Reconciliation  
Income Statement Summary  
2004 to 2006 (continued)  
Appendix  
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  
 In millions  
 2004  
 2005  
 2006  
 CAGR  
 Adjusted net interest income  
 \$1,955

\$2,142  
 \$2,235  
 Adjusted noninterest income  
 2,928  
 3,122  
 3,572  
 Adjusted total revenue  
 4,883  
 5,264  
 5,807  
 9%  
 Adjusted noninterest expense  
 3,148  
 3,453  
 3,587  
 7%  
 Adjusted net income  
 \$1,197  
 \$1,325  
 \$1,514  
 12%  
 In millions  
 2004  
 2005  
 2006  
 CAGR  
 Net interest income, as reported  
 \$1,969  
 \$2,154  
 \$2,245  
 Noninterest income, as reported  
 3,572  
 4,173  
 6,327  
 Total revenue, as reported  
 5,541  
 6,327  
 8,572  
 24%  
 Noninterest expense, as reported  
 3,712  
 4,306  
 4,443  
 9%  
 Net income, as reported  
 \$1,197  
 \$1,325  
 \$2,595  
 47%