

PNC FUNDING CORP
Form FWP
September 16, 2009

The PNC Financial Services Group, Inc.
Barclays Capital
Global Financial Services Conference
September 15, 2009
Pursuant to Rule 433
Registration Nos. 333-139912
333-139912-01
September 16, 2009

2

PNC Funding Corp and The PNC Financial Services Group, Inc. have filed a registration statement (including a prospectus and preliminary prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read each of these documents and the other documents filed with the SEC and incorporated by reference in such

Edgar Filing: PNC FUNDING CORP - Form FWP

documents for more complete information about PNC Funding Corp, The PNC Financial Services Group, Inc. and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, you may obtain a copy of these documents by calling Goldman, Sachs & Co. collect at 1-866-471-2526 or J.P. Morgan Securities Inc. collect at 1-212-834-4533

3

Cautionary Statement Regarding Forward-Looking
Information and Adjusted Information

This presentation includes snapshot information about PNC used by way of illustration. It is not intended as a full business plan and should be viewed in the context of all of the information made available by PNC in its SEC filings. The presentation also contains forward-looking statements regarding our outlook or expectations relating to PNC's future business, operations, financial condition, financial performance, liquidity levels, and asset quality. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties that may change over time.

The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified

Cautionary Statement included in the Appendix, which is included in the version of the presentation materials posted on our corporate website at www.pnc.com/investorevents. We provide greater detail regarding some of these factors in our 2008 Form 10-K and 2009 Form 10-K, and in our other SEC filings (accessible on the SEC's website or through our corporate website at www.pnc.com/secfilings). We have included web addresses here and elsewhere in this presentation for informational purposes only. Information on these websites is not part of this document.

Future events or circumstances may change our outlook or expectations and may also affect the nature of the assumptions, risks and uncertainties which our forward-looking statements are subject to. The forward-looking statements in this presentation speak only as of the date of the presentation. We do not assume any duty and do not undertake to update those statements.

In this presentation, we may refer to adjusted results to help illustrate the impact of certain types of items. This information should be viewed as reported in accordance with GAAP and should not be viewed in isolation from, or a substitute for, our GAAP results. We believe that this information and the reconciliations we provide may be useful to investors, analysts, regulators and others as they evaluate the information on our results for the periods presented.

In certain discussions, we may also provide information on yields and margins for all interest-earning assets calculated using a non-taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income 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, are not qualified by GAAP reconciliation information available on our corporate website at www.pnc.com under "About PNC Investments".

4

Key Messages

The environment remains challenging but there are positive signs emerging

Executing PNC's proven business model is delivering solid results

PNC has realistic opportunities for growth

5

Operating Environment Summary

Unemployment rate and overall market volatility remain elevated

Housing prices appear to be stabilizing

Sales of new and existing homes slightly improved

Regulatory changes are on the horizon

Uncertainty remains but there are reasons to be cautiously optimistic

Despite the Environment, PNC Is Focused on Delivering Value.
Despite the Environment, PNC Is Focused on Delivering Value.

6

PNC's Framework for Success
Execute on and deliver the PNC
business model
Capitalize on integration
opportunities
Emphasize continuous
improvement culture
Reduce dependence on credit

leverage

Focus on cross selling PNC's

deep product offerings

Focus front door

on risk-

adjusted returns

Leverage back door

credit

liquidation capabilities

Maximize credit portfolio value

Reposition deposit gathering

strategies

Action Plans

0.53%

\$500

million

43%

2.3%

87%

PNC -

six months

ended June 30,

2009

1.30%+

\$1.2 billion

>50%

0.3%-0.5%

80%-90%

Target

0.25%

Return on

average assets

Key Metrics

Peers

1

Loan to

deposit ratio

100%

Provision to

average loans

(annualized)

3.4%

Noninterest

income/total

revenue

49%

Integration

cost savings

(annualized)

N/A

Executing our
strategies

PNC Business
Model

Staying core
funded

Returning to a
moderate risk
profile

Growing high
quality, diverse
revenue

streams

Creating

positive

operating

leverage

(1) Peers represents average of BBT, BAC, COF, CMA, FITB, JPM, KEY, MTB, RF, STI, USB and WFC as of or for the six

Source: SNL DataSource.

Executing

Our Business

Model

7

Residential Mortgage

Footprint covering nearly 1/3 of
the U.S. population

Retail

A Powerful Franchise

5 Largest in the U.S.

Based on Deposits
(offices in 22

countries)

BlackRock

CO

TX

KS

OK

Global Investment Servicing

(international offices)

A leading provider of processing,

technology and business

solutions to the global

investment industry

Corporate & Institutional

A leader in serving middle-

market customers and

government entities

Asset Management

One of the largest bank-held

asset managers in the U.S.

One of the nation's largest

mortgage platforms

7

th

\$280 billion

Assets

U.S. Rank

2Q09

6,474

2,606

\$190 billion

5

th

ATMs

5

th

Branches

5

th

Deposits

(1) Source: SNL DataSource.

Executing

Our Business

Model

th

1

8
Building a High Quality, Differentiated
Balance Sheet
(\$11.3)
\$279.8
Total liabilities and equity
(\$7.6)
\$44.7
Borrowed funds

(10.4)

7.0

Other time

.6

6.7

Savings

(\$2.4)

\$190.4

Total deposits

(3.2)

17.4

Other

(1.9)

56.4

Retail CDs

\$9.3

\$120.3

Transaction deposits

1.9

27.3

Shareholders

equity

(7.3)

64.8

Other assets

(10.5)

165.0

Total loans

(\$11.3)

\$279.8

Total assets

\$50.0

June 30,

2009

\$6.5

Change from

Dec. 31, 2008

Investment securities

Category (billions)

(1) Peers represents average of BBT, BAC, COF, CMA, FITB, JPM, KEY, MTB, RF, STI, USB and WFC. Source: SNL Data

PNC Is Transitioning Our Balance Sheet to Reflect Our Business

PNC Is Transitioning Our Balance Sheet to Reflect Our Business

Model.

Model.

Executing

Our Business

Model

June 30, 2009

Key Ratios

Loans/Assets

PNC
Peers
59%
63%
Loans/Deposits
PNC
Peers
87%
100%
1

9
Loan Portfolio
Commercial
and
equipment
leasing
Commercial
real estate
2Q09

Total loans

\$165

billion

Home

equity

Residential

real estate

Distressed

Other

consumer

13%

40%

13%

7%

18%

9%

Residential real estate is 10% construction and 90% mortgage

-

Weighted avg: FICO 706, loan to value 75%

Home equity portfolio is high quality and performing well

-

Weighted avg: FICO 728, loan to value 75%

Commercial portfolio well-balanced across sectors

-

<\$100 million to U.S. auto makers

-

<\$1 billion to auto suppliers most of which is collateralized

-

<\$2 billion to suppliers in the real estate sector

Commercial real estate is 67% project related and 33% mortgage

Overall portfolio highlights

Executing

Our Business

Model

As of June 30, 2009. (1) Includes commercial, equipment leasing, commercial real estate, home equity, and residential real estate assigned to the Distressed Assets Portfolio segment totaling approximately \$21 billion. Further information regarding the categories of loans in the Distressed Assets Portfolio segment and in the overall loan portfolio is provided in the Appendix.

\$21 billion as of June 30, 2009

-

49% residential real estate

-

32% brokered home equity

-

19% commercial lending

Distressed Assets Portfolio

1

10
Commercial Real Estate (CRE)
Executing
Our Business
Model
+58%
CRE NPL change 4Q08 to 1Q09
+37%
CRE NPL change 1Q09 to 2Q09

NPLs as a
% of type
NPLs
(millions)
CRE type
PNC 2Q09 CRE nonperforming loans
6.7%
\$1,656
Total
2.9%
129
Office
3.9%
58
Industrial/Warehousing
4.2%
174
Multifamily
5.2%
364
Other
5.8%
49
Lodging
7.5%
307
Retail
20.3%
\$575
Residential development
Multifamily
Office
Other
Industrial/
Warehousing
Retail
Residential
development
Lodging
17%
18%
28%
6%
17%
11%
30%
20%
16%
14%
13%

13%
13%
11%
9%
9%
9%
3%
3%
3%

PNC 2Q09 total CRE loans

\$24.9B

JPM

BAC

PNC

COF

FITB

WFC

BBT

USB

KEY

STI

CMA

RF

MTB

PNC's Commercial Real Estate Portfolio Is Granular, Diversified
and Manageable.

CRE

outstanding

as

a

%

of

assets

1

As of June 30, 2009. Peer source: company reports. (1) Other includes healthcare, mobile home parks, self storage, golf course, senior housing, mixed use properties, special purpose, churches, raw land and other miscellaneous property types.

11

Managing Overall Credit Quality

Executing

Our Business

Model

Balances as of quarter end. (1) Accruing loans past due do not include loans acquired in the National City acquisition that were impaired per FASB ASC 310-30 and exclude loans that are government insured/guaranteed, primarily residential mortgages. Information is provided in the Appendix.

Proactive management

Isolated loans of \$21 billion, or 13% of total loans at June 30, 2009, into our Distressed Assets Portfolio segment

180+ people dedicated to distressed assets; substantial number of workout strategies in place

Leveraging existing best-in-class technology capabilities for collateral management

Continuing to reduce open exposure in brokered home equity lines, construction and commercial residential development

Nearly 1,500 people dedicated to loss mitigation and loan modifications

+36%

+78%

Change from prior quarter

\$4.03

\$2.96

Nonperforming loans

2Q09

1Q09

(billions)

Growth rate in nonperforming loans declined

Delinquencies stable to improved from year end

Accruing loans past due

\$.68

\$.81

90 days or more

\$2.19

\$2.18

30-89 days

2Q09

4Q08

(billions)

1

12

Relative Credit Risk Profile

0.00%

0.50%

1.00%

1.50%

2.00%

2.50%

3.00%

3.50%

Nonperforming
loans to total
loans

Nonperforming
assets to total
assets

Net charge-
offs to average
loans

Allowance for
loan and lease
losses to loans

2.44%

2.98%

1.62%

2.22%

1.89%

2.53%

2.77%

2.90%

Key 2Q09 metrics

PNC's Commitment to Prudent Risk Management Is Reflected in
Our Credit Metrics.

Reserves plus fair value mark
as a % of outstanding :

Commercial real estate 11%

Commercial 5%

Residential real estate 12%

Consumer 6%

Total loans 7%

PNC June 30, 2009

Executing

Our Business

Model

1

2

Peers represents average of BBT, BAC, COF, CMA, FITB, JPM, KEY, MTB, RF, STI, USB and WFC. Sources: SNL DataScope reports. (1) As of or for the three months ended June 30, 2009. Net charge-offs percentage is annualized. (2) Further information provided in the Appendix.

13

Diverse Revenue Streams and Well-Controlled
Expenses

PNC Is Recognized for Our Ability to Create Positive Operating

PNC Is Recognized for Our Ability to Create Positive Operating

Leverage in Anticipation of Increased Credit Costs.

Leverage in Anticipation of Increased Credit Costs.

Fund

servicing

Asset
mgmnt
Consumer
services
Corporate
services
Residential
mortgage
Deposit
service
charges
12%
12%
19%
20%
15%
14%
Other
8%
\$7.9
\$5.0
\$2.9
\$2.0
Six months ended June 30, 2009
43%
1H09
noninterest
income
\$3.4B
Executing
Our Business
Model
\$.7
Revenue
Expense
Pretax pre-provision earnings
Provision
(billions)
Net income
1

(1) Total revenue less noninterest expense. Further information is provided in the Appendix.

14
Strengthening Capital Ratios
9.7%
4Q08
1Q09
4.8%
4.9%
4Q08
1Q09

Tier 1 common ratio
Tier 1 risk-based ratio

5.3%

10.0%

10.5%

2Q09

2Q09

Increased common
equity by \$1.9 billion
from 4Q08 to 2Q09

Stress test-related
capital plan accepted by
regulators

Expect to continue to
increase common equity
through growth in
retained earnings

Executing

Our Business

Model

PNC Is Focused on Disciplined Uses of Capital During this

PNC Is Focused on Disciplined Uses of Capital During this

Challenging Time.

Challenging Time.

Highlights

Ratios and common equity as of quarter end.

15

Economic recovery

Realistic Opportunities for Growth

Return to a
moderate risk

profile

Achieve \$1.2

billion in

annualized cost

saves

Leverage product

depth, cross sell

capabilities,

deposit franchise,

balance sheet

flexibility and

improved

markets

Significant

shareholder

value

Return on average

assets target

1.30%+

Credit costs should

be better relative to

peers due to PNC's

fair value marks

Opportunity to create

substantial positive

operating leverage

Growth

Levers

PNC Is Recognized for Delivering on Our Growth Initiatives.

PNC Is Recognized for Delivering on Our Growth Initiatives.

Credit

Expenses

Revenue

Growth

16
.25%
.83%
.50%
.13%
.49%
2.30%
1.39%
.04%

2002

2003

2004

2005

2006

2007

2008

2009

Growth

Levers

Target range .3% -
.5%

Provision for credit losses to average loans

Credit Cost Trend

(1)

Includes

the

\$45

million

conforming

provision

related

to

the

Yardville

acquisition.

(2)

Includes

the

\$23

million

conforming

provision

related

to

the

Sterling

acquisition.

Excludes

the

conforming

provision

for

credit

losses

of

\$504

million

related

to

the
National
City

acquisition. Including the National City conforming provision, the provision for credit losses to average loans for 2008 was 2. Further information is provided in the Appendix. (3) Average loans reflect the National City acquisition beginning with 2009 acquisition closed on December 31, 2008. (4) For the six months ended June 30, 2009, annualized.

Recession

2,3

3,4

PNC Is Focused on Returning to a Moderate Risk Profile.

PNC Is Focused on Returning to a Moderate Risk Profile.

1

Growth

Levers

17

Capturing Planned Expense Saves

PNC's Culture Includes Focusing on Continuous Improvement.

1H09 annualized cost saves

Growth

Levered

\$1,200

(millions)

\$600

Total

goal

2009

goal

Captured

\$500

Implemented common vendor and expense policies and approval guidelines

Implementing multi-year plan to help maximize the value of physical space owned and leased

Began consolidation of 93 mortgage operations sites into two operations centers - Chicago and Pittsburgh

Streamlining systems and support functions operations, marketing, communications, technology, finance, other staff

Completed divestiture of 61 Western Pennsylvania National City branches in 3Q09

Highlights

18
Strong Product Sales Across the Franchise
Corporate
Banking
Wealth
Management
Institutional
Investments
Business Bank-

Commercial

June 09 YTD annualized sales

contribution by region

Total franchise

1H09 sales 123% of YTD goal

2Q09

sales

up

28%

vs.

1Q09

Legacy

PNC

markets

1

All markets above YTD goal

Top contributors include Northern NJ,

Greater Washington DC, Pittsburgh and

Philadelphia

Legacy

National

City

markets

2

80% of markets above YTD goal

Top contributors include Cleveland,

Columbus, Cincinnati, Louisville and

Chicago

Sales highlights

Products

Legacy

PNC

markets

1

60%

Legacy

National

City

markets

2

40%

PNC Has Significant Sales Momentum Going into the Second Half

PNC Has Significant Sales Momentum Going into the Second Half

of 2009.

of 2009.

Growth

Levers

(1) Includes overlap markets where PNC had a higher deposit share than National City prior to the acquisition. (2) Includes overlap markets where National City had a higher deposit share than PNC prior to the acquisition.

19

Deepening Relationships and Growing Fees

PNC Has Demonstrated an Ability to Deepen Relationships and

PNC Has Demonstrated an Ability to Deepen Relationships and

Grow Our Fee Based Revenue.

Grow Our Fee Based Revenue.

1Q09

2Q09

Online

bill pay
Online
banking
1Q09
2Q09
Growth
Levers
Asset management
+10%
Consumer services
+4%
Corporate services
+8%
Deposit charges
+8%
\$1,566
\$1,805
Focus areas
Retail online active customers
Noninterest income
0
1
2
3

20

Treasury Management, Capital Markets
and Cross-Sell

PNC Is Leading the Way in Delivering the Brand to Our Acquired

PNC Is Leading the Way in Delivering the Brand to Our Acquired
Markets.

Markets.

Growth

Levers

1Q09

2Q09

Treasury Management and
Capital Markets Revenue

% of year-to-date cross sell goal through June 30, 2009

Treasury management

Capital markets

140%

111%

122%

Significant progress

64%

132%

110%

Legacy National City markets

1

Legacy PNC markets

2

Total PNC

(1) Includes overlap markets where National City had a higher deposit share than PNC prior to the acquisition. (2) Includes overlap markets where PNC had a higher deposit share than National City prior to the acquisition.

Capital markets

Treasury management

Significant opportunity

\$275

\$285

\$43

\$148

21

Virtual Wallet

One of our fastest growing consumer bases

Gen-Y will outnumber any other generation by 2017

Total income will surpass Baby Boomers by 2017

PNC Is Leading the Way in Product Innovation.

PNC Is Leading the Way in Product Innovation.

Average new accounts opened per day at 300+ year to date 2009

From 2Q08 to 2Q09 PNC has grown our Gen-Y customer base by 13%

Gen-Y Virtual Wallet customers average higher balances and transactions than checking-only accounts

High retention rates have greatly exceeded our expectations

Continue to develop capabilities such as Virtual Wallet-specific iPhone app and extend product reach to younger Gen-Y via Virtual Wallet Student Edition

A slick personal finance tool

BUSINESSWEEK

A truly inspired effort

NETBANKER

One of the boldest enhancements to the online banking experience

CELENT

Growth

Levers

22

PNC has an established framework for success
The National City acquisition has added great
value

The execution of our business model across the
franchise is delivering solid results

PNC's growth levers provide an opportunity to
deliver significant shareholder value as the
economy recovers

Summary

PNC Continues to Build a Great Company.

PNC Continues to Build a Great Company.

23

Cautionary Statement Regarding Forward-Looking
Information

Appendix

This presentation includes snapshot information about PNC used by way of illustration and is not intended as a full business plan. It should be viewed in isolation but rather in the context of all of the information made available by PNC in its SEC filings.

We also make statements in this presentation, and we may from time to time make other statements, regarding our outlook or our revenues, expenses, capital levels, liquidity levels, asset quality 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

anticipate, intend, outlook, estimate, forecast, will, project and other similar words and expressions. Forward-looking statements are based on 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 forward-looking statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements. Actual 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 our risks in our 2008 Form 10-K and 2009 Form 10-Qs, including in the Risk Factors and Risk Management sections of those reports, and in our other forward-looking statements may also be subject to other risks and uncertainties, including those that we may discuss elsewhere in this prospectus. The SEC, accessible on the SEC's website at www.sec.gov and on or through our corporate website at www.pnc.com/secfiling addresses as inactive textual references only. Information on these websites is not part of this document.

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:

- o Changes in interest rates and valuations in the debt, equity and other financial markets.
 - o Disruptions in the liquidity and other functioning of financial markets, including such disruptions in the markets for real estate and other commonly securing financial products.
 - o Actions by the Federal Reserve and other government agencies, including those that impact money supply and market interest rates.
 - o Changes in our customers', suppliers' and other counterparties' performance in general and their creditworthiness in particular.
 - o Changes in levels of unemployment.
 - o 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 US and global financial markets, particularly if it worsens, could impact our performance directly by affecting our revenues and the value of our assets and liabilities and indirectly by affecting our counterparties and their performance. Our business and financial performance could be impacted as the financial industry restructures in the current environment, both by changes in the creditworthiness and performance of our counterparties and by changes in the competitive and regulatory landscape.
- Given current economic and financial market conditions, our forward-looking financial statements are subject to the risk that they may be substantially different than we are currently expecting. These statements are based on our current expectations that interest rates will remain low with continued wide market credit spreads, and our view that national economic trends currently point to a continuation of severe recession followed by a subdued recovery in 2010.

24

Cautionary Statement Regarding Forward-Looking
Information (continued)

Appendix

Legal and regulatory developments could have an impact on our ability to operate our businesses or our financial competitive position or reputation. Reputational impacts, in turn, could affect matters such as business generation and retention, management, liquidity, and funding. These legal and regulatory developments could include:

o

Changes resulting from legislative and regulatory responses to the current economic and financial industry environment, including

conditions or restrictions imposed as a result of our participation in the TARP Capital Purchase Program.

o

Other legislative and regulatory reforms, including broad-based restructuring of financial industry regulation as well as changes involving tax, pension, bankruptcy, consumer protection, and other aspects of the financial institution industry.

o

Increased litigation risk from recent regulatory and other governmental developments.

o

Unfavorable resolution of legal proceedings or other claims or regulatory and other governmental inquiries.

o

The results of the regulatory examination and supervision process, including our failure to satisfy the requirements of agreements with regulatory agencies.

o

Changes in accounting policies and principles.

Our issuance of securities to the US Department of the Treasury may limit our ability to return capital to our shareholders.

If we are unable previously to redeem the shares, the dividend rate increases substantially after five years.

Our business and operating results are affected by our ability to identify and effectively manage risks inherent in our business through the effective use of third-party insurance, derivatives, and capital management techniques, and by our ability to meet regulatory standards.

The adequacy of our intellectual property protection, and the extent of any costs associated with obtaining rights in intellectual property, may impact our business and operating results.

Our ability to anticipate and respond to technological changes can have an impact on our ability to respond to customer demands.

Our ability to implement our business initiatives and strategies could affect our financial performance over the next several years. Competition can have an impact on customer acquisition, growth and retention, as well as on our credit spreads and net interest income, share, deposits and revenues.

Our business and operating results can also be affected by widespread natural disasters, terrorist activities or international events that impact on the economy and capital and other financial markets generally or on us or on our customers, suppliers or other counterparties. Also, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical results are discussed in more detail in BlackRock's filings with the SEC, including in the Risk Factors sections of our annual reports. These filings are accessible on the SEC's website and on or through BlackRock's website at www.blackrock.com. This material is for informational purposes only and should not be deemed to constitute a part of this document.

In addition, our recent acquisition of National City Corporation ("National City") presents us with a number of risks and uncertainties related to the acquisition itself and to the integration of the acquired businesses into PNC. These risks and uncertainties include the following:

The anticipated benefits of the transaction, including anticipated cost savings and strategic gains, may be significantly harder to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.

25

Cautionary Statement Regarding Forward-Looking
Information (continued)

Appendix

Our ability to achieve anticipated results from this transaction is dependent on the state going forward of the economy under significant stress recently. Specifically, we may incur more credit losses from National City's loan portfolio than expected. Anticipated financial results include the possibility that deposit attrition or attrition in key client, partner and other relationships. Legal proceedings or other claims made and governmental investigations currently pending against National City, and commenced relating to National City's business and activities before the acquisition, could adversely impact our financial results.

Our ability to achieve anticipated results is also dependent on our ability to bring National City's systems, operating procedures and to do so on our planned time schedule. The integration of National City's business and operations into PNC, which involves reconciling National City's different systems and procedures, may take longer than anticipated or be more costly than anticipated or have unanticipated effects on National City's or PNC's existing businesses. PNC's ability to integrate National City successfully may be adversely affected if the integration process results in PNC entering several markets where PNC did not previously have any meaningful retail presence.

In addition to the National City transaction, we grow our business from time to time by acquiring other financial services companies. Such acquisitions present us with risks, in addition to those presented by the nature of the business acquired, similar to some or all of those described above in connection with the National City acquisition.

Any annualized, proforma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes and do not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who have provided such estimates. Analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC and do not reflect PNC's or other company's actual or anticipated results.

26
Non-GAAP to GAAP Reconciliation
Appendix
Six months ended
March 31, 2009
June 30, 2009
June 30, 2009
in millions
Total revenue

\$3,871

\$3,987

\$7,858

Noninterest expense

2,328

2,658

4,986

Pretax pre-provision earnings

\$1,543

\$1,329

\$2,872

Three months ended

PNC believes that pretax pre-provision earnings is useful as a tool to help evaluate ability to provide for credit costs through out

Three months ended, *in millions*

June 30, 2009

Net income

\$207

After-tax impact of:

Special FDIC assessment

86

Integration costs

91

Net income excluding selected items

\$384

Three months ended

June 30, 2009

Earnings per diluted share

\$.14

EPS impact of:

Special FDIC assessment

.19

Integration costs

.20

EPS excluding selected items

\$.53

PNC believes that information adjusted for the impact of these items may be useful due to the extent to which the items are not our ongoing operations.

27

Non-GAAP to GAAP Reconciliation

Appendix

As of June 30, 2009, *in millions*

Reported loans

Remaining fair value

mark (a)

Total

Allowance

Remaining fair value mark
and allowance as a % of
total

Commercial real estate

\$24,865

\$1,878

\$26,743

\$1,027

11%

Commercial and equipment lease financing

66,686

1,153

67,839

2,104

5%

Residential real estate

21,521

2,395

23,916

494

12%

Consumer

51,937

2,079

54,016

944

6%

Total

\$165,009

\$7,505

\$172,514

\$4,569

7%

(a) Relates to loans acquired from National City that were impaired per FASB ASC 310-30.

In millions, for the three months ended

Pretax

Net income

Reported net income (loss)

(\$248)

National City conforming provision for credit losses

\$504

328

Net income (loss) excluding National City conforming
provision for credit losses

\$80

December 31, 2008

PNC believes that information adjusted for the impact of this item may be useful due to the extent to which the item is not included

As of June 30, 2009, in millions

Total PNC

Loans assigned to the

Distressed Assets
 Portfolio segment
 Total PNC after
 reassigning Distressed
 Asset Portfolio loans
 % of PNC loan
 portfolio
 Commercial and equipment leasing
 \$66,686
 \$978
 \$65,708
 40%
 Commercial
 real
 estate
 24,865
 3,002
 21,863
 13%
 Other consumer
 15,218
 -
 15,218
 9%
 Home equity
 36,719
 6,936
 29,783
 18%
 Residential real estate
 21,521
 10,337
 11,184
 7%
 Distressed
 21,253
 13%
 Total loans
 \$165,009
 \$21,253
 \$165,009
 100%

28
Non-GAAP to GAAP Reconciliation
Appendix
Accruing loans past due in millions (a)(b)
December 31,
2008
June 30,
2009
30 -

89 days

\$2,283

\$2,310

Government insured/guaranteed (c)

102

123

Excluding government insured/guaranteed

\$2,181

\$2,187

90 days or more (a)(d)

\$1,241

\$2,078

Government insured/guaranteed (c)

428

1,400

Excluding government insured/guaranteed

\$813

\$678

(a)

Does not include loans acquired from National City that were impaired per FASB ASC 310-30. These loans are not included at estimated fair value when acquired and are currently considered performing loans due to the accretion of interest in purchase agreement.

(b) Loans acquired from National City totaled \$1.6 billion at December 31, 2008 and \$1.7 billion at June 30, 2009.

(c) Primarily residential mortgages. Included for regulatory reporting.

(d) Loans acquired from National City totaled \$1.1 billion at December 31, 2008 and \$1.5 billion at June 30, 2009.

Average loans

Provision to average

loans

\$1,517

\$72,744

2.09%

504

\$1,013

\$72,744

1.39%

Provision excluding National City conforming provision

Year ended December 31, 2008 in millions

Provision for credit losses

Conforming

provision

-

National

City

PNC believes that information adjusted for the impact of this item may be useful due to the extent to which the item is not included in the financial statements.

Average loans for 2008 do not reflect National City as the acquisition closed on December 31, 2008.