



THE PNC FINANCIAL SERVICES GROUP, INC.

**FINANCIAL SUPPLEMENT
FIRST QUARTER 2006
UNAUDITED**

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available at April 20, 2006. We have reclassified certain prior period amounts included in this Financial Supplement to be consistent with the current period presentation.

As disclosed in our 2005 Form 10-K, in October 2005 Market Street Funding ("Market Street"), a multi-seller asset-backed commercial paper conduit owned by an independent third party and administered by PNC Bank, N.A., was restructured. As a result, Market Street was deconsolidated from our Consolidated Balance Sheet effective October 17, 2005. This deconsolidation is reflected in the information contained in this Financial Supplement. We had previously consolidated Market Street under the provisions of FIN 46R effective July 1, 2003.

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 SEC filings.

Consolidated Income Statement (Unaudited)

| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| <i>For the three months ended - in millions, except per share data</i> | | | | | |
| Interest Income | | | | | |
| Loans | \$747 | \$727 | \$718 | \$646 | \$578 |
| Securities available for sale and held to maturity | 243 | 233 | 219 | 198 | 172 |
| Other | 76 | 74 | 58 | 57 | 54 |
| Total interest income | 1,066 | 1,034 | 995 | 901 | 804 |
| Interest Expense | | | | | |
| Deposits | 327 | 305 | 270 | 224 | 182 |
| Borrowed funds | 183 | 174 | 166 | 143 | 116 |
| Total interest expense | 510 | 479 | 436 | 367 | 298 |
| Net interest income | 556 | 555 | 559 | 534 | 506 |
| Provision for (recoveries of) credit losses | 22 | 24 | 16 | (27) | 8 |
| Net interest income less provision for (recoveries of) credit losses | 534 | 531 | 543 | 561 | 498 |
| Noninterest Income | | | | | |
| Asset management | 461 | 431 | 364 | 334 | 314 |
| Fund servicing | 221 | 213 | 218 | 219 | 220 |
| Service charges on deposits | 73 | 74 | 73 | 67 | 59 |
| Brokerage | 59 | 57 | 56 | 57 | 55 |
| Consumer services | 89 | 80 | 76 | 73 | 64 |
| Corporate services | 135 | 143 | 121 | 113 | 108 |
| Equity management gains | 7 | 16 | 36 | 12 | 32 |
| Net securities losses | (4) | (4) | (2) | (26) | (9) |
| Trading | 57 | 49 | 47 | 11 | 50 |
| Other | 87 | 95 | 127 | 69 | 81 |
| Total noninterest income | 1,185 | 1,154 | 1,116 | 929 | 974 |
| Noninterest Expense | | | | | |
| Compensation | 555 | 556 | 545 | 481 | 479 |
| Employee benefits | 87 | 77 | 86 | 86 | 83 |
| Net occupancy | 79 | 82 | 86 | 72 | 73 |
| Equipment | 77 | 75 | 73 | 74 | 74 |
| Marketing | 20 | 31 | 30 | 25 | 20 |
| Other | 353 | 324 | 339 | 302 | 271 |
| Total noninterest expense | 1,171 | 1,145 | 1,159 | 1,040 | 1,000 |
| Income before minority and noncontrolling interests and income taxes | 548 | 540 | 500 | 450 | 472 |
| Minority and noncontrolling interests in income of consolidated entities | 13 | 4 | 14 | 9 | 6 |
| Income taxes | 181 | 181 | 152 | 159 | 112 |
| Net income | \$354 | \$355 | \$334 | \$282 | \$354 |
| Earnings Per Common Share | | | | | |
| Basic | \$1.21 | \$1.22 | \$1.16 | \$0.99 | \$1.26 |
| Diluted | \$1.19 | \$1.20 | \$1.14 | \$0.98 | \$1.24 |
| Average Common Shares Outstanding | | | | | |
| Basic | 292 | 290 | 289 | 285 | 281 |
| Diluted | 296 | 294 | 292 | 288 | 284 |
| Noninterest income to total revenue | 68% | 68% | 67% | 63% | 66% |
| Effective tax rate (a) | 33.0% | 33.5% | 30.4% | 35.3% | 23.7% |

(a) The first quarter 2005 effective tax rate reflects the \$45 million impact of the reversal of certain deferred tax liabilities in connection with the transfer of our ownership interest in BlackRock from PNC Bank, National Association to our intermediate bank holding company, PNC Bancorp, Inc. See our 2005 Annual Report on Form 10-K for additional information.

Consolidated Balance Sheet (Unaudited)

| <i>In millions, except par value</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| Assets | | | | | |
| Cash and due from banks | \$3,206 | \$3,518 | \$3,474 | \$3,442 | \$2,908 |
| Federal funds sold and resale agreements | 511 | 350 | 907 | 89 | 1,252 |
| Other short-term investments, including trading securities | 2,641 | 2,543 | 2,553 | 2,203 | 2,354 |
| Loans held for sale | 2,266 | 2,449 | 2,377 | 2,275 | 2,067 |
| Securities available for sale and held to maturity | 21,529 | 20,710 | 20,658 | 20,437 | 18,449 |
| Loans, net of unearned income of \$832, \$835, \$856, \$847 and \$872 | 49,521 | 49,101 | 50,510 | 49,317 | 44,674 |
| Allowance for loan and lease losses | (597) | (596) | (634) | (628) | (600) |
| Net loans | 48,924 | 48,505 | 49,876 | 48,689 | 44,074 |
| Goodwill | 3,625 | 3,606 | 3,457 | 3,405 | 2,965 |
| Other intangible assets | 857 | 860 | 768 | 765 | 624 |
| Other | 9,698 | 9,413 | 9,171 | 9,489 | 8,666 |
| Total assets | \$93,257 | \$91,954 | \$93,241 | \$90,794 | \$83,359 |
| Liabilities | | | | | |
| Deposits | | | | | |
| Noninterest-bearing | \$14,250 | \$14,988 | \$14,099 | \$13,751 | \$12,808 |
| Interest-bearing | 46,649 | 45,287 | 46,115 | 44,922 | 42,361 |
| Total deposits | 60,899 | 60,275 | 60,214 | 58,673 | 55,169 |
| Borrowed funds | | | | | |
| Federal funds purchased | 3,156 | 4,128 | 1,477 | 2,701 | 995 |
| Repurchase agreements | 2,892 | 1,691 | 2,054 | 2,042 | 2,077 |
| Bank notes and senior debt | 3,362 | 3,875 | 3,475 | 2,920 | 3,662 |
| Subordinated debt | 4,387 | 4,469 | 4,506 | 4,105 | 3,988 |
| Commercial paper | 120 | 10 | 3,447 | 3,998 | 2,381 |
| Other | 2,523 | 2,724 | 3,415 | 2,440 | 1,411 |
| Total borrowed funds | 16,440 | 16,897 | 18,374 | 18,206 | 14,514 |
| Allowance for unfunded loan commitments and letters of credit | 103 | 100 | 79 | 84 | 78 |
| Accrued expenses | 2,585 | 2,770 | 2,637 | 2,358 | 2,288 |
| Other | 3,822 | 2,759 | 3,025 | 2,723 | 3,199 |
| Total liabilities | 83,849 | 82,801 | 84,329 | 82,044 | 75,248 |
| Minority and noncontrolling interests in consolidated entities | 627 | 590 | 595 | 507 | 532 |
| Shareholders' Equity | | | | | |
| 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 | 1,349 | 1,358 | 1,358 | 1,353 | 1,275 |
| Retained earnings | 9,230 | 9,023 | 8,814 | 8,626 | 8,485 |
| Deferred compensation expense | (44) | (59) | (64) | (70) | (42) |
| Accumulated other comprehensive loss | (394) | (267) | (200) | (41) | (175) |
| Common stock held in treasury at cost: 57, 60, 62, 62, and 70 shares | (3,124) | (3,256) | (3,355) | (3,389) | (3,728) |
| Total shareholders' equity | 8,781 | 8,563 | 8,317 | 8,243 | 7,579 |
| Total liabilities, minority and noncontrolling interests, and shareholders' equity | \$93,257 | \$91,954 | \$93,241 | \$90,794 | \$83,359 |
| CAPITAL RATIOS | | | | | |
| Tier 1 risk-based (b) | 8.8 % | 8.3 % | 8.4 % | 8.3 % | 8.7 % |
| Total risk-based (b) | 12.6 | 12.1 | 12.5 | 11.9 | 12.6 |
| Leverage (b) | 7.6 | 7.2 | 7.1 | 7.2 | 7.3 |
| Tangible common equity | 5.2 | 5.0 | 4.9 | 5.0 | 5.3 |
| Common shareholders' equity to assets | 9.4 | 9.3 | 8.9 | 9.1 | 9.1 |
| ASSET QUALITY RATIOS | | | | | |
| Nonperforming assets to loans, | | | | | |
| loans held for sale and foreclosed assets | .40 % | .42 % | .29 % | .32 % | .35 % |
| Nonperforming loans to loans | .37 | .39 | .25 | .27 | .29 |
| Net charge-offs to average loans (For the three months ended) (c) | .15 | .33 | .12 | (.32) | .11 |
| Allowance for loan and lease losses to loans | 1.21 | 1.21 | 1.26 | 1.27 | 1.34 |
| Allowance for loan and lease losses to nonperforming loans | 328 | 314 | 499 | 476 | 458 |

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

(b) Estimated for March 31, 2006.

(c) This ratio for the three months ended June 30, 2005 reflects the impact of a \$53 million loan recovery during that quarter. Excluding the impact of this recovery, the ratio of net charge-offs to average loans for the second quarter of 2005 would have been .13%.

Summary of Business Results and Headcount (Unaudited)

| Three months ended – dollars in millions (a) | March 31 | December 31 | September 30 | June 30 | March 31 |
|--|----------|-------------|--------------|---------|----------|
| Earnings | 2006 | 2005 | 2005 | 2005 | 2005 |
| Retail Banking | \$190 | \$195 | \$176 | \$162 | \$149 |
| Corporate & Institutional Banking | 105 | 108 | 118 | 144 | 110 |
| BlackRock | 71 | 73 | 61 | 53 | 47 |
| PFPC | 27 | 29 | 28 | 24 | 23 |
| Total business segment earnings | 393 | 405 | 383 | 383 | 329 |
| Minority interest in income of BlackRock | (22) | (22) | (19) | (16) | (14) |
| Other | (17) | (28) | (30) | (85) | 39 |
| Total consolidated net income | \$354 | \$355 | \$334 | \$282 | \$354 |
| Revenue (b) | | | | | |
| Retail Banking | \$753 | \$755 | \$740 | \$710 | \$663 |
| Corporate & Institutional Banking | 340 | 358 | 346 | 321 | 310 |
| BlackRock (c) | 410 | 375 | 320 | 276 | 258 |
| PFPC (c) | 218 | 209 | 211 | 212 | 214 |
| Total business segment revenue | 1,721 | 1,697 | 1,617 | 1,519 | 1,445 |
| Other | 27 | 25 | 65 | (49) | 41 |
| Total consolidated revenue | \$1,748 | \$1,722 | \$1,682 | \$1,470 | \$1,486 |

- (a) This summary also serves as a reconciliation of total earnings and revenue for all business segments to total consolidated net income and revenue. Our business segment 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) Business segment 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 have increased the interest income earned on tax-exempt assets to make it fully equivalent to interest income on other taxable investments. This adjustment is not permitted under generally accepted accounting principles (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):

| | March 31 | December 31 | September 30 | June 30 | March 31 |
|--|----------|-------------|--------------|---------|----------|
| | 2006 | 2005 | 2005 | 2005 | 2005 |
| Total consolidated revenue, book (GAAP) basis | \$1,741 | \$1,709 | \$1,675 | \$1,463 | \$1,480 |
| Taxable-equivalent adjustment | 7 | 13 | 7 | 7 | 6 |
| Total consolidated revenue, taxable-equivalent basis | \$1,748 | \$1,722 | \$1,682 | \$1,470 | \$1,486 |

- (c) Amounts for BlackRock and PFPC represent the sum of total operating revenue and nonoperating income (less debt financing costs for PFPC).

| Period-end Headcount | March 31 | December 31 | September 30 | June 30 | March 31 |
|-----------------------------------|----------|-------------|--------------|---------|----------|
| | 2006 | 2005 | 2005 | 2005 | 2005 |
| Full-time headcount | | | | | |
| Retail Banking | 9,725 | 9,679 | 9,891 | 10,079 | 9,578 |
| Corporate & Institutional Banking | 1,892 | 1,861 | 1,740 | 1,791 | 1,756 |
| BlackRock | 2,232 | 2,151 | 2,145 | 2,141 | 1,999 |
| PFPC | 4,291 | 4,391 | 4,457 | 4,599 | 4,549 |
| Other | | | | | |
| Operations & Technology | 3,942 | 3,966 | 4,010 | 4,104 | 4,096 |
| Staff Services | 1,560 | 1,545 | 1,568 | 1,683 | 1,662 |
| Total Other | 5,502 | 5,511 | 5,578 | 5,787 | 5,758 |
| Total full-time headcount | 23,642 | 23,593 | 23,811 | 24,397 | 23,640 |
| Total part-time headcount | 2,003 | 1,755 | 1,558 | 1,477 | 1,449 |
| Total headcount | 25,645 | 25,348 | 25,369 | 25,874 | 25,089 |

The period-end headcount statistics disclosed for each business segment reflect staff directly employed by the respective business segment and exclude operations, technology and staff services employees.

Retail Banking (Unaudited)

Three months ended

Taxable-equivalent basis (a)

Dollars in millions

| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|-------------------------------------|------------------|---------------------|----------------------|-----------------|------------------|
| INCOME STATEMENT | | | | | |
| Net interest income | \$408 | \$417 | \$407 | \$397 | \$372 |
| Noninterest income | | | | | |
| Asset management | 87 | 86 | 87 | 83 | 81 |
| Service charges on deposits | 71 | 72 | 71 | 65 | 57 |
| Brokerage | 58 | 54 | 54 | 56 | 53 |
| Consumer services | 86 | 78 | 72 | 68 | 60 |
| Other | 43 | 48 | 49 | 41 | 40 |
| Total noninterest income | 345 | 338 | 333 | 313 | 291 |
| Total revenue | 753 | 755 | 740 | 710 | 663 |
| Provision for credit losses | 9 | 9 | 14 | 15 | 14 |
| Noninterest expense | 436 | 434 | 444 | 436 | 412 |
| Pretax earnings | 308 | 312 | 282 | 259 | 237 |
| Minority interest | 4 | | | | |
| Income taxes | 114 | 117 | 106 | 97 | 88 |
| Earnings | \$190 | \$195 | \$176 | \$162 | \$149 |
| AVERAGE BALANCE SHEET | | | | | |
| Loans | | | | | |
| Consumer | | | | | |
| Home equity | \$13,778 | \$13,751 | \$13,570 | \$13,267 | \$12,803 |
| Indirect | 987 | 980 | 952 | 917 | 892 |
| Other consumer | 1,248 | 1,264 | 1,205 | 1,171 | 1,141 |
| Total consumer | 16,013 | 15,995 | 15,727 | 15,355 | 14,836 |
| Commercial | | | | | |
| Floor plan | 970 | 936 | 903 | 1,050 | 1,013 |
| Residential mortgage | 1,648 | 1,716 | 1,789 | 1,326 | 776 |
| Other | 236 | 244 | 247 | 269 | 280 |
| Total loans | 24,300 | 24,173 | 23,901 | 23,033 | 21,726 |
| Goodwill | 1,472 | 1,467 | 1,458 | 1,248 | 1,144 |
| Loans held for sale | 1,880 | 1,802 | 1,602 | 1,455 | 1,345 |
| Other assets | 1,717 | 1,598 | 1,585 | 1,482 | 1,403 |
| Total assets | \$29,369 | \$29,040 | \$28,546 | \$27,218 | \$25,618 |
| Deposits | | | | | |
| Noninterest-bearing demand | | | | | |
| Interest-bearing demand | \$7,777 | \$7,925 | \$7,891 | \$7,529 | \$7,200 |
| Money market | 8,025 | 8,095 | 8,044 | 7,929 | 7,710 |
| Total transaction deposits | 14,644 | 14,399 | 14,042 | 13,175 | 12,902 |
| Savings | 30,446 | 30,419 | 29,977 | 28,633 | 27,812 |
| Certificates of deposit | 2,183 | 2,309 | 2,516 | 2,712 | 2,766 |
| Total deposits | 13,115 | 12,671 | 11,996 | 11,107 | 10,171 |
| Other liabilities | 45,744 | 45,399 | 44,489 | 42,452 | 40,749 |
| Capital | 560 | 392 | 370 | 396 | 408 |
| Total funds | 2,943 | 2,965 | 2,919 | 2,774 | 2,748 |
| Total funds | \$49,247 | \$48,756 | \$47,778 | \$45,622 | \$43,905 |
| PERFORMANCE RATIOS | | | | | |
| Return on average capital | 26 % | 26 % | 24 % | 23 % | 22 % |
| Noninterest income to total revenue | 46 | 45 | 45 | 44 | 44 |
| Efficiency, GAAP basis | 58 | 57 | 60 | 61 | 62 |
| Efficiency, as adjusted (b) | 56 | 55 | 58 | 59 | 60 |

(a) See notes (a) and (b) on page 3.

(b) See page 10 for a reconciliation of the efficiency ratio, as adjusted, to the efficiency ratio on a GAAP basis.

Retail Banking (Unaudited) (Continued)

| <i>Three months ended</i> | March 31 | December 31 | September 30 | June 30 | March 31 |
|--|-----------|-------------|--------------|-----------|-----------|
| <i>Dollars in millions except as noted</i> | 2006 | 2005 | 2005 | 2005 | 2005 |
| OTHER INFORMATION (a) | | | | | |
| <u>Credit-related statistics:</u> | | | | | |
| Nonperforming assets | \$93 | \$90 | \$87 | \$84 | \$93 |
| Net charge-offs | \$14 | \$12 | \$11 | \$16 | \$14 |
| Annualized net charge-off ratio | .23 % | .20 % | .18 % | .28 % | .26 % |
| <u>Home equity portfolio credit statistics:</u> | | | | | |
| % of first lien positions | 45 % | 46 % | 47 % | 48 % | 50 % |
| Weighted average loan-to-value ratios | 68 % | 68 % | 70 % | 70 % | 69 % |
| Weighted average FICO scores | 727 | 728 | 721 | 720 | 717 |
| Loans 90 days past due | .22 % | .21 % | .18 % | .18 % | .19 % |
| <u>Checking-related statistics:</u> | | | | | |
| Retail Banking checking relationships | 1,950,000 | 1,934,000 | 1,921,000 | 1,882,000 | 1,782,000 |
| Consumer DDA households using online banking | 880,000 | 855,000 | 830,000 | 793,000 | 748,000 |
| % of consumer DDA households using online banking | 50 % | 49 % | 48 % | 47 % | 47 % |
| Consumer DDA households using online bill payment | 253,000 | 205,000 | 188,000 | 167,000 | 132,000 |
| % of consumer DDA households using online bill payment | 14 % | 12 % | 11 % | 10 % | 8 % |
| <u>Small business deposits:</u> | | | | | |
| Noninterest-bearing demand | \$4,357 | \$4,555 | \$4,499 | \$4,267 | \$4,086 |
| Interest-bearing demand | 1,454 | 1,656 | 1,547 | 1,478 | 1,556 |
| Money market | 2,705 | 2,941 | 3,045 | 2,774 | 2,630 |
| Certificates of deposit | 553 | 530 | 410 | 353 | 352 |
| <u>Brokerage statistics:</u> | | | | | |
| Margin loans | \$205 | \$217 | \$223 | \$218 | \$249 |
| Financial consultants (b) | 783 | 779 | 784 | 789 | 783 |
| Full service brokerage offices | 100 | 100 | 99 | 98 | 96 |
| Brokerage account assets (billions) | \$43 | \$42 | \$42 | \$41 | \$39 |
| <u>Other statistics:</u> | | | | | |
| Gains on sales of education loans (c) | \$4 | \$4 | \$11 | \$3 | \$1 |
| Period-end full-time headcount | 9,725 | 9,679 | 9,891 | 10,079 | 9,578 |
| Period-end part-time headcount | 1,373 | 1,117 | 934 | 832 | 773 |
| ATMs | 3,763 | 3,721 | 3,770 | 3,788 | 3,610 |
| Branches (d) | 846 | 839 | 830 | 827 | 772 |
| ASSETS UNDER ADMINISTRATION (in billions) (e) | | | | | |
| <u>Assets under management</u> | | | | | |
| Personal | \$40 | \$40 | \$41 | \$41 | \$40 |
| Institutional | 10 | 9 | 9 | 9 | 9 |
| Total | \$50 | \$49 | \$50 | \$50 | \$49 |
| <u>Asset Type</u> | | | | | |
| Equity | \$32 | \$31 | \$31 | \$31 | \$30 |
| Fixed income | 12 | 12 | 13 | 13 | 13 |
| Liquidity/Other | 6 | 6 | 6 | 6 | 6 |
| Total | \$50 | \$49 | \$50 | \$50 | \$49 |
| <u>Nondiscretionary assets under administration</u> | | | | | |
| Personal | \$28 | \$27 | \$27 | \$26 | \$29 |
| Institutional | 59 | 57 | 58 | 59 | 63 |
| Total | \$87 | \$84 | \$85 | \$85 | \$92 |
| <u>Asset Type</u> | | | | | |
| Equity | \$33 | \$33 | \$32 | \$31 | \$32 |
| Fixed income | 26 | 24 | 25 | 26 | 32 |
| Liquidity/Other | 28 | 27 | 28 | 28 | 28 |
| Total | \$87 | \$84 | \$85 | \$85 | \$92 |

(a) Presented as of period-end, except for net charge-offs, annualized net charge-off ratio, gains on sales of education loans, and small business deposits.

(b) Financial consultants provide services in full service brokerage offices and PNC traditional branches.

(c) Included in "Noninterest income-Other" on page 4.

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

(e) Excludes brokerage account assets.

Corporate & Institutional Banking (Unaudited)

Three months ended

Taxable-equivalent basis (a)

Dollars in millions except as noted

| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| INCOME STATEMENT | | | | | |
| Net interest income | \$175 | \$184 | \$194 | \$183 | \$178 |
| Noninterest income | | | | | |
| Corporate services | 113 | 118 | 99 | 92 | 89 |
| Other | 52 | 56 | 53 | 46 | 43 |
| Noninterest income | 165 | 174 | 152 | 138 | 132 |
| Total revenue | 340 | 358 | 346 | 321 | 310 |
| Provision for (recoveries of) credit losses | 12 | 23 | (1) | (48) | (4) |
| Noninterest expense | 176 | 177 | 172 | 155 | 154 |
| Pretax earnings | 152 | 158 | 175 | 214 | 160 |
| Income taxes | 47 | 50 | 57 | 70 | 50 |
| Earnings | \$105 | \$108 | \$118 | \$144 | \$110 |
| AVERAGE BALANCE SHEET | | | | | |
| Loans | | | | | |
| Corporate (b) | \$9,685 | \$9,829 | \$11,436 | \$10,940 | \$10,417 |
| Commercial real estate | 2,643 | 2,620 | 2,580 | 2,139 | 1,807 |
| Commercial - real estate related | 2,454 | 2,219 | 2,155 | 2,105 | 1,798 |
| Asset-based lending | 4,252 | 4,227 | 4,227 | 4,303 | 4,050 |
| Total loans (b) | 19,034 | 18,895 | 20,398 | 19,487 | 18,072 |
| Loans held for sale | 866 | 923 | 789 | 694 | 598 |
| Other assets | 5,596 | 5,508 | 5,497 | 5,466 | 4,873 |
| Total assets | \$25,496 | \$25,326 | \$26,684 | \$25,647 | \$23,543 |
| Deposits | \$9,584 | \$10,129 | \$9,535 | \$9,165 | \$8,683 |
| Commercial paper (c) | | 514 | 2,553 | 2,168 | 2,127 |
| Other liabilities | 3,439 | 3,405 | 3,280 | 3,472 | 3,236 |
| Capital | 1,945 | 1,787 | 1,743 | 1,671 | 1,692 |
| Total funds | \$14,968 | \$15,835 | \$17,111 | \$16,476 | \$15,738 |
| PERFORMANCE RATIOS | | | | | |
| Return on average capital | 22 % | 24 % | 27 % | 35 % | 26 % |
| Noninterest income to total revenue | 49 | 49 | 44 | 43 | 43 |
| Efficiency | 52 | 49 | 50 | 48 | 50 |
| COMMERCIAL MORTGAGE | | | | | |
| SERVICING PORTFOLIO (in billions) | | | | | |
| Beginning of period | \$136 | \$126 | \$119 | \$105 | \$98 |
| Acquisitions/additions | 13 | 21 | 18 | 21 | 14 |
| Repayments/transfers | (9) | (11) | (11) | (7) | (7) |
| End of period | \$140 | \$136 | \$126 | \$119 | \$105 |
| OTHER INFORMATION | | | | | |
| Consolidated revenue from: (d) | | | | | |
| Treasury Management | \$102 | \$105 | \$105 | \$103 | \$97 |
| Capital Markets | \$64 | \$62 | \$42 | \$29 | \$42 |
| Midland Loan Services | \$42 | \$41 | \$39 | \$32 | \$32 |
| Equipment Leasing | \$18 | \$17 | \$16 | \$18 | \$18 |
| Total loans (e) | \$19,447 | \$18,817 | \$21,084 | \$20,726 | \$18,595 |
| Nonperforming assets (e) | \$112 | \$124 | \$67 | \$77 | \$65 |
| Net charge-offs (recoveries) | \$4 | \$28 | \$5 | \$(54) | \$(2) |
| Period-end full-time headcount | 1,892 | 1,861 | 1,740 | 1,791 | 1,756 |
| Net gains on commercial mortgage loan sales | \$7 | \$13 | \$21 | \$18 | \$9 |
| Net carrying amount of commercial mortgage servicing rights (e) | \$353 | \$344 | \$297 | \$276 | \$258 |

(a) See notes (a) and (b) on page 3.

(b) Includes lease financing and Market Street. Market Street was deconsolidated from our Consolidated Balance Sheet effective October 17, 2005.

(c) Includes Market Street. See Supplemental Average Balance Sheet Information on pages 11-12.

(d) Represents consolidated PNC amounts.

(e) Presented as of period-end.

BlackRock (Unaudited) (a)

Three months ended

| Taxable-equivalent basis (a) | March 31 | December 31 | September 30 | June 30 | March 31 |
|--|----------|-------------|--------------|---------|----------|
| Dollars in millions except as noted | 2006 | 2005 | 2005 | 2005 | 2005 |
| INCOME STATEMENT | | | | | |
| Investment advisory and administrative fees | \$350 | \$320 | \$255 | \$231 | \$212 |
| Other income | 46 | 49 | 46 | 40 | 38 |
| Total revenue | 396 | 369 | 301 | 271 | 250 |
| Operating expense | 286 | 245 | 208 | 179 | 175 |
| Fund administration and servicing costs | 10 | 11 | 13 | 10 | 9 |
| Total expense | 296 | 256 | 221 | 189 | 184 |
| Operating income | 100 | 113 | 80 | 82 | 66 |
| Nonoperating income | 14 | 6 | 19 | 5 | 8 |
| Pretax earnings | 114 | 119 | 99 | 87 | 74 |
| Minority interest | 1 | 1 | 1 | 1 | |
| Income taxes | 42 | 45 | 37 | 33 | 27 |
| Earnings | \$71 | \$73 | \$61 | \$53 | \$47 |
| PERIOD-END BALANCE SHEET | | | | | |
| Goodwill and other intangible assets | \$492 | \$484 | \$492 | \$500 | \$444 |
| Other assets | 1,349 | 1,364 | 1,181 | 1,063 | 1,050 |
| Total assets | \$1,841 | \$1,848 | \$1,673 | \$1,563 | \$1,494 |
| Liabilities and minority interest | \$852 | \$926 | \$806 | \$709 | \$648 |
| Stockholders' equity | 989 | 922 | 867 | 854 | 846 |
| Total liabilities and stockholders' equity | \$1,841 | \$1,848 | \$1,673 | \$1,563 | \$1,494 |
| PERFORMANCE DATA | | | | | |
| Return on average equity | 30 % | 32 % | 28 % | 25 % | 24 % |
| Operating margin (b) | 41 | 36 | 35 | 37 | 38 |
| Diluted earnings per share | \$1.06 | \$1.09 | \$0.92 | \$0.80 | \$0.70 |
| ASSETS UNDER MANAGEMENT (in billions) (at period end) | | | | | |
| Separate accounts | | | | | |
| Fixed income | \$284 | \$280 | \$265 | \$258 | \$240 |
| Cash management | 10 | 7 | 8 | 8 | 7 |
| Cash management - securities lending | 8 | 5 | 6 | 7 | 7 |
| Equity | 23 | 21 | 20 | 19 | 19 |
| Alternative investment products | 27 | 25 | 25 | 23 | 19 |
| Total separate accounts | 352 | 338 | 324 | 315 | 292 |
| Mutual funds (c) | | | | | |
| Fixed income | 24 | 25 | 25 | 26 | 25 |
| Cash management | 69 | 74 | 63 | 60 | 60 |
| Equity | 18 | 16 | 16 | 13 | 14 |
| Total mutual funds | 111 | 115 | 104 | 99 | 99 |
| Total assets under management | \$463 | \$453 | \$428 | \$414 | \$391 |
| OTHER INFORMATION | | | | | |
| Period-end full-time headcount | 2,232 | 2,151 | 2,145 | 2,141 | 1,999 |

(a) See notes (a) and (b) on page 3.

(b) Calculated as operating income excluding, net of tax, State Street Research and Management (SSRM) payments, the LTIP expense, SSRM acquisition costs, Merrill Lynch Investment Management (MLIM) acquisition costs, and appreciation on Rabbi trust assets related to BlackRock's deferred compensation plan divided by total revenue less, net of tax, reimbursable property management compensation and fund administration and servicing costs. The following is a reconciliation of this presentation to operating margin calculated on a GAAP basis (operating income divided by total revenue) in millions:

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Operating income, GAAP basis | \$100 | \$113 | \$80 | \$82 | \$66 |
| Add back: SSRM payment | 34 | | | | |
| Add back: LTIP expense | 14 | 15 | 14 | 16 | 14 |
| Less: portion of LTIP to be funded by BlackRock | (2) | (2) | (2) | (4) | (2) |
| Add back: SSRM acquisition costs | | | | | 9 |
| Add back: MLIM acquisition costs | 6 | | | | |
| Add back: Appreciation on assets related to deferred compensation plans | 5 | | 8 | | 2 |
| Operating income, as adjusted | \$157 | \$126 | \$100 | \$94 | \$89 |
| Total revenue, GAAP basis | \$396 | \$369 | \$301 | \$271 | \$250 |
| Less: reimbursable property management compensation | 6 | 6 | 7 | 6 | 4 |
| Less: fund administration and servicing costs | 10 | 12 | 12 | 10 | 9 |
| Revenue used for operating margin calculation, as reported | \$380 | \$351 | \$282 | \$255 | \$237 |
| Operating margin, GAAP basis | 25 % | 31 % | 27 % | 30 % | 26 % |
| Operating margin, as adjusted | 41 % | 36 % | 35 % | 37 % | 38 % |

We believe that operating margin, as adjusted, is an effective indicator of management's ability to, and useful to management in deciding how to, effectively employ BlackRock's resources. As such, we believe operating margin, as adjusted, provides useful disclosure to investors. The 2006 SSRM payment was excluded because it represents a non-recurring payment (based on a performance fee) pursuant to the SSRM acquisition agreement. The portion of the LTIP expense associated with awards to be met by the distribution to the LTIP participants of shares of BlackRock stock currently held by PNC has been excluded from operating income because, exclusive of the potential impact related to LTIP participants' put options, these charges will not impact BlackRock's book value. SSRM acquisition costs consist of certain compensation costs and professional fees incurred in 2005. Compensation expense reflected in this amount represents direct incentives related to alternative product performance fees generated in 2004 by SSRM employees, assumed in conjunction with the acquisition and settled by BlackRock with no future service requirement. Compensation expense associated with appreciation on assets related to BlackRock's deferred compensation plans has been excluded because investment returns on these assets reported in nonoperating income, net of the related impact on compensation expense, results in a nominal impact on net income. MLIM acquisition costs consist of certain professional fees incurred in 2006. We have excluded fund administration and servicing costs from the operating margin calculation because these costs fluctuate based on the discretion of a third party. Reimbursable property management compensation represents compensation and benefits paid to certain BlackRock Realty Advisors, Inc. ("Realty") personnel. These employees are retained on Realty's payroll when properties are acquired by Realty's clients. The related compensation and benefits are fully reimbursed by Realty's clients and have been excluded from revenue used for operating margin measurement, as adjusted, because they bear no economic cost to BlackRock.

(c) Includes BlackRock Funds, BlackRock Liquidity Funds, BlackRock Closed-End Funds, PNC Investment Contract Fund and BlackRock Global Series Funds.

PFPC (Unaudited) (a)

| <i>Three months ended</i> | March 31 | December 31 | September 30 | June 30 | March 31 |
|---|----------|-------------|--------------|---------|----------|
| <i>Dollars in millions except as noted</i> | 2006 | 2005 | 2005 | 2005 | 2005 |
| INCOME STATEMENT | | | | | |
| Fund servicing revenue | \$227 | \$217 | \$221 | \$221 | \$220 |
| Other revenue | | | | | 10 |
| Total revenue | 227 | 217 | 221 | 221 | 230 |
| Operating expense | 170 | 161 | 168 | 169 | 173 |
| Amortization of other intangibles, net | 3 | 4 | 3 | 4 | 3 |
| Total expense | 173 | 165 | 171 | 173 | 176 |
| Operating income | 54 | 52 | 50 | 48 | 54 |
| Debt financing | 10 | 10 | 10 | 10 | 8 |
| Net nonoperating income (expense) | 1 | 2 | | 1 | (8) |
| Pretax earnings | 45 | 44 | 40 | 39 | 38 |
| Income taxes | 18 | 15 | 12 | 15 | 15 |
| Earnings | \$27 | \$29 | \$28 | \$24 | \$23 |
| PERIOD-END BALANCE SHEET | | | | | |
| Goodwill and other intangible assets | \$1,022 | \$1,025 | \$1,029 | \$1,009 | \$1,012 |
| Other assets | 1,363 | 1,103 | 1,053 | 1,074 | 896 |
| Total assets | \$2,385 | \$2,128 | \$2,082 | \$2,083 | \$1,908 |
| Debt financing | \$890 | \$890 | \$939 | \$987 | \$1,017 |
| Other liabilities | 1,094 | 864 | 799 | 778 | 598 |
| Shareholder's equity | 401 | 374 | 344 | 318 | 293 |
| Total funds | \$2,385 | \$2,128 | \$2,082 | \$2,083 | \$1,908 |
| PERFORMANCE RATIOS | | | | | |
| Return on average equity | 28 % | 32 % | 34 % | 31 % | 33 % |
| Operating margin (b) | 24 | 24 | 23 | 22 | 23 |
| SERVICING STATISTICS (at period end) | | | | | |
| Accounting/administration net fund assets <i>(in billions)(c)</i> | | | | | |
| Domestic | \$665 | \$754 | \$726 | \$699 | \$680 |
| Offshore | 85 | 81 | 67 | 67 | 65 |
| Total | \$750 | \$835 | \$793 | \$766 | \$745 |
| <i>Asset type (in billions)</i> | | | | | |
| Money market | \$238 | \$361 | \$333 | \$333 | \$340 |
| Equity | 338 | 305 | 284 | 262 | 245 |
| Fixed income | 107 | 104 | 114 | 111 | 107 |
| Other | 67 | 65 | 62 | 60 | 53 |
| Total | \$750 | \$835 | \$793 | \$766 | \$745 |
| <i>Custody fund assets (in billions)</i> | | | | | |
| | \$383 | \$476 | \$475 | \$462 | \$462 |
| <i>Shareholder accounts (in millions)</i> | | | | | |
| Transfer agency | 20 | 19 | 19 | 20 | 20 |
| Subaccounting | 45 | 43 | 40 | 38 | 39 |
| Total | 65 | 62 | 59 | 58 | 59 |
| OTHER INFORMATION | | | | | |
| Period-end full-time headcount | 4,291 | 4,391 | 4,457 | 4,599 | 4,549 |

(a) See notes (a) and (b) on page 3.

(b) Operating income divided by total revenue.

(c) Includes alternative investment net assets serviced.

Details of Net Interest Income, Net Interest Margin, and Trading Revenue (Unaudited)*Taxable-equivalent basis*

| Net Interest Income <i>In millions</i> | Quarter ended | | | | |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| Interest income | | | | | |
| Loans | \$750 | \$730 | \$721 | \$649 | \$580 |
| Securities available for sale and held to maturity | 244 | 234 | 219 | 199 | 173 |
| Other | 79 | 83 | 62 | 60 | 57 |
| Total interest income | 1,073 | 1,047 | 1,002 | 908 | 810 |
| Interest expense | | | | | |
| Deposits | 327 | 305 | 270 | 224 | 182 |
| Borrowed funds | 183 | 174 | 166 | 143 | 116 |
| Total interest expense | 510 | 479 | 436 | 367 | 298 |
| Net interest income (a) | \$563 | \$568 | \$566 | \$541 | \$512 |

(a) The following is a reconciliation of net interest income as reported in the Consolidated Income Statement (GAAP basis) to net interest income on a taxable-equivalent basis:

| <i>In millions</i> | Quarter ended | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| Net interest income, GAAP basis | \$556 | \$555 | \$559 | \$534 | \$506 |
| Taxable-equivalent adjustment | 7 | 13 | 7 | 7 | 6 |
| Net interest income, taxable-equivalent basis | \$563 | \$568 | \$566 | \$541 | \$512 |

| Net Interest Margin | Quarter ended | | | | |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| Average yields/rates | | | | | |
| Yield on interest-earning assets | | | | | |
| Loans | 6.14 % | 5.91 % | 5.75 % | 5.48 % | 5.30 % |
| Securities available for sale and held to maturity | 4.66 | 4.49 | 4.29 | 4.21 | 4.10 |
| Other | 5.04 | 5.00 | 4.15 | 4.11 | 3.22 |
| Total yield on interest-earning assets | 5.64 | 5.44 | 5.23 | 5.03 | 4.79 |
| Rate on interest-bearing liabilities | | | | | |
| Deposits | 2.81 | 2.58 | 2.33 | 2.05 | 1.80 |
| Borrowed funds | 4.65 | 4.23 | 3.79 | 3.48 | 3.09 |
| Total rate on interest-bearing liabilities | 3.27 | 3.01 | 2.73 | 2.44 | 2.15 |
| Interest rate spread | 2.37 | 2.43 | 2.50 | 2.59 | 2.64 |
| Impact of noninterest-bearing sources | .58 | .53 | .46 | .41 | .38 |
| Net interest margin | 2.95 % | 2.96 % | 2.96 % | 3.00 % | 3.02 % |

| Trading Revenue (b) <i>In millions</i> | March 31 | December 31 | September 30 | June 30 | March 31 |
|---|----------|-------------|--------------|---------|----------|
| | 2006 | 2005 | 2005 | 2005 | 2005 |
| Net interest income | | \$2 | \$1 | \$4 | \$2 |
| Noninterest income | \$57 | 49 | 47 | 11 | 50 |
| Total trading revenue | \$57 | \$51 | \$48 | \$15 | \$52 |
| Securities underwriting and trading | \$4 | \$7 | \$2 | \$5 | \$5 |
| Foreign exchange | 14 | 12 | 10 | 9 | 8 |
| Financial derivatives | 39 | 32 | 36 | 1 | 39 |
| Total trading revenue | \$57 | \$51 | \$48 | \$15 | \$52 |

(b) See pages 11-12 for disclosure of average trading assets and liabilities.

Efficiency Ratios (Unaudited)

| | Quarter ended | | | | |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| GAAP and Bank Efficiency Ratios | | | | | |
| GAAP basis efficiency ratio (a) | 67% | 67% | 69% | 71% | 68% |
| Bank efficiency ratio (b) | 63% | 64% | 67% | 69% | 63% |

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

(b) The bank efficiency ratio represents the consolidated (GAAP basis) efficiency ratio excluding the effect of BlackRock and PFPC. We believe the disclosure of this bank efficiency ratio is meaningful for investors because it provides a more relevant basis of comparison with other financial institutions that may not have significant asset management and processing businesses.

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

| | Quarter ended | | | | |
|-------------------------------------|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| <i>Dollars in millions</i> | | | | | |
| PNC total revenue, GAAP basis | \$1,741 | \$1,709 | \$1,675 | \$1,463 | \$1,480 |
| Less: BlackRock revenue (c) | 409 | 373 | 320 | 275 | 258 |
| PFPC revenue (c) | 218 | 209 | 211 | 212 | 214 |
| Revenue, as adjusted | \$1,114 | \$1,127 | \$1,144 | \$976 | \$1,008 |
| PNC noninterest expense, GAAP basis | \$1,171 | \$1,145 | \$1,159 | \$1,040 | \$1,000 |
| Less: BlackRock noninterest expense | 296 | 256 | 221 | 189 | 184 |
| PFPC noninterest expense (c) | 173 | 165 | 171 | 173 | 176 |
| Noninterest expense, as adjusted | \$702 | \$724 | \$767 | \$678 | \$640 |

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

| | Quarter ended | | | | |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| Retail Banking Efficiency Ratios | | | | | |
| Efficiency, GAAP basis (a) | 58% | 57% | 60% | 61% | 62% |
| Efficiency, as adjusted (b) | 56% | 55% | 58% | 59% | 60% |

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

(b) Calculated by excluding the impact of Hilliard Lyons activities included within the Retail Banking business segment. Activities excluded are the principal activities of Hilliard Lyons on a management reporting basis, including client-related brokerage and trading, investment banking and investment management. Industry-wide efficiency measures for brokerage firms and asset management firms differ significantly due primarily to the highly variable compensation structure of brokerage firms. We believe the disclosure of an efficiency ratio for Retail Banking excluding the impact of these Hilliard Lyons activities is meaningful for investors as it provides a more relevant basis of comparison with other retail banking franchises.

Reconciliation of GAAP amounts with amounts used in the calculation of adjusted Retail Banking efficiency ratio:

| | Quarter ended | | | | |
|----------------------------------|------------------|---------------------|----------------------|-----------------|------------------|
| | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
| <i>Dollars in millions</i> | | | | | |
| Revenue, GAAP basis | \$753 | \$755 | \$740 | \$710 | \$663 |
| Less: Hilliard Lyons | 56 | 48 | 50 | 51 | 49 |
| Revenue, as adjusted | \$697 | \$707 | \$690 | \$659 | \$614 |
| Noninterest expense, GAAP basis | \$436 | \$434 | \$444 | \$436 | \$412 |
| Less: Hilliard Lyons | 45 | 44 | 44 | 46 | 44 |
| Noninterest expense, as adjusted | \$391 | \$390 | \$400 | \$390 | \$368 |

Average Consolidated Balance Sheet (Unaudited)

| <i>Three months ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| Assets | | | | | |
| Interest-earning assets | | | | | |
| Securities available for sale and held to maturity | | | | | |
| Securities available for sale | | | | | |
| Mortgage-backed, asset-backed, and other debt | \$13,007 | \$12,541 | \$12,154 | \$11,138 | \$9,631 |
| U.S. Treasury and government agencies/corporations | 7,527 | 7,952 | 7,960 | 7,406 | 6,897 |
| State and municipal | 156 | 161 | 167 | 171 | 172 |
| Corporate stocks and other | 216 | 163 | 167 | 190 | 172 |
| Total securities available for sale | 20,906 | 20,817 | 20,448 | 18,905 | 16,872 |
| Securities held to maturity | | | | 1 | |
| Total securities available for sale and held to maturity (a) | 20,906 | 20,817 | 20,448 | 18,906 | 16,872 |
| Loans, net of unearned income | | | | | |
| Commercial | 19,556 | 19,130 | 19,685 | 19,259 | 17,935 |
| Commercial real estate | 3,021 | 2,983 | 2,947 | 2,478 | 2,015 |
| Consumer | 16,184 | 16,310 | 16,673 | 16,195 | 15,641 |
| Residential mortgage | 7,272 | 7,175 | 6,739 | 5,742 | 4,855 |
| Lease financing | 2,769 | 2,821 | 2,937 | 2,978 | 3,041 |
| Other | 344 | 364 | 469 | 484 | 495 |
| Total loans, net of unearned income (a) | 49,146 | 48,783 | 49,450 | 47,136 | 43,982 |
| Loans held for sale | 2,745 | 2,715 | 2,390 | 2,152 | 1,941 |
| Federal funds sold and resale agreements | 488 | 643 | 423 | 649 | 2,249 |
| Other | 3,147 | 3,248 | 3,046 | 3,098 | 2,937 |
| Total interest-earning assets | 76,432 | 76,206 | 75,757 | 71,941 | 67,981 |
| Noninterest-earning assets | | | | | |
| Allowance for loan and lease losses | (600) | (628) | (634) | (655) | (611) |
| Cash and due from banks | 3,187 | 3,325 | 3,233 | 3,106 | 2,987 |
| Other | 13,110 | 13,167 | 12,720 | 13,167 | 13,005 |
| Total assets (a) | \$92,129 | \$92,070 | \$91,076 | \$87,559 | \$83,362 |
| Supplemental Average Balance Sheet Information | | | | | |
| Loans excluding conduit | \$49,146 | \$48,353 | \$47,351 | \$45,097 | \$41,871 |
| Market Street conduit (a) | | 430 | 2,099 | 2,039 | 2,111 |
| Total loans (a) | \$49,146 | \$48,783 | \$49,450 | \$47,136 | \$43,982 |
| Trading Assets | | | | | |
| Securities (b) | \$1,797 | \$1,852 | \$1,734 | \$1,932 | \$1,883 |
| Resale agreements (c) | 321 | 593 | 411 | 411 | 1,249 |
| Financial derivatives (d) | 908 | 849 | 695 | 864 | 679 |
| Total trading assets | \$3,026 | \$3,294 | \$2,840 | \$3,207 | \$3,811 |

(a) We deconsolidated Market Street from our Consolidated Balance Sheet in October 2005. Assets and liabilities of Market Street, consisting primarily of securities, loans, and commercial paper, are not reflected in our Average Consolidated Balance Sheet after October 17, 2005. The deconsolidation of Market Street affected the following loan categories: commercial, consumer, lease financing and other.

(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.

Average Consolidated Balance Sheet (Unaudited) (Continued)

| <i>Three months ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| Liabilities, Minority and Noncontrolling Interests, and Shareholders' Equity | | | | | |
| Interest-bearing liabilities | | | | | |
| Interest-bearing deposits | | | | | |
| Money market | \$18,482 | \$19,194 | \$18,447 | \$17,482 | \$16,562 |
| Demand | 8,304 | 8,378 | 8,343 | 8,205 | 7,965 |
| Savings | 2,250 | 2,377 | 2,589 | 2,787 | 2,831 |
| Retail certificates of deposit | 13,243 | 12,804 | 12,143 | 11,215 | 10,296 |
| Other time | 1,309 | 1,527 | 2,306 | 1,484 | 902 |
| Time deposits in foreign offices | 3,396 | 2,482 | 2,061 | 2,477 | 2,373 |
| Total interest-bearing deposits | 46,984 | 46,762 | 45,889 | 43,650 | 40,929 |
| Borrowed funds | | | | | |
| Federal funds purchased | 2,594 | 2,518 | 1,704 | 2,506 | 1,659 |
| Repurchase agreements | 2,307 | 1,915 | 2,137 | 2,405 | 2,306 |
| Bank notes and senior debt | 3,824 | 3,558 | 3,271 | 3,288 | 2,663 |
| Subordinated debt | 4,437 | 4,438 | 3,996 | 3,826 | 3,911 |
| Commercial paper (a) | 219 | 798 | 3,316 | 2,438 | 2,344 |
| Other | 2,380 | 2,960 | 2,790 | 1,867 | 2,159 |
| Total borrowed funds | 15,761 | 16,187 | 17,214 | 16,330 | 15,042 |
| Total interest-bearing liabilities | 62,745 | 62,949 | 63,103 | 59,980 | 55,971 |
| Noninterest-bearing liabilities, minority and noncontrolling interests, and shareholders' equity | | | | | |
| Demand and other noninterest-bearing deposits | 13,966 | 14,057 | 13,738 | 12,987 | 12,432 |
| Allowance for unfunded loan commitments and letters of credit | 101 | 80 | 84 | 78 | 76 |
| Accrued expenses and other liabilities | 6,106 | 6,049 | 5,408 | 6,095 | 6,856 |
| Minority and noncontrolling interests in consolidated entities | 589 | 599 | 518 | 526 | 527 |
| Shareholders' equity | 8,622 | 8,336 | 8,225 | 7,893 | 7,500 |
| Total liabilities, minority and noncontrolling interests, and shareholders' equity | \$92,129 | \$92,070 | \$91,076 | \$87,559 | \$83,362 |
| Supplemental Average Balance Sheet Information | | | | | |
| Interest-bearing deposits | \$46,984 | \$46,762 | \$45,889 | \$43,650 | \$40,929 |
| Demand and other noninterest-bearing deposits | 13,966 | 14,057 | 13,738 | 12,987 | 12,432 |
| Total deposits | \$60,950 | \$60,819 | \$59,627 | \$56,637 | \$53,361 |
| Transaction deposits | \$40,752 | \$41,629 | \$40,528 | \$38,674 | \$36,959 |
| Market Street commercial paper (a) | | \$514 | \$2,553 | \$2,167 | \$2,125 |
| Common shareholders' equity | \$8,615 | \$8,328 | \$8,217 | \$7,885 | \$7,492 |
| Trading Liabilities | | | | | |
| Securities sold short (b) | \$663 | \$961 | \$806 | \$750 | \$1,462 |
| Repurchase agreements and other borrowings (c) | 886 | 985 | 933 | 1,078 | 1,185 |
| Financial derivatives (d) | 901 | 908 | 814 | 909 | 667 |
| Total trading liabilities | \$2,450 | \$2,854 | \$2,553 | \$2,737 | \$3,314 |

(a) See note (a) on page 11.

(b) Included in "Borrowed funds-Other" above.

(c) Included in "Borrowed funds-Repurchase agreements" and "Borrowed funds-Other" above.

(d) Included in "Accrued expenses and other liabilities" above.

Details of Loans and Lending Statistics (Unaudited)**Loans**

| <i>Period ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|--|------------------|---------------------|----------------------|-----------------|------------------|
| Commercial | | | | | |
| Retail/wholesale | \$4,962 | \$4,854 | \$5,114 | \$5,295 | \$5,236 |
| Manufacturing | 4,113 | 4,045 | 4,321 | 4,498 | 4,327 |
| Other service providers | 2,114 | 1,986 | 2,173 | 2,198 | 1,820 |
| Real estate related | 2,845 | 2,577 | 2,492 | 2,520 | 2,179 |
| Financial services | 1,561 | 1,438 | 1,297 | 1,374 | 1,308 |
| Health care | 651 | 616 | 608 | 671 | 560 |
| Other | 3,681 | 3,809 | 4,098 | 3,447 | 3,043 |
| Total commercial | 19,927 | 19,325 | 20,103 | 20,003 | 18,473 |
| Commercial real estate | | | | | |
| Real estate projects | 2,325 | 2,244 | 2,147 | 2,030 | 1,404 |
| Mortgage | 721 | 918 | 779 | 806 | 521 |
| Total commercial real estate | 3,046 | 3,162 | 2,926 | 2,836 | 1,925 |
| Equipment lease financing | 3,558 | 3,628 | 3,721 | 3,668 | 3,719 |
| Total commercial lending | 26,531 | 26,115 | 26,750 | 26,507 | 24,117 |
| Consumer | | | | | |
| Home equity | 13,787 | 13,790 | 13,722 | 13,531 | 12,968 |
| Automobile | 958 | 938 | 931 | 874 | 854 |
| Other | 1,363 | 1,445 | 2,232 | 2,165 | 1,953 |
| Total consumer | 16,108 | 16,173 | 16,885 | 16,570 | 15,775 |
| Residential mortgage | 7,362 | 7,307 | 7,156 | 6,508 | 5,007 |
| Vehicle lease financing | | | 101 | 124 | 158 |
| Other | 352 | 341 | 474 | 455 | 489 |
| Unearned income | (832) | (835) | (856) | (847) | (872) |
| Total, net of unearned income (a) | \$49,521 | \$49,101 | \$50,510 | \$49,317 | \$44,674 |
| Supplemental Loan Information | | | | | |
| Loans excluding conduit | \$49,521 | \$49,101 | \$47,889 | \$47,125 | \$42,479 |
| Market Street conduit (a) | | | 2,621 | 2,192 | 2,195 |
| Total loans (a) | \$49,521 | \$49,101 | \$50,510 | \$49,317 | \$44,674 |

| | March 31 2006 | March 31 2005 |
|---|------------------|------------------|
| Commercial Lending Exposure (b)(c) | | |
| Investment grade or equivalent | 47 % | 47 % |
| Non-investment grade | | |
| \$50 million or greater | 2 % | 2 % |
| All other non-investment grade | 51 % | 51 % |
| Total | 100 % | 100 % |

(a) See note (a) on page 11.

(b) Includes all commercial loans in the Retail Banking and Corporate & Institutional Banking business segments other than the loans of Market Street. We deconsolidated Market Street from our Consolidated Balance Sheet effective October 17, 2005.

(c) Exposure represents the sum of all loans, leases, commitments and letters of credit.

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

| <i>Three months ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| Beginning balance | \$596 | \$634 | \$628 | \$600 | \$607 |
| Charge-offs | | | | | |
| Commercial | (16) | (8) | (16) | (16) | (12) |
| Commercial real estate | | (1) | | | |
| Equipment lease financing | | (29) | | | |
| Consumer | (12) | (12) | (12) | (11) | (10) |
| Residential mortgage | | (1) | | (1) | |
| Total charge-offs | (28) | (51) | (28) | (28) | (22) |
| Recoveries | | | | | |
| Commercial (a) | 6 | 6 | 8 | 62 | 6 |
| Commercial real estate | | | 1 | | |
| Equipment lease financing | | | | 1 | |
| Consumer | 4 | 4 | 4 | 3 | 4 |
| Residential mortgage | | | | | |
| Total recoveries (a) | 10 | 10 | 13 | 66 | 10 |
| Net recoveries (charge-offs) | | | | | |
| Commercial (a) | (10) | (2) | (8) | 46 | (6) |
| Commercial real estate | | (1) | 1 | | |
| Equipment lease financing | | (29) | | 1 | |
| Consumer | (8) | (8) | (8) | (8) | (6) |
| Residential mortgage | | (1) | | (1) | |
| Total net recoveries (charge-offs) (a) | (18) | (41) | (15) | 38 | (12) |
| Provision for (recoveries of) credit losses | 22 | 24 | 16 | (27) | 8 |
| Acquired allowance - Riggs | | | | 23 | |
| Net change in allowance for unfunded loan commitments and letters of credit | (3) | (21) | 5 | (6) | (3) |
| Ending balance | \$597 | \$596 | \$634 | \$628 | \$600 |

Supplemental Information

| | | | | | |
|---|--------|--------|--------|---------|--------|
| Commercial lending net recoveries (charge-offs) (a) (b) | \$(10) | \$(32) | \$(7) | \$47 | \$(6) |
| Consumer lending net recoveries (charge-offs) (c) | (8) | (9) | (8) | (9) | (6) |
| Total net recoveries (charge-offs) (a) | \$(18) | \$(41) | \$(15) | \$38 | \$(12) |
| Net charge-offs to average loans | | | | | |
| Commercial lending | .16 % | .51 % | .11 % | (.73) % | .11 % |
| Consumer lending | .14 | .15 | .14 | .15 | .14 |

(a) Second quarter 2005 amounts reflect the impact of a \$53 million loan recovery during that period.

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

(c) Includes consumer and residential mortgage.

Change in Allowance for Unfunded Loan Commitments and Letters of Credit

| <i>Three months ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| Beginning balance | \$100 | \$79 | \$84 | \$78 | \$75 |
| Net change in allowance for unfunded loan commitments and letters of credit | 3 | 21 | (5) | 6 | 3 |
| Ending balance | \$103 | \$100 | \$79 | \$84 | \$78 |

Net Unfunded Commitments

| <i>In millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|------------------------------|------------------|---------------------|----------------------|-----------------|------------------|
| Net unfunded commitments (d) | \$40,806 | \$40,178 | \$35,261 | \$33,925 | \$30,237 |

(d) Balances at March 31, 2006 and December 31, 2005 reflect the deconsolidation of Market Street from our Consolidated Balance Sheet effective October 17, 2005. Amounts related to Market Street are now considered third party net unfunded commitments.

Details of Nonperforming Assets (Unaudited)**Nonperforming Assets by Type**

| <i>Period ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| Nonaccrual loans | | | | | |
| Commercial | \$127 | \$134 | \$86 | \$88 | \$83 |
| Commercial real estate | 13 | 14 | 11 | 11 | 11 |
| Equipment lease financing | 16 | 17 | 3 | 4 | 5 |
| Consumer | 11 | 10 | 11 | 10 | 13 |
| Residential mortgage | 15 | 15 | 16 | 19 | 19 |
| Total nonaccrual loans | 182 | 190 | 127 | 132 | 131 |
| Nonperforming loans held for sale (a) | 1 | 1 | 1 | 2 | 2 |
| Foreclosed and other assets | | | | | |
| Equipment lease financing | 13 | 13 | 13 | 13 | 13 |
| Residential mortgage | 8 | 9 | 11 | 13 | 11 |
| Other | 3 | 3 | 4 | 4 | 5 |
| Total foreclosed and other assets | 24 | 25 | 28 | 30 | 29 |
| Total nonperforming assets (b) | \$207 | \$216 | \$156 | \$164 | \$162 |
| Nonperforming loans to total loans | .37 % | .39 % | .25 % | .27 % | .29 % |
| Nonperforming assets to total loans, loans held for sale and foreclosed assets | .40 | .42 | .29 | .32 | .35 |
| Nonperforming assets to total assets | .22 | .23 | .17 | .18 | .19 |

(a) Includes troubled debt restructured loans held for sale.

| | | | | |
|-----|-----|-----|-----|-----|
| \$1 | \$1 | \$1 | \$2 | \$2 |
|-----|-----|-----|-----|-----|

(b) Excludes equity management assets carried at estimated fair value (March 31, 2006, December 31, 2005, September 30, 2005, June 30, 2005, and March 31, 2005 amounts include troubled debt restructured assets of \$7 million, \$7 million, \$16 million, \$15 million, and \$10 million, respectively).

| | | | | |
|------|------|------|------|------|
| \$21 | \$25 | \$27 | \$31 | \$33 |
|------|------|------|------|------|

Change in Nonperforming Assets

| <i>In millions</i> | Quarter ended |
|---------------------------------------|---------------|
| January 1, 2006 | \$216 |
| Transferred from accrual | 50 |
| Returned to performing | (3) |
| Principal activity including payoffs | (35) |
| Asset sales | (5) |
| Charge-offs and valuation adjustments | (16) |
| March 31, 2006 | \$207 |

Details of Nonperforming Assets (Unaudited) (Continued)**Nonperforming Assets by Business**

| <i>Period ended - in millions</i> | March 31 2006 | December 31 2005 | September 30 2005 | June 30 2005 | March 31 2005 |
|---|------------------|---------------------|----------------------|-----------------|------------------|
| <u>Retail Banking</u> | | | | | |
| Nonperforming loans | \$84 | \$81 | \$78 | \$74 | \$83 |
| Foreclosed and other assets | 9 | 9 | 9 | 10 | 10 |
| Total | \$93 | \$90 | \$87 | \$84 | \$93 |
| <u>Corporate & Institutional Banking</u> | | | | | |
| Nonperforming loans | \$97 | \$108 | \$48 | \$57 | \$46 |
| Nonperforming loans held for sale | 1 | 1 | 1 | 2 | 2 |
| Foreclosed and other assets | 14 | 15 | 18 | 18 | 17 |
| Total | \$112 | \$124 | \$67 | \$77 | \$65 |
| <u>Other (a)</u> | | | | | |
| Nonperforming loans | \$1 | \$1 | \$1 | \$1 | \$2 |
| Foreclosed and other assets | 1 | 1 | 1 | 2 | 2 |
| Total | \$2 | \$2 | \$2 | \$3 | \$4 |
| <u>Consolidated Totals</u> | | | | | |
| Nonperforming loans | \$182 | \$190 | \$127 | \$132 | \$131 |
| Nonperforming loans held for sale | 1 | 1 | 1 | 2 | 2 |
| Foreclosed and other assets | 24 | 25 | 28 | 30 | 29 |
| Total | \$207 | \$216 | \$156 | \$164 | \$162 |

Largest Nonperforming Assets at March 31, 2006 - in millions (b)

| Ranking | Outstandings | Industry |
|--------------------------------------|--------------|---|
| 1 | \$18 | Food Mfg. |
| 2 | 16 | Transportation Equipment Mfg. |
| 3 | 13 | Air Transportation |
| 4 | 13 | Air Transportation |
| 5 | 12 | Computer and Electronic Product Mfg. |
| 6 | 7 | Fabricated Metal Product Mfg. |
| 7 | 6 | Real Estate |
| 8 | 4 | Construction of Buildings |
| 9 | 4 | Private Households |
| 10 | 3 | Professional, Scientific, and Technical |
| Total | \$96 | |
| As a percent of nonperforming assets | | |
| | | 46 % |

(a) Represents residential mortgages related to PNC's asset and liability management function.

(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.

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 a bank's balance sheet because the loan is considered uncollectible. A charge-off is also recorded when a loan is transferred to held for sale and its 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.

Custody assets - All 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 a firm's 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., vulnerable to rising 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 an institution's target credit rating. As such, economic risk serves as a "common currency" of risk that allows an institution 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 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 business segments. These balances are assigned funding rates that represent the interest cost for us to raise/invest funds with similar maturity and repricing structures, using the least-cost funding sources available.

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 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 and noninterest income.

Nonperforming assets - Nonperforming assets include nonaccrual loans, troubled debt restructured loans, nonaccrual loans held for sale, and foreclosed and other assets. Interest income does not accrue on assets classified as nonperforming.

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

Operating leverage - The period to period percentage change in total revenue 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 had previously been charged off. The amount received is credited 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 - Common shareholders' equity less goodwill and other intangible assets (excluding mortgage servicing rights) divided by assets less goodwill and other intangible assets (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 a taxable investment. To provide more meaningful comparisons of yields and margins for all interest-earning assets, the interest income earned on tax-exempt assets is increased to make it fully equivalent to interest income 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, 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 risk-based capital - Tier 1 risk-based capital plus qualifying senior and subordinated debt, 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 (shape of the yield curve, flat 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.

Business Segment Products and Services

Retail Banking provides deposit, lending, brokerage, trust, investment management and cash management services to approximately 2.5 million consumer and small business customers within our primary geographic area. Our customers are serviced primarily through approximately 850 offices in our branch network, the call center located in Pittsburgh and the Internet – www.pncbank.com. The branch network is located primarily in Pennsylvania, New Jersey, Ohio, Kentucky, Delaware and the Greater Washington, D.C. area, including Virginia and Maryland. 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*® 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 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 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 and provides certain products and services nationally.

BlackRock is one of the largest publicly traded investment management firms in the United States with approximately \$463 billion of assets under management at March 31, 2006. BlackRock provides diversified investment management services to institutional and individual investors worldwide through a variety of fixed income, cash management, equity, and alternative investment products. Mutual funds include the flagship fund families, *BlackRock Funds* and *BlackRock Liquidity Funds*. In addition, BlackRock provides risk management, investment system outsourcing and financial advisory services to institutional investors under the BlackRock Solutions® brand name.

PFPC is among the largest providers of mutual fund transfer agency and accounting and administration services in the United States, offering a wide range of fund processing services to the investment management industry, and providing processing solutions to the international marketplace through its Ireland and Luxembourg operations.