



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

**FINANCIAL SUPPLEMENT  
SECOND QUARTER 2010  
(UNAUDITED)**

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available on July 22, 2010. We have reclassified certain prior period amounts to be consistent with the current period presentation. This information speaks only as of the particular date or dates included in the schedules. We do not undertake any obligation to, and disclaim any duty to, correct or update any of the information provided in this Financial Supplement. Our future financial performance is subject to risks and uncertainties as described in our United States Securities and Exchange Commission ("SEC") filings.

***BUSINESS***

PNC is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC has businesses engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking, providing many of its products and services nationally and others in PNC's primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Maryland, Illinois, Indiana, Kentucky, Florida, Virginia, Missouri, Delaware, Washington, D.C., and Wisconsin. PNC also provides certain products and services internationally.

***SALE OF PNC GLOBAL INVESTMENT SERVICING***

On July 1, 2010, we sold PNC Global Investment Servicing Inc. (GIS), a leading provider of processing, technology and business intelligence services to asset managers, broker-dealers and financial advisors worldwide, for \$2.3 billion in cash pursuant to a definitive agreement entered into on February 2, 2010. The estimated gain related to this sale was \$335 million after-tax and is expected to improve Tier 1 risk-based and Tier 1 common capital ratios by approximately 60 basis points each. Results of operations of GIS are presented as income from discontinued operations, net of income taxes, on our Consolidated Income Statement for all periods presented. Once we entered into the sales agreement, GIS was no longer a reportable business segment.

## Consolidated Income Statement (Unaudited)

| In millions, except per share data   | Three months ended |                  |                     |                      |                 | Six months ended |                 |
|--|--------------------|------------------|---------------------|----------------------|-----------------|------------------|-----------------|
|  | June 30<br>2010    | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010  | June 30<br>2009 |
| <b>Interest Income</b>   |                    |                  |                     |                      |                 |                  |                 |
| Loans  | \$2,158            | \$2,160          | \$2,160             | \$2,091              | \$2,203         | \$4,318          | \$4,668         |
| Investment securities  | 572                | 623              | 643                 | 684                  | 672             | 1,195            | 1,361           |
| Other  | 143                | 122              | 136                 | 113                  | 125             | 265              | 230             |
| Total interest income  | 2,873              | 2,905            | 2,939               | 2,888                | 3,000           | 5,778            | 6,259           |
| <b>Interest Expense</b>  |                    |                  |                     |                      |                 |                  |                 |
| Deposits   | 244                | 281              | 334                 | 387                  | 474             | 525              | 1,020           |
| Borrowed funds   | 194                | 245              | 259                 | 277                  | 333             | 439              | 726             |
| Total interest expense   | 438                | 526              | 593                 | 664                  | 807             | 964              | 1,746           |
| Net interest income  | 2,435              | 2,379            | 2,346               | 2,224                | 2,193           | 4,814            | 4,513           |
| <b>Noninterest Income</b>  |                    |                  |                     |                      |                 |                  |                 |
| Asset management   | 243                | 259              | 219                 | 242                  | 208             | 502              | 397             |
| Consumer services  | 315                | 296              | 315                 | 330                  | 329             | 611              | 645             |
| Corporate services   | 261                | 268              | 260                 | 252                  | 264             | 529              | 509             |
| Residential mortgage   | 179                | 147              | 107                 | 207                  | 245             | 326              | 676             |
| Service charges on deposits  | 209                | 200              | 236                 | 248                  | 242             | 409              | 466             |
| Net gains on sales of securities   | 147                | 90               | 144                 | 168                  | 182             | 237              | 238             |
| Net other-than-temporary impairments   | (94)               | (116)            | (144)               | (129)                | (155)           | (210)            | (304)           |
| Gain on BlackRock/BGI transaction (a)  |                    |                  | 1,076               |                      |                 |                  |                 |
| Other  | 217                | 240              | 327                 | 311                  | 295             | 457              | 349             |
| Total noninterest income   | 1,477              | 1,384            | 2,540               | 1,629                | 1,610           | 2,861            | 2,976           |
| Total revenue  | 3,912              | 3,763            | 4,886               | 3,853                | 3,803           | 7,675            | 7,489           |
| <b>Provision For Credit Losses</b>   | 823                | 751              | 1,049               | 914                  | 1,087           | 1,574            | 1,967           |
| <b>Noninterest Expense</b>   |                    |                  |                     |                      |                 |                  |                 |
| Personnel  | 959                | 956              | 969                 | 1,068                | 1,086           | 1,915            | 2,082           |
| Occupancy  | 172                | 187              | 180                 | 172                  | 182             | 359              | 361             |
| Equipment  | 168                | 172              | 173                 | 170                  | 174             | 340              | 352             |
| Marketing  | 65                 | 50               | 59                  | 58                   | 59              | 115              | 116             |
| Other  | 638                | 748              | 828                 | 746                  | 991             | 1,386            | 1,739           |
| Total noninterest expense  | 2,002              | 2,113            | 2,209               | 2,214                | 2,492           | 4,115            | 4,650           |
| Income from continuing operations before income taxes and noncontrolling interests                       | 1,087              | 899              | 1,628               | 725                  | 224             | 1,986            | 872             |
| Income taxes   | 306                | 251              | 525                 | 185                  | 29              | 557              | 157             |
| Income from continuing operations before noncontrolling interests  | 781                | 648              | 1,103               | 540                  | 195             | 1,429            | 715             |
| Income from discontinued operations (net of income taxes of \$13, \$14, \$32, \$11, \$6, \$27, and \$11) | 22                 | 23               | 4                   | 19                   | 12              | 45               | 22              |
| Net income   | 803                | 671              | 1,107               | 559                  | 207             | 1,474            | 737             |
| Less: Net income (loss) attributable to noncontrolling interests   | (9)                | (5)              | (37)                | (20)                 | 9               | (14)             | 13              |
| Preferred stock dividends  | 25                 | 93               | 119                 | 99                   | 119             | 118              | 170             |
| Preferred stock discount accretion   | 1                  | 250              | 14                  | 13                   | 14              | 251              | 29              |
| Net income attributable to common shareholders   | \$786              | \$333            | \$1,011             | \$467                | \$65            | \$1,119          | \$525           |
| <b>Basic Earnings Per Common Share</b>   |                    |                  |                     |                      |                 |                  |                 |
| Continuing operations  | \$1.45             | \$ .62           | \$2.18              | \$ .97               | \$ .11          | \$2.09           | \$1.12          |
| Discontinued operations  | .04                | .05              | .01                 | .04                  | .03             | .09              | .05             |
| Net income   | \$1.49             | \$ .67           | \$2.19              | \$1.01               | \$ .14          | \$2.18           | \$1.17          |
| <b>Diluted Earnings Per Common Share</b>   |                    |                  |                     |                      |                 |                  |                 |
| Continuing operations  | \$1.43             | \$ .61           | \$2.16              | \$ .96               | \$ .11          | \$2.06           | \$1.11          |
| Discontinued operations  | .04                | .05              | .01                 | .04                  | .03             | .09              | .05             |
| Net income   | \$1.47             | \$ .66           | \$2.17              | \$1.00               | \$ .14          | \$2.15           | \$1.16          |
| <b>Average Common Shares Outstanding</b>   |                    |                  |                     |                      |                 |                  |                 |
| Basic  | 524                | 498              | 460                 | 460                  | 451             | 511              | 447             |
| Diluted  | 527                | 500              | 462                 | 461                  | 453             | 514              | 448             |
| <b>Efficiency</b>  | 51%                | 56%              | 45%                 | 57%                  | 66%             | 54%              | 62%             |
| <b>Noninterest income to total revenue</b>   | 38%                | 37%              | 52%                 | 42%                  | 42%             | 37%              | 40%             |
| <b>Effective tax rate (b)</b>  | 28.2%              | 27.9%            | 32.2%               | 25.5%                | 12.9%           | 28.0%            | 18.0%           |

(a) The after-tax impact to net income was \$687 million for the fourth quarter of 2009. The earnings per diluted share impact was \$1.49 for the fourth quarter of 2009.

BlackRock/BGI transaction refers to BlackRock's acquisition of Barclays Global Investors in exchange for cash and BlackRock common and participating preferred stock on December 1, 2009.

(b) The effective income tax rates are generally lower than the statutory rate due to the relationship of pretax income to tax credits and earnings that are not subject to tax. The higher effective tax rate for the fourth quarter of 2009 resulted from the gain on the BlackRock/BGI transaction.

**Consolidated Balance Sheet** (Unaudited)

| <i>In millions, except par value</i>                             | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|--|-----------------|------------------|---------------------|----------------------|-----------------|
| <b>Assets</b>  |                 |                  |                     |                      |                 |
| Cash and due from banks (a)                                      | \$3,558         | \$3,563          | \$4,288             | \$3,426              | \$3,797         |
| Federal funds sold and resale agreements (b)                     | 2,209           | 1,367            | 2,390               | 2,427                | 1,814           |
| Trading securities   | 882             | 1,595            | 2,124               | 2,075                | 1,925           |
| Interest-earning deposits with banks (a)                         | 5,028           | 607              | 4,488               | 1,129                | 10,190          |
| Loans held for sale (b)  | 2,756           | 2,691            | 2,539               | 3,509                | 4,662           |
| Investment securities (a)  | 53,717          | 57,606           | 56,027              | 54,413               | 49,969          |
| Loans (a) (b)  | 154,342         | 157,266          | 157,543             | 160,608              | 165,009         |
| Allowance for loan and lease losses (a)                          | (5,336)         | (5,319)          | (5,072)             | (4,810)              | (4,569)         |
| Net loans  | 149,006         | 151,947          | 152,471             | 155,798              | 160,440         |
| Goodwill   | 9,410           | 9,425            | 9,505               | 9,286                | 9,206           |
| Other intangible assets  | 2,728           | 3,289            | 3,404               | 3,448                | 3,684           |
| Equity investments (a)   | 10,159          | 10,256           | 10,254              | 8,684                | 8,168           |
| Other (a) (b)  | 22,242          | 23,050           | 22,373              | 27,212               | 25,899          |
| Total assets   | \$261,695       | \$265,396        | \$269,863           | \$271,407            | \$279,754       |
| <b>Liabilities</b>   |                 |                  |                     |                      |                 |
| <b>Deposits</b>  |                 |                  |                     |                      |                 |
| Noninterest-bearing  | \$44,312        | \$43,122         | \$44,384            | \$43,025             | \$41,806        |
| Interest-bearing   | 134,487         | 139,401          | 142,538             | 140,784              | 148,633         |
| Total deposits   | 178,799         | 182,523          | 186,922             | 183,809              | 190,439         |
| <b>Borrowed funds</b>  |                 |                  |                     |                      |                 |
| Federal funds purchased and repurchase agreements                | 3,690           | 5,511            | 3,998               | 3,996                | 3,921           |
| Federal Home Loan Bank borrowings                                | 8,119           | 8,700            | 10,761              | 11,953               | 14,777          |
| Bank notes and senior debt                                       | 12,617          | 12,638           | 12,362              | 12,424               | 13,292          |
| Subordinated debt  | 10,184          | 10,001           | 9,907               | 10,501               | 10,383          |
| Other (a)  | 5,817           | 5,611            | 2,233               | 3,036                | 2,308           |
| Total borrowed funds   | 40,427          | 42,461           | 39,261              | 41,910               | 44,681          |
| Allowance for unfunded loan commitments and letters of credit    | 218             | 252              | 296                 | 324                  | 319             |
| Accrued expenses (a)   | 2,757           | 2,939            | 3,590               | 3,592                | 3,651           |
| Other (a)  | 8,504           | 7,787            | 7,227               | 10,109               | 11,197          |
| Total liabilities  | 230,705         | 235,962          | 237,296             | 239,744              | 250,287         |
| <b>Equity</b>  |                 |                  |                     |                      |                 |
| <b>Preferred stock (c)</b>                                       |                 |                  |                     |                      |                 |
| <b>Common stock - \$5 par value</b>                              |                 |                  |                     |                      |                 |
| Authorized 800 shares, issued 535, 535, 471, 469, and 468 shares | 2,678           | 2,676            | 2,354               | 2,348                | 2,342           |
| Capital surplus - preferred stock                                | 646             | 645              | 7,974               | 7,960                | 7,947           |
| Capital surplus - common stock and other                         | 11,979          | 11,945           | 8,945               | 8,860                | 8,783           |
| Retained earnings  | 14,073          | 13,340           | 13,144              | 12,179               | 11,758          |
| Accumulated other comprehensive loss                             | (442)           | (1,288)          | (1,962)             | (1,947)              | (3,101)         |
| Common stock held in treasury at cost: 10, 9, 9, 8, and 7 shares | (557)           | (500)            | (513)               | (472)                | (435)           |
| Total shareholders' equity                                       | 28,377          | 26,818           | 29,942              | 28,928               | 27,294          |
| Noncontrolling interests   | 2,613           | 2,616            | 2,625               | 2,735                | 2,173           |
| Total equity   | 30,990          | 29,434           | 32,567              | 31,663               | 29,467          |
| Total liabilities and equity                                     | \$261,695       | \$265,396        | \$269,863           | \$271,407            | \$279,754       |
| <b>Capital Ratios</b>  |                 |                  |                     |                      |                 |
| Tier 1 risk-based (d)  | 10.8 %          | 10.3 %           | 11.4 %              | 10.9 %               | 10.5 %          |
| Tier 1 common (d)  | 8.4             | 7.9              | 6.0                 | 5.5                  | 5.3             |
| Total risk-based (d)   | 14.4            | 13.9             | 15.0                | 14.5                 | 14.1            |
| Leverage (d)   | 9.2             | 8.8              | 10.1                | 9.6                  | 9.1             |
| Common shareholders' equity to assets                            | 10.6            | 10.0             | 8.2                 | 7.7                  | 6.9             |

(a) Amounts include consolidated variable interest entities. Some June 30, 2010 and March 31, 2010 amounts include consolidated variable interest entities that we consolidated effective January 1, 2010 based on guidance in ASC 810, Consolidation. Our second quarter 2010 Form 10-Q will include additional information regarding these Consolidated Balance Sheet line items.

(b) Amounts include items for which PNC has elected the fair value option. Our second quarter 2010 Form 10-Q will include additional information regarding these Consolidated Balance Sheet line items.

(c) Par value less than \$.5 million at each date.

(d) The ratio as of June 30, 2010 is estimated.

| <i>In millions</i>                       | <i>Three months ended</i> |                  |                     |                      |                 | <i>Six months ended</i> |                 |
|--|---------------------------|------------------|---------------------|----------------------|-----------------|-------------------------|-----------------|
|  | June 30<br>2010           | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010         | June 30<br>2009 |
| <b>Assets</b>                            |                           |                  |                     |                      |                 |                         |                 |
| Interest-earning assets:                 |                           |                  |                     |                      |                 |                         |                 |
| Investment securities                    |                           |                  |                     |                      |                 |                         |                 |
| Securities available for sale            |                           |                  |                     |                      |                 |                         |                 |
| Residential mortgage-backed              |                           |                  |                     |                      |                 |                         |                 |
| Agency                                   | \$20,382                  | \$21,926         | \$22,663            | \$20,838             | \$21,007        | \$21,150                | \$22,030        |
| Non-agency                               | 9,358                     | 10,213           | 10,788              | 11,553               | 12,520          | 9,783                   | 12,828          |
| Commercial mortgage-backed               | 2,962                     | 5,357            | 5,053               | 5,052                | 4,624           | 4,153                   | 4,439           |
| Asset-backed                             | 1,695                     | 1,992            | 1,927               | 1,911                | 1,985           | 1,843                   | 2,008           |
| US Treasury and government agencies      | 8,708                     | 7,493            | 6,403               | 6,026                | 4,185           | 8,104                   | 2,711           |
| State and municipal                      | 1,356                     | 1,365            | 1,346               | 1,367                | 1,366           | 1,360                   | 1,351           |
| Other debt                               | 2,526                     | 1,874            | 1,948               | 1,647                | 1,012           | 2,202                   | 849             |
| Corporate stocks and other               | 446                       | 457              | 362                 | 388                  | 386             | 451                     | 422             |
| Total securities available for sale      | 47,433                    | 50,677           | 50,490              | 48,782               | 47,085          | 49,046                  | 46,638          |
| Securities held to maturity              |                           |                  |                     |                      |                 |                         |                 |
| Commercial mortgage-backed               | 4,264                     | 2,110            | 2,006               | 1,987                | 2,004           | 3,193                   | 1,983           |
| Asset-backed                             | 3,697                     | 3,665            | 2,849               | 2,197                | 1,847           | 3,681                   | 1,640           |
| Other                                    | 21                        | 160              | 159                 | 102                  | 9               | 90                      | 9               |
| Total securities held to maturity        | 7,982                     | 5,935            | 5,014               | 4,286                | 3,860           | 6,964                   | 3,632           |
| Total investment securities              | 55,415                    | 56,612           | 55,504              | 53,068               | 50,945          | 56,010                  | 50,270          |
| Loans                                    |                           |                  |                     |                      |                 |                         |                 |
| Commercial                               | 54,349                    | 55,464           | 55,633              | 58,457               | 63,570          | 54,903                  | 65,391          |
| Commercial real estate                   | 20,963                    | 22,423           | 23,592              | 24,491               | 25,418          | 21,689                  | 25,519          |
| Equipment lease financing                | 6,080                     | 6,131            | 6,164               | 6,045                | 6,191           | 6,105                   | 6,298           |
| Consumer                                 | 54,939                    | 55,349           | 52,911              | 52,066               | 51,878          | 55,143                  | 52,246          |
| Residential mortgage                     | 18,576                    | 19,397           | 19,891              | 20,847               | 21,831          | 18,985                  | 21,876          |
| Total loans                              | 154,907                   | 158,764          | 158,191             | 161,906              | 168,888         | 156,825                 | 171,330         |
| Loans held for sale                      | 2,646                     | 2,476            | 2,949               | 3,696                | 4,757           | 2,561                   | 4,640           |
| Federal funds sold and resale agreements | 2,193                     | 1,669            | 1,700               | 2,417                | 1,726           | 1,933                   | 1,668           |
| Other                                    | 9,419                     | 7,471            | 12,654              | 14,607               | 16,870          | 8,450                   | 15,804          |
| Total interest-earning assets            | 224,580                   | 226,992          | 230,998             | 235,694              | 243,186         | 225,779                 | 243,712         |
| Noninterest-earning assets:              |                           |                  |                     |                      |                 |                         |                 |
| Allowance for loan and lease losses      | (5,113)                   | (5,136)          | (4,517)             | (4,264)              | (4,385)         | (5,124)                 | (4,240)         |
| Cash and due from banks                  | 3,595                     | 3,735            | 3,657               | 3,547                | 3,558           | 3,664                   | 3,694           |
| Other                                    | 41,304                    | 41,557           | 41,740              | 39,071               | 38,496          | 41,430                  | 37,687          |
| Total assets                             | \$264,366                 | \$267,148        | \$271,878           | \$274,048            | \$280,855       | \$265,749               | \$280,853       |

## Average Consolidated Balance Sheet (Unaudited) (Continued)

| <i>In millions</i>  | <i>Three months ended</i> |                  |                     |                      |                 | <i>Six months ended</i> |                 |
|---|---------------------------|------------------|---------------------|----------------------|-----------------|-------------------------|-----------------|
|   | June 30<br>2010           | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010         | June 30<br>2009 |
| <b>Liabilities and Equity</b>                                 |                           |                  |                     |                      |                 |                         |                 |
| Interest-bearing liabilities:                                 |                           |                  |                     |                      |                 |                         |                 |
| Interest-bearing deposits                                     |                           |                  |                     |                      |                 |                         |                 |
| Money market  | \$58,679                  | \$57,923         | \$56,298            | \$56,662             | \$55,464        | \$58,303                | \$54,153        |
| Demand  | 24,953                    | 24,672           | 24,223              | 23,874               | 23,629          | 24,814                  | 22,897          |
| Savings   | 7,075                     | 6,623            | 6,381               | 6,652                | 6,678           | 6,850                   | 6,473           |
| Retail certificates of deposit                                | 43,745                    | 47,162           | 49,645              | 53,468               | 57,357          | 45,444                  | 57,662          |
| Other time  | 881                       | 1,039            | 1,389               | 2,841                | 5,259           | 959                     | 7,950           |
| Time deposits in foreign offices                              | 2,661                     | 3,034            | 4,013               | 3,356                | 3,348           | 2,847                   | 3,588           |
| Total interest-bearing deposits                               | 137,994                   | 140,453          | 141,949             | 146,853              | 151,735         | 139,217                 | 152,723         |
| Borrowed funds  |                           |                  |                     |                      |                 |                         |                 |
| Federal funds purchased and repurchase agreements             | 4,159                     | 4,344            | 4,046               | 4,422                | 4,283           | 4,251                   | 4,647           |
| Federal Home Loan Bank borrowings                             | 8,575                     | 9,603            | 10,880              | 12,996               | 15,818          | 9,086                   | 16,454          |
| Bank notes and senior debt                                    | 12,666                    | 12,616           | 12,327              | 12,542               | 13,688          | 12,641                  | 13,537          |
| Subordinated debt   | 9,764                     | 9,769            | 9,879               | 10,214               | 10,239          | 9,767                   | 10,339          |
| Other   | 6,005                     | 5,934            | 2,448               | 2,806                | 2,170           | 5,969                   | 2,057           |
| Total borrowed funds  | 41,169                    | 42,266           | 39,580              | 42,980               | 46,198          | 41,714                  | 47,034          |
| Total interest-bearing liabilities                            | 179,163                   | 182,719          | 181,529             | 189,833              | 197,933         | 180,931                 | 199,757         |
| Noninterest-bearing liabilities and equity:                   |                           |                  |                     |                      |                 |                         |                 |
| Noninterest-bearing deposits                                  | 44,308                    | 42,631           | 44,325              | 41,816               | 40,965          | 43,474                  | 39,734          |
| Allowance for unfunded loan commitments and letters of credit | 251                       | 295              | 324                 | 319                  | 328             | 273                     | 336             |
| Accrued expenses and other liabilities                        | 10,446                    | 10,401           | 13,353              | 11,489               | 11,990          | 10,424                  | 11,931          |
| Equity  | 30,198                    | 31,102           | 32,347              | 30,591               | 29,639          | 30,647                  | 29,095          |
| Total liabilities and equity                                  | \$264,366                 | \$267,148        | \$271,878           | \$274,048            | \$280,855       | \$265,749               | \$280,853       |

## Supplemental Average Balance Sheet Information (Unaudited)

## Deposits and Common Shareholders' Equity

|                              |           |           |           |           |           |           |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Interest-bearing deposits    | \$137,994 | \$140,453 | \$141,949 | \$146,853 | \$151,735 | \$139,217 | \$152,723 |
| Noninterest-bearing deposits | 44,308    | 42,631    | 44,325    | 41,816    | 40,965    | 43,474    | 39,734    |
| Total deposits               | \$182,302 | \$183,084 | \$186,274 | \$188,669 | \$192,700 | \$182,691 | \$192,457 |
| Transaction deposits         | \$127,940 | \$125,226 | \$124,846 | \$122,352 | \$120,058 | \$126,591 | \$116,784 |
| Common shareholders' equity  | \$27,054  | \$24,764  | \$21,726  | \$20,391  | \$19,527  | \$25,821  | \$18,969  |

## Details of Net Interest Margin (Unaudited) (a)

|  | <i>Three months ended</i> |                  |                     |                      |                 |
|--|---------------------------|------------------|---------------------|----------------------|-----------------|
|  | June 30<br>2010           | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
| Average yields/rates                       |                           |                  |                     |                      |                 |
| Yield on interest-earning assets           |                           |                  |                     |                      |                 |
| Loans                                      | 5.58 %                    | 5.50 %           | 5.42 %              | 5.12 %               | 5.22 %          |
| Investment securities                      | 4.17                      | 4.44             | 4.67                | 5.20                 | 5.32            |
| Other                                      | 3.98                      | 4.26             | 3.17                | 2.18                 | 2.14            |
| Total yield on interest-earning assets     | 5.13                      | 5.17             | 5.07                | 4.88                 | 4.94            |
| Rate on interest-bearing liabilities       |                           |                  |                     |                      |                 |
| Deposits                                   | .71                       | .81              | .93                 | 1.04                 | 1.25            |
| Borrowed funds                             | 1.88                      | 2.33             | 2.60                | 2.57                 | 2.97            |
| Total rate on interest-bearing liabilities | .98                       | 1.16             | 1.30                | 1.39                 | 1.65            |
| Interest rate spread                       | 4.15                      | 4.01             | 3.77                | 3.49                 | 3.29            |
| Impact of noninterest-bearing sources      | .20                       | .23              | .28                 | .27                  | .31             |
| Net interest margin                        | 4.35 %                    | 4.24 %           | 4.05 %              | 3.76 %               | 3.60 %          |

|  | <i>Six months ended</i> |                 |
|--|-------------------------|-----------------|
|  | June 30<br>2010         | June 30<br>2009 |
| Average yields/rates                       |                         |                 |
| Yield on interest-earning assets           |                         |                 |
| Loans                                      | 5.54 %                  | 5.47 %          |
| Investment securities                      | 4.31                    | 5.45            |
| Other                                      | 4.11                    | 2.12            |
| Total yield on interest-earning assets     | 5.15                    | 5.16            |
| Rate on interest-bearing liabilities       |                         |                 |
| Deposits                                   | .76                     | 1.35            |
| Borrowed funds                             | 2.11                    | 3.20            |
| Total rate on interest-bearing liabilities | 1.07                    | 1.78            |
| Interest rate spread                       | 4.08                    | 3.38            |
| Impact of noninterest-bearing sources      | .21                     | .32             |
| Net interest margin                        | 4.29 %                  | 3.70 %          |

- (a) Calculated as annualized taxable-equivalent net interest income divided by average earning assets. 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 taxable investments. To provide more meaningful comparisons of yields and margins for all earning assets in calculating net interest margins, in this table we use net interest income on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under GAAP in the Consolidated Income Statement. The taxable-equivalent adjustments to net interest income for the three months ended June 30, 2010, March 31, 2010, December 31, 2009, September 30, 2009, and June 30, 2009 were \$19 million, \$18 million, \$18 million, \$16 million, and \$16 million, respectively. The taxable-equivalent adjustments to net interest income for the six months ended June 30, 2010 and June 30, 2009 were \$37 million and \$31 million, respectively.

**Details of Loans (Unaudited)**

| <i>In millions</i>                              | June 30<br>2010  | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009  |
|---|------------------|------------------|---------------------|----------------------|------------------|
| <b>Commercial</b>                               |                  |                  |                     |                      |                  |
| Retail/wholesale                                | \$9,576          | \$9,557          | \$9,515             | \$9,404              | \$10,141         |
| Manufacturing                                   | 9,728            | 9,863            | 9,880               | 10,639               | 11,595           |
| Service providers                               | 8,289            | 8,528            | 8,256               | 8,364                | 8,491            |
| Real estate related (a)                         | 7,269            | 7,379            | 7,403               | 7,854                | 8,346            |
| Financial services                              | 4,302            | 4,654            | 3,874               | 4,422                | 5,078            |
| Health care                                     | 3,099            | 2,998            | 2,970               | 2,888                | 3,045            |
| Other   | 11,969           | 11,724           | 12,920              | 13,357               | 13,898           |
| <b>Total commercial</b>                         | <b>54,232</b>    | <b>54,703</b>    | <b>54,818</b>       | <b>56,928</b>        | <b>60,594</b>    |
| <b>Commercial real estate</b>                   |                  |                  |                     |                      |                  |
| Real estate projects                            | 13,914           | 14,535           | 15,582              | 16,112               | 16,542           |
| Commercial mortgage                             | 6,450            | 7,415            | 7,549               | 7,952                | 8,323            |
| <b>Total commercial real estate</b>             | <b>20,364</b>    | <b>21,950</b>    | <b>23,131</b>       | <b>24,064</b>        | <b>24,865</b>    |
| Equipment lease financing                       | 6,630            | 6,111            | 6,202               | 6,283                | 6,092            |
| <b>TOTAL COMMERCIAL LENDING</b>                 | <b>81,226</b>    | <b>82,764</b>    | <b>84,151</b>       | <b>87,275</b>        | <b>91,551</b>    |
| <b>Consumer</b>                                 |                  |                  |                     |                      |                  |
| Home equity                                     |                  |                  |                     |                      |                  |
| Lines of credit                                 | 23,901           | 24,040           | 24,236              | 24,272               | 24,373           |
| Installment                                     | 11,060           | 11,390           | 11,711              | 12,098               | 12,346           |
| Education                                       | 8,867            | 8,320            | 7,468               | 6,370                | 5,340            |
| Automobile                                      | 2,697            | 2,206            | 2,013               | 1,988                | 1,784            |
| Credit card and other unsecured lines of credit | 4,920            | 4,962            | 3,536               | 3,533                | 3,261            |
| Other   | 3,834            | 4,316            | 4,618               | 4,614                | 4,833            |
| <b>Total consumer</b>                           | <b>55,279</b>    | <b>55,234</b>    | <b>53,582</b>       | <b>52,875</b>        | <b>51,937</b>    |
| <b>Residential real estate</b>                  |                  |                  |                     |                      |                  |
| Residential mortgage                            | 16,618           | 17,599           | 18,190              | 18,469               | 19,342           |
| Residential construction                        | 1,219            | 1,669            | 1,620               | 1,989                | 2,179            |
| <b>Total residential real estate</b>            | <b>17,837</b>    | <b>19,268</b>    | <b>19,810</b>       | <b>20,458</b>        | <b>21,521</b>    |
| <b>TOTAL CONSUMER LENDING</b>                   | <b>73,116</b>    | <b>74,502</b>    | <b>73,392</b>       | <b>73,333</b>        | <b>73,458</b>    |
| <b>Total (b)</b>                                | <b>\$154,342</b> | <b>\$157,266</b> | <b>\$157,543</b>    | <b>\$160,608</b>     | <b>\$165,009</b> |

(a) Includes loans to customers in the real estate and construction industries.

(b) Includes purchased impaired loans related to

|               |         |         |          |          |          |
|---------------|---------|---------|----------|----------|----------|
| National City | \$9,127 | \$9,673 | \$10,287 | \$11,064 | \$12,289 |
|---------------|---------|---------|----------|----------|----------|

**Details of Loans Held for Sale (Unaudited)**

| <i>In millions</i>   | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|----------------------|-----------------|------------------|---------------------|----------------------|-----------------|
| Commercial mortgage  | \$1,239         | \$1,316          | \$1,301             | \$1,810              | \$1,531         |
| Residential mortgage | 1,336           | 1,158            | 1,012               | 1,552                | 2,886           |
| Other                | 181             | 217              | 226                 | 147                  | 245             |
| <b>Total</b>         | <b>\$2,756</b>  | <b>\$2,691</b>   | <b>\$2,539</b>      | <b>\$3,509</b>       | <b>\$4,662</b>  |



## Purchase Accounting Accretion and Accretible Interest (Unaudited)

## VALUATION OF PURCHASED IMPAIRED LOANS

| <i>Dollars in billions</i>                         | December 31, 2008 |                | December 31, 2009 |                | June 30, 2010 |                |
|--|-------------------|----------------|-------------------|----------------|---------------|----------------|
|  | Balance           | Net Investment | Balance           | Net Investment | Balance       | Net Investment |
| <b>Commercial and commercial real estate loans</b> |                   |                |                   |                |               |                |
| Unpaid principal balance                           | \$6.3             |                | \$3.5             |                | \$2.3         |                |
| Purchased impaired mark                            | (3.4)             |                | (1.3)             |                | (0.7)         |                |
| Recorded investment                                | 2.9               |                | 2.2               |                | 1.6           |                |
| Allowance for loan losses                          | -                 |                | (.2)              |                | (.4)          |                |
| Net investment                                     | 2.9               | 46 %           | 2.0               | 57 %           | 1.2           | 52 %           |
| <b>Consumer and residential mortgage loans</b>     |                   |                |                   |                |               |                |
| Unpaid principal balance                           | 15.6              |                | 11.7              |                | 10.1          |                |
| Purchased impaired mark                            | (5.8)             |                | (3.6)             |                | (2.6)         |                |
| Recorded investment                                | 9.8               |                | 8.1               |                | 7.5           |                |
| Allowance for loan losses                          | -                 |                | (.3)              |                | (.5)          |                |
| Net investment                                     | 9.8               | 63 %           | 7.8               | 67 %           | 7.0           | 69 %           |
| <b>Total purchased impaired loans:</b>             |                   |                |                   |                |               |                |
| Unpaid principal balance                           | 21.9              |                | 15.2              |                | 12.4          |                |
| Purchased impaired mark                            | (9.2)             |                | (4.9)             |                | (3.3)         |                |
| Recorded investment                                | 12.7              |                | 10.3              |                | 9.1           |                |
| Allowance for loan losses                          | -                 |                | (.5)              |                | (.9)          | (a)            |
| Net investment                                     | \$12.7            | 58 %           | \$9.8             | 64 %           | \$8.2         | 66 %           |

## PURCHASE ACCOUNTING ACCRETION

| <i>In millions</i>                                    | <i>Three months ended</i> |                 |                      |                     |                  |                 |
|---|---------------------------|-----------------|----------------------|---------------------|------------------|-----------------|
|   | March 31<br>2009          | June 30<br>2009 | September 30<br>2009 | December 31<br>2009 | March 31<br>2010 | June 30<br>2010 |
| Non-impaired loans                                    | \$322                     | \$168           | \$172                | \$111               | \$112            | \$111           |
| Impaired loans  | 257                       | 220             | 193                  | 244                 | 265              | 258             |
| Reversal of contractual interest<br>on impaired loans | (223)                     | (194)           | (167)                | (168)               | (134)            | (136)           |
| Net impaired loans                                    | 34                        | 26              | 26                   | 76                  | 131              | 122             |
| Securities  | 31                        | 41              | 25                   | 21                  | 11               | 13              |
| Deposits  | 312                       | 264             | 231                  | 189                 | 167              | 144             |
| Borrowings (b)  | (85)                      | (52)            | (58)                 | (55)                | (56)             | (14)            |
| Total   | \$614                     | \$447           | \$396                | \$342               | \$365            | \$376           |

Cash received in excess of recorded investment from sales or payoffs of impaired commercial loans (cash recoveries)

\$39      \$11      \$154      \$75      \$164

## REMAINING PURCHASE ACCOUNTING ACCRETION

| <i>In billions</i>  | December 31<br>2008 | December 31<br>2009 | June 30<br>2010 |
|---------------------|---------------------|---------------------|-----------------|
| Non-impaired loans  | \$2.4               | \$1.6               | \$1.4           |
| Impaired loans (c)  | 3.7                 | 3.5                 | 2.3             |
| Total loans (gross) | 6.1                 | 5.1                 | 3.7             |
| Securities          | .2                  | .1                  | .1              |
| Deposits            | 2.1                 | 1.0                 | .7              |
| Borrowings          | (1.5)               | (1.2)               | (1.2)           |
| Total               | \$6.9               | \$5.0               | \$3.3           |

## ACCRETIBLE NET INTEREST - PURCHASED IMPAIRED LOANS

| <i>In billions</i>                                      | December 31, 2009 | June 30, 2010 |
|---|-------------------|---------------|
| December 31, 2009                                       | \$3.5             | \$3.7         |
| Accretion   | (.5)              | (1.4)         |
| Cash recoveries   | (.2)              | (.4)          |
| Net reclass to accretible difference and other activity | (.5)              | .4            |
| June 30, 2010   | \$2.3             | \$2.3         |

(a) Impairment reserves of \$.9 billion do not recognize the incremental accretible net interest of \$.4 billion related to certain purchased impaired loans with improving estimated cash flows. This income will be recognized over time.

(b) Interest expense on borrowed funds for the second quarter of 2010 included a reduction associated with refinement of the accretion related to acquired debt.

(c) Adjustments include purchase accounting accretion, reclassifications from non-accretible to accretible net interest as a result of increases in estimated cash flows, and reductions in the accretible amount as a result of the identification of additional purchased impaired loans as of the National City acquisition close date of December 31, 2008.

## Accruing Loans Past Due (Unaudited)

## Accruing Loans Past Due 30 To 89 Days (a)

| <i>Dollars in millions</i> | Amount  |          |         |          |         | Percent of Total Outstandings |          |         |          |         |
|----------------------------|---------|----------|---------|----------|---------|-------------------------------|----------|---------|----------|---------|
|                            | June 30 | March 31 | Dec. 31 | Sept. 30 | June 30 | June 30                       | March 31 | Dec. 31 | Sept. 30 | June 30 |
|                            | 2010    | 2010     | 2009    | 2009     | 2009    | 2010                          | 2010     | 2009    | 2009     | 2009    |
| Commercial                 | \$478   | \$622    | \$684   | \$633    | \$640   | 0.89 %                        | 1.15 %   | 1.26 %  | 1.13 %   | 1.07 %  |
| Commercial real estate     | 536     | 859      | 666     | 743      | 654     | 2.81                          | 4.19     | 3.10    | 3.34     | 2.85    |
| Equipment lease financing  | 21      | 97       | 128     | 50       | 52      | 0.32                          | 1.59     | 2.06    | .80      | .85     |
| Consumer                   | 422     | 440      | 438     | 444      | 401     | .81                           | .85      | .87     | .90      | .83     |
| Residential real estate    | 323     | 464      | 472     | 510      | 448     | 2.38                          | 3.14     | 3.12    | 3.29     | 2.83    |
| Total                      | \$1,780 | \$2,482  | \$2,388 | \$2,380  | \$2,195 | 1.23 %                        | 1.68 %   | 1.62 %  | 1.59 %   | 1.44 %  |

## Accruing Loans Past Due 90 Days Or More (a)

| <i>Dollars in millions</i> | Amount  |          |         |          |         | Percent of Total Outstandings |          |         |          |         |
|----------------------------|---------|----------|---------|----------|---------|-------------------------------|----------|---------|----------|---------|
|                            | June 30 | March 31 | Dec. 31 | Sept. 30 | June 30 | June 30                       | March 31 | Dec. 31 | Sept. 30 | June 30 |
|                            | 2010    | 2010     | 2009    | 2009     | 2009    | 2010                          | 2010     | 2009    | 2009     | 2009    |
| Commercial                 | \$92    | \$201    | \$188   | \$196    | \$153   | .17 %                         | .37 %    | .35 %   | .35 %    | .26 %   |
| Commercial real estate     | 84      | 111      | 150     | 184      | 104     | .44                           | .54      | .70     | .83      | .45     |
| Equipment lease financing  | 4       | 2        | 6       | 3        | 6       | .06                           | .03      | .10     | .05      | .10     |
| Consumer                   | 267     | 248      | 226     | 216      | 198     | .51                           | .48      | .45     | .44      | .41     |
| Residential real estate    | 200     | 284      | 314     | 276      | 582     | 1.47                          | 1.92     | 2.07    | 1.78     | 3.68    |
| Total                      | \$647   | \$846    | \$884   | \$875    | \$1,043 | .45 %                         | .57 %    | .60 %   | .59 %    | .68 %   |

(a) Excludes loans that are government insured/guaranteed, primarily residential mortgages and purchased impaired loans.

**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>                                     | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|---|-----------------|------------------|---------------------|----------------------|-----------------|
| Beginning balance   | \$5,319         | \$5,072          | \$4,810             | \$4,569              | \$4,299         |
| Charge-offs:  |                 |                  |                     |                      |                 |
| Commercial  | (313)           | (273)            | (380)               | (323)                | (364)           |
| Commercial real estate  | (149)           | (238)            | (260)               | (20)                 | (124)           |
| Equipment lease financing   | (43)            | (36)             | (34)                | (42)                 | (50)            |
| Consumer  | (283)           | (242)            | (267)               | (257)                | (289)           |
| Residential real estate   | (197)           | (38)             | (83)                | (96)                 | (54)            |
| Total charge-offs   | (985)           | (827)            | (1,024)             | (738)                | (881)           |
| Recoveries:   |                 |                  |                     |                      |                 |
| Commercial  | 16              | 65               | 87                  | 42                   | 36              |
| Commercial real estate  | 72              | 33               | 15                  | 8                    | 10              |
| Equipment lease financing   | 13              | 12               | 10                  | 7                    | 5               |
| Consumer  | 31              | 26               | 27                  | 23                   | 28              |
| Residential real estate   | 13              |                  | 50                  | 8                    | 7               |
| Total recoveries  | 145             | 136              | 189                 | 88                   | 86              |
| Net charge-offs:  |                 |                  |                     |                      |                 |
| Commercial  | (297)           | (208)            | (293)               | (281)                | (328)           |
| Commercial real estate  | (77)            | (205)            | (245)               | (12)                 | (114)           |
| Equipment lease financing   | (30)            | (24)             | (24)                | (35)                 | (45)            |
| Consumer  | (252)           | (216)            | (240)               | (234)                | (261)           |
| Residential real estate   | (184)           | (38)             | (33)                | (88)                 | (47)            |
| Total net charge-offs   | (840)           | (691)            | (835)               | (650)                | (795)           |
| Provision for credit losses   | 823             | 751              | 1,049               | 914                  | 1,087           |
| Acquired allowance adjustments (a)  |                 | 2                | 20                  | (18)                 | (31)            |
| Adoption of ASU 2009-17, <i>Consolidations</i>                              |                 | 141              |                     |                      |                 |
| Net change in allowance for unfunded loan commitments and letters of credit | 34              | 44               | 28                  | (5)                  | 9               |
| Ending balance  | \$5,336         | \$5,319          | \$5,072             | \$4,810              | \$4,569         |

**Supplemental Information**

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Net charge-offs to average loans (for the three months ended) (annualized) | 2.18 %  | 1.77 %  | 2.09 %  | 1.59 %  | 1.89 %  |
| Allowance for loan and lease losses to total loans                         | 3.46    | 3.38    | 3.22    | 2.99    | 2.77    |
| Commercial lending net charge-offs   | \$(404) | \$(437) | \$(562) | \$(328) | \$(487) |
| Consumer lending net charge-offs   | (436)   | (254)   | (273)   | (322)   | (308)   |
| Total net charge-offs  | \$(840) | \$(691) | \$(835) | \$(650) | \$(795) |
| <u>Net charge-offs to average loans</u>                                    |         |         |         |         |         |
| Commercial lending   | 1.99 %  | 2.11 %  | 2.61 %  | 1.46 %  | 2.05 %  |
| Consumer lending   | 2.38    | 1.38    | 1.49    | 1.75    | 1.68    |

(a) Related to our December 31, 2008 National City acquisition.

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

| <i>Three months ended - in millions</i>                                     | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|---|-----------------|------------------|---------------------|----------------------|-----------------|
| Beginning balance   | \$252           | \$296            | \$324               | \$319                | \$328           |
| Net change in allowance for unfunded loan commitments and letters of credit | (34)            | (44)             | (28)                | 5                    | (9)             |
| Ending balance  | \$218           | \$252            | \$296               | \$324                | \$319           |

**Net Unfunded Commitments**

| <i>In millions</i>       | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|--------------------------|-----------------|------------------|---------------------|----------------------|-----------------|
| Net unfunded commitments | \$95,775        | \$96,363         | \$100,795           | \$102,669            | \$103,058       |

## Details of Nonperforming Assets (Unaudited)

## Nonperforming Assets by Type

| <i>In millions</i>   | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|--|-----------------|------------------|---------------------|----------------------|-----------------|
| Nonperforming loans  |                 |                  |                     |                      |                 |
| Commercial   |                 |                  |                     |                      |                 |
| Retail/wholesale   | \$242           | \$246            | \$231               | \$219                | \$171           |
| Manufacturing  | 312             | 341              | 423                 | 387                  | 410             |
| Real estate related (a)  | 405             | 460              | 419                 | 396                  | 322             |
| Financial services   | 60              | 77               | 117                 | 200                  | 58              |
| Health care  | 55              | 48               | 41                  | 48                   | 89              |
| Other  | 619             | 661              | 575                 | 580                  | 400             |
| Total commercial   | 1,693           | 1,833            | 1,806               | 1,830                | 1,450           |
| Commercial real estate   |                 |                  |                     |                      |                 |
| Real estate projects   | 1,661           | 1,797            | 1,754               | 1,637                | 1,426           |
| Commercial mortgage  | 420             | 419              | 386                 | 235                  | 230             |
| Total commercial real estate   | 2,081           | 2,216            | 2,140               | 1,872                | 1,656           |
| Equipment lease financing  | 114             | 123              | 130                 | 164                  | 120             |
| TOTAL COMMERCIAL LENDING   | 3,888           | 4,172            | 4,076               | 3,866                | 3,226           |
| Consumer   |                 |                  |                     |                      |                 |
| Home equity  | 394             | 337              | 356                 | 207                  | 164             |
| Other  | 46              | 35               | 36                  | 25                   | 34              |
| Total consumer   | 440             | 372              | 392                 | 232                  | 198             |
| Residential real estate  |                 |                  |                     |                      |                 |
| Residential mortgage   | 838             | 968              | 955                 | 790                  | 663             |
| Residential construction   | 115             | 249              | 248                 | 238                  | 69              |
| Total residential real estate  | 953             | 1,217            | 1,203               | 1,028                | 732             |
| TOTAL CONSUMER LENDING   | 1,393           | 1,589            | 1,595               | 1,260                | 930             |
| Total nonperforming loans (b) (c) (d) (e)                              | 5,281           | 5,761            | 5,671               | 5,126                | 4,156           |
| Foreclosed and other assets  |                 |                  |                     |                      |                 |
| Commercial lending   | 293             | 328              | 266                 | 145                  | 113             |
| Consumer lending   | 501             | 451              | 379                 | 373                  | 387             |
| Total foreclosed and other assets                                      | 794             | 779              | 645                 | 518                  | 500             |
| Total nonperforming assets   | \$6,075         | \$6,540          | \$6,316             | \$5,644              | \$4,656         |
| Nonperforming loans to total loans                                     | 3.42 %          | 3.66 %           | 3.60 %              | 3.19 %               | 2.52 %          |
| Nonperforming assets to total loans<br>and foreclosed and other assets | 3.92            | 4.14             | 3.99                | 3.50                 | 2.81            |
| Nonperforming assets to total assets                                   | 2.32            | 2.46             | 2.34                | 2.08                 | 1.66            |
| Allowance for loan and lease losses to<br>nonperforming loans (f)      | 101             | 92               | 89                  | 94                   | 110             |

(a) Includes loans related to customers in the real estate and construction industries

(b) Loans whose contractual terms have been restructured in a manner which grants a concession to a borrower experiencing financial difficulties where we do not receive adequate compensation are considered troubled debt restructurings (TDRs). TDRs typically result from our loss mitigation activities and could include rate reductions, principal forgiveness, forbearance and other actions intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. Total nonperforming loans include TDRs of \$490 million at June 30, 2010, \$385 million at March 31, 2010 and \$440 million at December 31, 2009.

(c) TDRs returned to performing (accrual) status totaled \$341 million at June 30, 2010 and are excluded from nonperforming loans. These loans have demonstrated a period of at least six months of performance under the modified terms.

(d) Credit cards and certain small business and consumer credit agreements whose terms have been modified totaled \$290 million at June 30, 2010 and are excluded from nonperforming loans. Our policy is to exempt these loans from being placed on nonaccrual status as permitted by regulatory guidance as these loans are directly charged off in the period that they become 180 days past due.

(e) Nonperforming loans do not include purchased impaired loans or loans held for sale.

(f) The allowance for loan and lease losses includes impairment reserves attributable to purchased impaired loans. See page 7, note (a).

Details of Nonperforming Assets (Unaudited) (Continued)

Change in Nonperforming Assets

| <i>In millions</i>                   | January 1, 2010 -<br>June 30, 2010 | April 1, 2010 -<br>June 30, 2010 | January 1, 2010 -<br>March 31, 2010 |
|--------------------------------------|------------------------------------|----------------------------------|-------------------------------------|
| Beginning balance                    | \$6,316                            | \$6,540                          | \$6,316                             |
| Transferred in                       | 2,739                              | 965                              | 1,774                               |
| Charge-offs/valuation adjustments    | (1,152)                            | (532)                            | (620)                               |
| Principal activity including payoffs | (505)                              | (227)                            | (278)                               |
| Returned to performing - TDRs        | (342)                              | (125)                            | (217)                               |
| Returned to performing - Other       | (457)                              | (287)                            | (170)                               |
| Sales                                | (524)                              | (259)                            | (265)                               |
| Ending balance                       | <u>\$6,075</u>                     | <u>\$6,075</u>                   | <u>\$6,540</u>                      |

Largest Individual Nonperforming Assets at June 30, 2010 (a)

| <i>In millions</i>                         |              |                                |    |
|--|--------------|--------------------------------|----|
| Ranking                                    | Outstandings | Industry                       |    |
| 1  | \$32         | Real estate rental and leasing |    |
| 2  | 31           | Real estate rental and leasing |    |
| 3  | 30           | Construction                   |    |
| 4  | 27           | Information                    |    |
| 5  | 27           | Real estate rental and leasing |    |
| 6  | 27           | Real estate rental and leasing |    |
| 7  | 25           | Construction                   |    |
| 8  | 24           | Real estate rental and leasing |    |
| 9  | 23           | Real estate rental and leasing |    |
| 10   | 23           | Construction                   |    |
| Total                                      | \$269        |                                |    |
| As a percent of total nonperforming assets |              |                                | 4% |

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

**Business Segment Descriptions** (Unaudited)

**Retail Banking** provides deposit, lending, brokerage, trust, investment management, and cash management services to consumer and small business customers within our primary geographic markets. Our customers are serviced through our branch network, call centers and the internet. The branch network is located primarily in Pennsylvania, Ohio, New Jersey, Michigan, Maryland, Illinois, Indiana, Kentucky, Florida, Virginia, Missouri, Delaware, Washington, D.C., and Wisconsin.

**Corporate & Institutional Banking** provides lending, treasury management, and capital markets-related products and services to mid-sized corporations, government and not-for-profit entities, and selectively to large corporations. Lending products include secured and unsecured loans, letters of credit and equipment leases. Treasury management services include cash and investment management, receivables management, disbursement services, funds transfer services, information reporting, and global trade services. Capital markets-related products and services include foreign exchange, derivatives, loan syndications, mergers and acquisitions advisory and related services to middle-market companies, our multi-seller conduit, securities underwriting, and securities sales and trading. Corporate & Institutional Banking also provides commercial loan servicing, and real estate advisory and technology solutions for the commercial real estate finance industry. Corporate & Institutional Banking provides products and services generally within our primary geographic markets, with certain products and services offered nationally.

**Asset Management Group** includes personal wealth management for high net worth and ultra high net worth clients and institutional asset management. Wealth management products and services include financial planning, customized investment management, private banking, tailored credit solutions and trust management and administration for individuals and their families. Institutional asset management provides investment management, custody, and retirement planning services. The institutional clients include corporations, foundations and unions and charitable endowments located primarily in our geographic footprint.

**Residential Mortgage Banking** directly originates primarily first lien residential mortgage loans on a nationwide basis with a significant presence within the retail banking footprint and also originates loans through joint venture partners. Mortgage loans represent loans collateralized by one-to-four-family residential real estate. These loans are typically underwritten to government agency and/or third party standards, and sold, servicing retained, to primary mortgage conduits Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Banks and third-party investors, or are securitized and issued under the Government National Mortgage Association (Ginnie Mae) program. The mortgage servicing operation performs all functions related to servicing mortgage loans - primarily those in first lien position - for various investors and for loans owned by PNC. Certain loans originated through our joint ventures are serviced by a joint venture partner.

**BlackRock** is the largest publicly traded investment management firm in the world. BlackRock manages assets on behalf of institutional and individual investors worldwide through a variety of equity, fixed income, multi-asset class, alternative and cash management separate accounts and funds, including iShares, the global product leader in exchange traded funds. In addition, BlackRock provides market risk management, financial markets advisory and enterprise investment system services globally to a broad base of clients. At June 30, 2010, our share of BlackRock's earnings was 23%.

**Distressed Assets Portfolio** includes commercial residential development loans, cross-border leases, consumer brokered home equity loans, retail mortgages, non-prime mortgages, and residential construction loans. These loans require special servicing and management oversight given current market conditions. The majority of these loans are from acquisitions, primarily National City.

## Summary of Business Segment Earnings and Revenue (Unaudited) (a) (b)

| In millions   | Three months ended |                  |                     |                      |                 | Six months ended |                 |
|---|--------------------|------------------|---------------------|----------------------|-----------------|------------------|-----------------|
|   | June 30<br>2010    | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010  | June 30<br>2009 |
| <b>Earnings (Loss)</b>  |                    |                  |                     |                      |                 |                  |                 |
| Retail Banking  | \$85               | \$24             | \$(25)              | \$50                 | \$61            | \$109            | \$111           |
| Corporate & Institutional Banking                                   | 443                | 360              | 415                 | 309                  | 107             | 803              | 466             |
| Asset Management Group  | 29                 | 39               | 23                  | 35                   | 8               | 68               | 47              |
| Residential Mortgage Banking  | 92                 | 82               | 25                  | 91                   | 92              | 174              | 319             |
| Distressed Assets Portfolio   | (86)               | 72               | (88)                | 14                   | 155             | (14)             | 158             |
| Other, including BlackRock (b) (c) (d)                              | 218                | 71               | 753                 | 41                   | (228)           | 289              | (386)           |
| Earnings from continuing operations before noncontrolling interests | \$781              | \$648            | \$1,103             | \$540                | \$195           | \$1,429          | \$715           |
| <b>Revenue</b>  |                    |                  |                     |                      |                 |                  |                 |
| Retail Banking  | \$1,395            | \$1,359          | \$1,379             | \$1,434              | \$1,467         | \$2,754          | \$2,908         |
| Corporate & Institutional Banking                                   | 1,219              | 1,248            | 1,377               | 1,316                | 1,283           | 2,467            | 2,573           |
| Asset Management Group  | 220                | 228              | 218                 | 225                  | 226             | 448              | 476             |
| Residential Mortgage Banking  | 255                | 234              | 176                 | 292                  | 332             | 489              | 860             |
| Distressed Assets Portfolio   | 338                | 337              | 221                 | 254                  | 334             | 675              | 678             |
| Other, including BlackRock (b) (c) (d)                              | 485                | 357              | 1,515               | 332                  | 161             | 842              | (6)             |
| Revenue from continuing operations                                  | \$3,912            | \$3,763          | \$4,886             | \$3,853              | \$3,803         | \$7,675          | \$7,489         |

- (a) Our business information is presented based on our management accounting practices and our management structure. We refine our methodologies from time to time as our management accounting practices are enhanced and our business and management structure change. Certain prior period amounts have been reclassified to reflect current methodologies and our current business and management structure. Amounts are presented on a continuing operations basis and therefore exclude the earnings and revenue attributable to GIS.
- (b) We consider BlackRock to be a separate reportable business segment but have combined its results with Other for this presentation. Our second quarter 2010 Form 10-Q will include additional information regarding BlackRock.
- (c) Includes earnings and gains or losses related to PNC's equity interest in BlackRock, integration costs, asset and liability management activities including net securities gains or losses, other than temporary impairment of debt securities and certain trading activities, equity management activities, exited businesses, differences between business segment performance reporting and financial statement reporting under generally accepted accounting principles (GAAP), corporate overhead and intercompany eliminations.
- (d) The \$1.076 billion gain (\$687 million after-tax) related to BlackRock's acquisition of BGI was included in this business segment for the fourth quarter of 2009.

|                                    | June 30<br>2010 | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 |
|------------------------------------|-----------------|------------------|---------------------|----------------------|-----------------|
| <b>Period-end Employees</b>        |                 |                  |                     |                      |                 |
| Full-time employees                |                 |                  |                     |                      |                 |
| Retail Banking                     | 21,380          | 21,522           | 21,416              | 21,644               | 22,102          |
| Corporate & Institutional Banking  | 3,601           | 3,760            | 3,746               | 3,861                | 4,038           |
| Asset Management Group             | 2,951           | 2,986            | 2,960               | 3,067                | 3,150           |
| Residential Mortgage Banking       | 3,348           | 3,340            | 3,267               | 3,606                | 3,693           |
| Distressed Assets Portfolio        | 179             | 178              | 175                 | 157                  | 131             |
| Other                              |                 |                  |                     |                      |                 |
| Operations & Technology            | 8,970           | 9,284            | 9,275               | 9,400                | 9,350           |
| Staff Services and Other (e)       | 9,061           | 9,043            | 8,922               | 8,794                | 8,898           |
| Total Other                        | 18,031          | 18,327           | 18,197              | 18,194               | 18,248          |
| Total full-time employees          | 49,490          | 50,113           | 49,761              | 50,529               | 51,362          |
| Retail Banking part-time employees | 4,790           | 4,798            | 4,737               | 4,859                | 5,199           |
| Other part-time employees          | 1,104           | 1,187            | 1,322               | 1,520                | 1,509           |
| Total part-time employees          | 5,894           | 5,985            | 6,059               | 6,379                | 6,708           |
| Total                              | 55,384          | 56,098           | 55,820              | 56,908               | 58,070          |

The period end employee statistics reflect staff directly employed by the respective business and exclude operations, technology and staff services employees.

- (e) Includes employees of GIS.

## Retail Banking (Unaudited) (a)

| Dollars in millions                   | Three months ended      |                          |                         |                          |                 | Six months ended        |                 |
|---------------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-----------------|-------------------------|-----------------|
|                                       | June 30<br>2010 (b) (c) | March 31<br>2010 (b) (c) | December 31<br>2009 (b) | September 30<br>2009 (b) | June 30<br>2009 | June 30<br>2010 (b) (c) | June 30<br>2009 |
| <b>INCOME STATEMENT</b>               |                         |                          |                         |                          |                 |                         |                 |
| Net interest income                   | \$887                   | \$871                    | \$833                   | \$865                    | \$903           | \$1,758                 | \$1,824         |
| Noninterest income                    |                         |                          |                         |                          |                 |                         |                 |
| Service charges on deposits           | 204                     | 195                      | 229                     | 244                      | 237             | 399                     | 457             |
| Brokerage                             | 55                      | 53                       | 59                      | 63                       | 62              | 108                     | 123             |
| Consumer services                     | 223                     | 208                      | 224                     | 227                      | 227             | 431                     | 435             |
| Other                                 | 26                      | 32                       | 34                      | 35                       | 38              | 58                      | 69              |
| Total noninterest income              | 508                     | 488                      | 546                     | 569                      | 564             | 996                     | 1,084           |
| Total revenue                         | 1,395                   | 1,359                    | 1,379                   | 1,434                    | 1,467           | 2,754                   | 2,908           |
| Provision for credit losses           | 280                     | 339                      | 409                     | 313                      | 304             | 619                     | 608             |
| Noninterest expense                   | 994                     | 975                      | 1,011                   | 1,040                    | 1,065           | 1,969                   | 2,118           |
| Pretax earnings (loss)                | 121                     | 45                       | (41)                    | 81                       | 98              | 166                     | 182             |
| Income taxes (benefit)                | 36                      | 21                       | (16)                    | 31                       | 37              | 57                      | 71              |
| Earnings (loss)                       | \$85                    | \$24                     | \$(25)                  | \$50                     | \$61            | \$109                   | \$111           |
| <b>AVERAGE BALANCE SHEET</b>          |                         |                          |                         |                          |                 |                         |                 |
| <b>Loans</b>                          |                         |                          |                         |                          |                 |                         |                 |
| <b>Consumer</b>                       |                         |                          |                         |                          |                 |                         |                 |
| Home equity                           | \$26,510                | \$26,821                 | \$27,107                | \$27,379                 | \$27,493        | \$26,665                | \$27,565        |
| Indirect                              | 3,944                   | 3,973                    | 3,998                   | 3,989                    | 4,040           | 3,959                   | 4,080           |
| Education                             | 8,342                   | 8,060                    | 6,656                   | 5,742                    | 5,199           | 8,202                   | 5,041           |
| Credit cards                          | 3,948                   | 4,079                    | 2,503                   | 2,174                    | 2,162           | 4,013                   | 2,137           |
| Other                                 | 1,776                   | 1,793                    | 1,790                   | 1,785                    | 1,731           | 1,784                   | 1,795           |
| Total consumer                        | 44,520                  | 44,726                   | 42,054                  | 41,069                   | 40,625          | 44,623                  | 40,618          |
| Commercial and commercial real estate | 11,312                  | 11,487                   | 11,766                  | 12,166                   | 12,550          | 11,399                  | 12,652          |
| Floor plan                            | 1,299                   | 1,296                    | 1,137                   | 1,059                    | 1,371           | 1,297                   | 1,433           |
| Residential mortgage                  | 1,683                   | 1,800                    | 1,899                   | 1,995                    | 2,114           | 1,741                   | 2,183           |
| Total loans                           | 58,814                  | 59,309                   | 56,856                  | 56,289                   | 56,660          | 59,060                  | 56,886          |
| Goodwill and other intangible assets  | 5,873                   | 5,935                    | 5,882                   | 5,894                    | 5,784           | 5,904                   | 5,795           |
| Other assets                          | 2,913                   | 2,722                    | 2,697                   | 2,870                    | 2,733           | 2,818                   | 2,716           |
| Total assets                          | \$67,600                | \$67,966                 | \$65,435                | \$65,053                 | \$65,177        | \$67,782                | \$65,397        |
| <b>Deposits</b>                       |                         |                          |                         |                          |                 |                         |                 |
| Noninterest-bearing demand            | \$17,240                | \$16,776                 | \$16,516                | \$16,482                 | \$16,408        | \$17,009                | \$16,115        |
| Interest-bearing demand               | 19,977                  | 19,212                   | 18,446                  | 18,435                   | 18,639          | 19,597                  | 18,272          |
| Money market                          | 40,283                  | 39,699                   | 39,374                  | 39,753                   | 39,608          | 39,992                  | 39,222          |
| Total transaction deposits            | 77,500                  | 75,687                   | 74,336                  | 74,670                   | 74,655          | 76,598                  | 73,609          |
| Savings                               | 7,006                   | 6,552                    | 6,577                   | 6,731                    | 6,767           | 6,780                   | 6,565           |
| Certificates of deposit               | 42,313                  | 45,614                   | 48,338                  | 52,189                   | 55,798          | 43,955                  | 56,074          |
| Total deposits                        | 126,819                 | 127,853                  | 129,251                 | 133,590                  | 137,220         | 127,333                 | 136,248         |
| Other liabilities                     | 1,673                   | 1,671                    | 27                      | 55                       | 39              | 1,672                   | 60              |
| Capital                               | 8,326                   | 8,195                    | 8,301                   | 8,523                    | 8,789           | 8,261                   | 8,584           |
| Total liabilities and equity          | \$136,818               | \$137,719                | \$137,579               | \$142,168                | \$146,048       | \$137,266               | \$144,892       |
| <b>PERFORMANCE RATIOS</b>             |                         |                          |                         |                          |                 |                         |                 |
| Return on average capital             | 4 %                     | 1 %                      | (1) %                   | 2 %                      | 3 %             | 3 %                     | 3 %             |
| Return on average assets              | .50                     | .14                      | (.15)                   | .30                      | .38             | .32                     | .34             |
| Noninterest income to total revenue   | 36                      | 36                       | 40                      | 40                       | 38              | 36                      | 37              |
| Efficiency                            | 71                      | 72                       | 73                      | 73                       | 73              | 71                      | 73              |

(a) See note (a) on page 13.

(b) Information as of and for the three months ended June 30, 2010, March 31, 2010, December 31, 2009 and September 30, 2009 and as of and for the six months ended June 30, 2010 reflects the impact of the required divestiture of 61 branches that was completed by early September 2009.

(c) Information for 2010 reflects the impact of the consolidation in our financial statements for the securitized portfolio of approximately \$1.6 billion of credit card loans effective January 1, 2010.



## Retail Banking (Unaudited) (Continued)

|  | Three months ended  |                      |                         |                          |                 | Six months ended    |                 |
|--|---------------------|----------------------|-------------------------|--------------------------|-----------------|---------------------|-----------------|
|  | June 30<br>2010 (a) | March 31<br>2010 (a) | December 31<br>2009 (a) | September 30<br>2009 (a) | June 30<br>2009 | June 30<br>2010 (a) | June 30<br>2009 |
| <i>Dollars in millions, except as noted</i>                              |                     |                      |                         |                          |                 |                     |                 |
| <b>OTHER INFORMATION (b)</b>   |                     |                      |                         |                          |                 |                     |                 |
| <u>Credit-related statistics:</u>  |                     |                      |                         |                          |                 |                     |                 |
| Commercial nonperforming assets  | \$297               | \$324                | \$324                   | \$311                    | \$246           |                     |                 |
| Consumer nonperforming assets (c)  | 330                 | 276                  | 284                     | 191                      | 156             |                     |                 |
| Total nonperforming assets   | \$627               | \$600                | \$608                   | \$502                    | \$402           |                     |                 |
| <u>Impaired loans (d)</u>  |                     |                      |                         |                          |                 |                     |                 |
| Commercial lending net charge-offs                                       | \$100               | \$96                 | \$173                   | \$69                     | \$90            | \$196               | \$173           |
| Credit card lending net charge-offs (c)                                  | 89                  | 96                   | 57                      | 53                       | 50              | 185                 | 99              |
| Consumer lending (excluding credit card) net charge-offs                 | 120                 | 108                  | 109                     | 112                      | 106             | 228                 | 181             |
| Total net charge-offs  | \$309               | \$300                | \$339                   | \$234                    | \$246           | \$609               | \$453           |
| Commercial lending annualized net charge-off ratio                       | 3.18 %              | 3.05 %               | 5.32 %                  | 2.07 %                   | 2.59 %          | 3.11 %              | 2.48 %          |
| Credit card lending annualized net charge-off ratio (c)                  | 9.04 %              | 9.54 %               | 9.03 %                  | 9.67 %                   | 9.28 %          | 9.30 %              | 9.34 %          |
| Consumer lending (excluding credit card) annualized net charge-off ratio | 1.14 %              | 1.03 %               | 1.04 %                  | 1.09 %                   | 1.05 %          | 1.09 %              | .90 %           |
| Total annualized net charge-off ratio                                    | 2.11 %              | 2.05 %               | 2.37 %                  | 1.65 %                   | 1.74 %          | 2.08 %              | 1.61 %          |
| <u>Home equity portfolio credit statistics:</u>                          |                     |                      |                         |                          |                 |                     |                 |
| % of first lien positions (e)  | 35 %                | 34 %                 | 35 %                    | 35 %                     | 35 %            |                     |                 |
| Weighted average loan-to-value ratios (e)                                | 73 %                | 73 %                 | 74 %                    | 74 %                     | 74 %            |                     |                 |
| Weighted average FICO scores (f)   | 727                 | 725                  | 727                     | 727                      | 728             |                     |                 |
| Annualized net charge-off ratio  | 1.01 %              | .70 %                | .90 %                   | .97 %                    | .80 %           | .86 %               | .57 %           |
| Loans 30 - 89 days past due  | .74 %               | .74 %                | .78 %                   | .75 %                    | .70 %           |                     |                 |
| Loans 90 days past due   | .91 %               | .85 %                | .76 %                   | .73 %                    | .72 %           |                     |                 |
| <u>Other statistics:</u>   |                     |                      |                         |                          |                 |                     |                 |
| ATMs   | 6,539               | 6,467                | 6,473                   | 6,463                    | 6,474           |                     |                 |
| Branches (g)   | 2,458               | 2,461                | 2,513                   | 2,554                    | 2,607           |                     |                 |
| <u>Customer-related statistics (h):</u>                                  |                     |                      |                         |                          |                 |                     |                 |
| Retail Banking checking relationships                                    | 5,056,000           | 5,036,000            | 5,042,000               | 5,040,000                | 5,148,000       |                     |                 |
| Retail online banking active customers                                   | 2,774,000           | 2,782,000            | 2,743,000               | 2,682,000                | 2,676,000       |                     |                 |
| Retail online bill payment active customers                              | 870,000             | 826,000              | 780,000                 | 753,000                  | 744,000         |                     |                 |
| <u>Brokerage statistics:</u>   |                     |                      |                         |                          |                 |                     |                 |
| Financial consultants (i)  | 711                 | 722                  | 704                     | 655                      | 658             |                     |                 |
| Full service brokerage offices   | 41                  | 41                   | 40                      | 42                       | 42              |                     |                 |
| Brokerage account assets (billions)                                      | \$31                | \$33                 | \$32                    | \$30                     | \$28            |                     |                 |

(a) Information as of and for the three months ended June 30, 2010, March 31, 2010, December 31, 2009 and September 30, 2009 and as of and for the six months ended June 30, 2010 reflects the impact of the required divestiture of 61 branches that was completed by early September 2009.

(b) Presented as of period end, except for net charge-offs and annualized net charge-off ratios, which are for the three months ended and six months ended, respectively.

(c) Information for 2010 reflects the impact of the consolidation in our financial statements for the securitized portfolio of approximately \$1.6 billion of credit card loans effective January 1, 2010.

(d) Recorded investment of purchased impaired loans related to National City, adjusted to reflect additional loan impairments effective December 31, 2008.

(e) Includes loans from acquired portfolios for which lien position and loan-to-value information is not available.

(f) Represents the most recent FICO scores we have on file.

(g) Excludes certain satellite branches that provide limited products and/or services.

(h) Amounts include the impact of National City prior to the completion of all application system conversions. Therefore, these amounts may be refined in the third quarter of 2010.

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

|   | <i>Three months ended</i> |                      |                     |                      |                 | <i>Six months ended</i> |                 |
|---|---------------------------|----------------------|---------------------|----------------------|-----------------|-------------------------|-----------------|
|   | June 30<br>2010 (g)       | March 31<br>2010 (g) | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010 (g)     | June 30<br>2009 |
| <i>Dollars in millions, except as noted</i>                     |                           |                      |                     |                      |                 |                         |                 |
| <b>INCOME STATEMENT</b>   |                           |                      |                     |                      |                 |                         |                 |
| Net interest income   | \$923                     | \$877                | \$1,009             | \$915                | \$886           | \$1,800                 | \$1,909         |
| Noninterest income  |                           |                      |                     |                      |                 |                         |                 |
| Corporate service fees  | 237                       | 242                  | 235                 | 226                  | 236             | 479                     | 454             |
| Other   | 59                        | 129                  | 133                 | 175                  | 161             | 188                     | 210             |
| Noninterest income  | 296                       | 371                  | 368                 | 401                  | 397             | 667                     | 664             |
| Total revenue   | 1,219                     | 1,248                | 1,377               | 1,316                | 1,283           | 2,467                   | 2,573           |
| Provision for credit losses                                     | 97                        | 236                  | 283                 | 384                  | 649             | 333                     | 936             |
| Noninterest expense   | 421                       | 445                  | 444                 | 459                  | 467             | 866                     | 897             |
| Pretax earnings   | 701                       | 567                  | 650                 | 473                  | 167             | 1,268                   | 740             |
| Income taxes  | 258                       | 207                  | 235                 | 164                  | 60              | 465                     | 274             |
| Earnings  | \$443                     | \$360                | \$415               | \$309                | \$107           | \$803                   | \$466           |
| <b>AVERAGE BALANCE SHEET</b>                                    |                           |                      |                     |                      |                 |                         |                 |
| <b>Loans</b>  |                           |                      |                     |                      |                 |                         |                 |
| Commercial  | \$32,937                  | \$34,024             | \$33,481            | \$35,785             | \$38,835        | \$33,477                | \$40,264        |
| Commercial real estate  | 17,008                    | 17,961               | 18,747              | 18,918               | 19,667          | 17,482                  | 19,564          |
| Commercial - real estate related                                | 2,901                     | 3,128                | 3,328               | 3,622                | 3,884           | 3,014                   | 4,074           |
| Asset-based lending   | 6,065                     | 5,940                | 6,051               | 5,918                | 6,401           | 6,003                   | 6,709           |
| Equipment lease financing                                       | 5,262                     | 5,318                | 5,368               | 5,260                | 5,380           | 5,290                   | 5,467           |
| Total loans   | 64,173                    | 66,371               | 66,975              | 69,503               | 74,167          | 65,266                  | 76,078          |
| Goodwill and other intangible assets                            | 3,660                     | 3,795                | 3,736               | 3,704                | 3,512           | 3,727                   | 3,444           |
| Loans held for sale   | 1,408                     | 1,410                | 1,534               | 1,578                | 1,893           | 1,409                   | 1,804           |
| Other assets  | 7,711                     | 7,940                | 7,395               | 6,460                | 7,332           | 7,825                   | 7,679           |
| Total assets  | \$76,952                  | \$79,516             | \$79,640            | \$81,245             | \$86,904        | \$78,227                | \$89,005        |
| <b>Deposits</b>   |                           |                      |                     |                      |                 |                         |                 |
| Noninterest-bearing demand                                      | \$23,715                  | \$22,271             | \$23,484            | \$20,392             | \$18,732        | \$22,997                | \$17,924        |
| Money market  | 12,380                    | 12,253               | 10,573              | 10,714               | 9,514           | 12,317                  | 8,736           |
| Other   | 6,856                     | 7,610                | 8,728               | 8,009                | 7,501           | 7,231                   | 7,447           |
| Total deposits  | 42,951                    | 42,134               | 42,785              | 39,115               | 35,747          | 42,545                  | 34,107          |
| Other liabilities   | 10,797                    | 10,870               | 8,408               | 8,363                | 9,701           | 10,833                  | 9,862           |
| Capital   | 7,913                     | 7,633                | 7,916               | 7,922                | 7,816           | 7,774                   | 7,753           |
| Total liabilities and equity                                    | \$61,661                  | \$60,637             | \$59,109            | \$55,400             | \$53,264        | \$61,152                | \$51,722        |
| <b>PERFORMANCE RATIOS</b>                                       |                           |                      |                     |                      |                 |                         |                 |
| Return on average capital                                       | 22 %                      | 19 %                 | 21 %                | 15 %                 | 5 %             | 21 %                    | 12 %            |
| Return on average assets  | 2.31                      | 1.84                 | 2.07                | 1.51                 | .49             | 2.07                    | 1.06            |
| Noninterest income to total revenue                             | 24                        | 30                   | 27                  | 30                   | 32              | 27                      | 26              |
| Efficiency  | 35                        | 36                   | 32                  | 35                   | 37              | 35                      | 35              |
| <b>COMMERCIAL MORTGAGE SERVICING PORTFOLIO (in billions)</b>    |                           |                      |                     |                      |                 |                         |                 |
| Beginning of period   | \$282                     | \$287                | \$275               | \$269                | \$269           | \$287                   | \$270           |
| Acquisitions/additions  | 7                         | 8                    | 19                  | 15                   | 11              | 15                      | 16              |
| Repayments/transfers  | (24)                      | (13)                 | (7)                 | (9)                  | (11)            | (37)                    | (17)            |
| End of period   | \$265                     | \$282                | \$287               | \$275                | \$269           | \$265                   | \$269           |
| <b>OTHER INFORMATION</b>  |                           |                      |                     |                      |                 |                         |                 |
| <b>Consolidated revenue from: (b)</b>                           |                           |                      |                     |                      |                 |                         |                 |
| Treasury Management   | \$302                     | \$298                | \$296               | \$281                | \$284           | \$600                   | \$560           |
| Capital Markets   | \$128                     | \$164                | \$187               | \$155                | \$148           | \$292                   | \$191           |
| Commercial mortgage loans                                       |                           |                      |                     |                      |                 |                         |                 |
| held for sale (c)   | (\$2)                     | \$27                 | \$67                | \$53                 | \$63            | \$25                    | \$85            |
| Commercial mortgage loan servicing (d)                          | 49                        | 88                   | 66                  | 66                   | 76              | 137                     | 148             |
| Total commercial mortgage banking activities                    | \$47                      | \$115                | \$133               | \$119                | \$139           | \$162                   | \$233           |
| Total loans (e)   | \$63,910                  | \$65,076             | \$66,206            | \$68,352             | \$71,077        |                         |                 |
| <b>Credit-related statistics:</b>                               |                           |                      |                     |                      |                 |                         |                 |
| Nonperforming assets (e)  | \$3,103                   | \$3,343              | \$3,167             | \$2,992              | \$2,317         |                         |                 |
| Impaired loans (e) (f)  | \$923                     | \$1,033              | \$1,075             | \$1,482              | \$1,601         |                         |                 |
| Net charge-offs   | \$243                     | \$271                | \$341               | \$222                | \$322           | \$514                   | \$489           |
| Net carrying amount of commercial mortgage servicing rights (e) | \$722                     | \$921                | \$921               | \$897                | \$895           |                         |                 |

(a) See note (a) on page 13.

(b) Represents consolidated PNC amounts.

(c) Includes valuations on commercial mortgage loans held for sale and related commitments, derivative valuations, origination fees, gains on sale of loans held for sale and net interest income on loans held for sale.

(d) Includes net interest income and noninterest income from loan servicing and ancillary services.

(e) Presented as of period end.

(f) Recorded investment of purchased impaired loans related to National City, adjusted to reflect additional loan impairments effective December 31, 2008.

(g) Information for 2010 reflects the impact of the consolidation in our financial statements of Market Street Funding LLC effective January 1, 2010.

Also includes \$1.6 billion of loans, net of eliminations, and \$2.8 billion of commercial paper borrowings included in Other Liabilities.

|  | <i>Three months ended</i> |                  |                     |                      |                 | <i>Six months ended</i> |                 |
|--|---------------------------|------------------|---------------------|----------------------|-----------------|-------------------------|-----------------|
|  | June 30<br>2010           | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010         | June 30<br>2009 |
| <i>Dollars in millions, except as noted</i>              |                           |                  |                     |                      |                 |                         |                 |
| <b>INCOME STATEMENT</b>                                  |                           |                  |                     |                      |                 |                         |                 |
| Net interest income                                      | \$66                      | \$64             | \$67                | \$70                 | \$75            | \$130                   | \$171           |
| Noninterest income                                       | 154                       | 164              | 151                 | 155                  | 151             | 318                     | 305             |
| Total revenue  | 220                       | 228              | 218                 | 225                  | 226             | 448                     | 476             |
| Provision for credit losses                              | 14                        | 9                | 25                  | 9                    | 46              | 23                      | 63              |
| Noninterest expense                                      | 160                       | 157              | 155                 | 162                  | 167             | 317                     | 337             |
| Pretax earnings  | 46                        | 62               | 38                  | 54                   | 13              | 108                     | 76              |
| Income taxes   | 17                        | 23               | 15                  | 19                   | 5               | 40                      | 29              |
| Earnings   | \$29                      | \$39             | \$23                | \$35                 | \$8             | \$68                    | \$47            |
| <b>AVERAGE BALANCE SHEET</b>                             |                           |                  |                     |                      |                 |                         |                 |
| <b>Loans</b>   |                           |                  |                     |                      |                 |                         |                 |
| Consumer   | \$4,004                   | \$3,994          | \$4,044             | \$3,997              | \$3,936         | \$3,999                 | \$3,894         |
| Commercial and commercial real estate                    | 1,498                     | 1,504            | 1,520               | 1,601                | 1,714           | 1,501                   | 1,737           |
| Residential mortgage                                     | 915                       | 963              | 1,000               | 1,046                | 1,114           | 939                     | 1,133           |
| Total loans  | 6,417                     | 6,461            | 6,564               | 6,644                | 6,764           | 6,439                   | 6,764           |
| Goodwill and other intangible assets                     | 403                       | 415              | 416                 | 418                  | 390             | 409                     | 397             |
| Other assets   | 251                       | 241              | 221                 | 219                  | 273             | 246                     | 281             |
| Total assets   | \$7,071                   | \$7,117          | \$7,201             | \$7,281              | \$7,427         | \$7,094                 | \$7,442         |
| <b>Deposits</b>  |                           |                  |                     |                      |                 |                         |                 |
| Noninterest-bearing demand                               | \$1,268                   | \$1,228          | \$1,126             | \$993                | \$988           | \$1,249                 | \$1,124         |
| Interest-bearing demand                                  | 1,735                     | 1,699            | 1,674               | 1,544                | 1,563           | 1,717                   | 1,553           |
| Money market   | 3,261                     | 3,217            | 3,134               | 3,154                | 3,217           | 3,239                   | 3,273           |
| Total transaction deposits                               | 6,264                     | 6,144            | 5,934               | 5,691                | 5,768           | 6,205                   | 5,950           |
| Certificates of deposit and other                        | 769                       | 818              | 918                 | 1,013                | 1,088           | 793                     | 1,188           |
| Total deposits   | 7,033                     | 6,962            | 6,852               | 6,704                | 6,856           | 6,998                   | 7,138           |
| Other liabilities  | 96                        | 119              | 122                 | 106                  | 104             | 107                     | 110             |
| Capital  | 576                       | 553              | 531                 | 612                  | 580             | 565                     | 578             |
| Total liabilities and equity                             | \$7,705                   | \$7,634          | \$7,505             | \$7,422              | \$7,540         | \$7,670                 | \$7,826         |
| <b>PERFORMANCE RATIOS</b>                                |                           |                  |                     |                      |                 |                         |                 |
| Return on average capital                                | 20 %                      | 29 %             | 17 %                | 23 %                 | 6 %             | 24 %                    | 16 %            |
| Return on average assets                                 | 1.65                      | 2.22             | 1.27                | 1.91                 | 0.43            | 1.93                    | 1.27            |
| Noninterest income to total revenue                      | 70                        | 72               | 69                  | 69                   | 67              | 71                      | 64              |
| Efficiency   | 73                        | 69               | 71                  | 72                   | 74              | 71                      | 71              |
| <b>OTHER INFORMATION</b>                                 |                           |                  |                     |                      |                 |                         |                 |
| Total nonperforming assets (b)                           | \$116                     | \$139            | \$155               | \$129                | \$108           |                         |                 |
| Impaired loans (b) (c)                                   | \$182                     | \$191            | \$198               | \$206                | \$221           |                         |                 |
| Total net charge-offs                                    | \$16                      | \$4              | \$22                | \$9                  | \$21            | \$20                    | \$32            |
| <b>ASSETS UNDER ADMINISTRATION (in billions) (b) (d)</b> |                           |                  |                     |                      |                 |                         |                 |
| Personal   | \$92                      | \$96             | \$94                | \$93                 | \$88            |                         |                 |
| Institutional  | 107                       | 113              | 111                 | 124                  | 134             |                         |                 |
| Total  | \$199                     | \$209            | \$205               | \$217                | \$222           |                         |                 |
| <i>Asset Type</i>  |                           |                  |                     |                      |                 |                         |                 |
| Equity   | \$98                      | \$104            | \$100               | \$98                 | \$88            |                         |                 |
| Fixed income   | 64                        | 59               | 58                  | 56                   | 57              |                         |                 |
| Liquidity/Other  | 37                        | 46               | 47                  | 63                   | 77              |                         |                 |
| Total  | \$199                     | \$209            | \$205               | \$217                | \$222           |                         |                 |
| <b>Discretionary assets under management</b>             |                           |                  |                     |                      |                 |                         |                 |
| Personal   | \$65                      | \$69             | \$67                | \$66                 | \$62            |                         |                 |
| Institutional  | 34                        | 36               | 36                  | 38                   | 36              |                         |                 |
| Total  | \$99                      | \$105            | \$103               | \$104                | \$98            |                         |                 |
| <i>Asset Type</i>  |                           |                  |                     |                      |                 |                         |                 |
| Equity   | \$46                      | \$51             | \$49                | \$47                 | \$42            |                         |                 |
| Fixed income   | 36                        | 35               | 34                  | 34                   | 32              |                         |                 |
| Liquidity/Other  | 17                        | 19               | 20                  | 23                   | 24              |                         |                 |
| Total  | \$99                      | \$105            | \$103               | \$104                | \$98            |                         |                 |
| <b>Nondiscretionary assets under administration</b>      |                           |                  |                     |                      |                 |                         |                 |
| Personal   | \$27                      | \$27             | \$27                | \$27                 | \$26            |                         |                 |
| Institutional  | 73                        | 77               | 75                  | 86                   | 98              |                         |                 |
| Total  | \$100                     | \$104            | \$102               | \$113                | \$124           |                         |                 |
| <i>Asset Type</i>  |                           |                  |                     |                      |                 |                         |                 |
| Equity   | \$52                      | \$53             | \$51                | \$51                 | \$46            |                         |                 |
| Fixed income   | 28                        | 24               | 24                  | 22                   | 25              |                         |                 |
| Liquidity/Other  | 20                        | 27               | 27                  | 40                   | 53              |                         |                 |
| Total  | \$100                     | \$104            | \$102               | \$113                | \$124           |                         |                 |

(a) See note (a) on page 13.

(b) As of period end.

(c) Recorded investment of purchased impaired loans related to National City, adjusted to reflect additional loan impairments effective December 31, 2008.

(d) Excludes brokerage account assets.

| <i>Dollars in millions, except as noted</i>      | <i>Three months ended</i> |                  |                     |                      |                 | <i>Six months ended</i> |                 |
|--|---------------------------|------------------|---------------------|----------------------|-----------------|-------------------------|-----------------|
|  | June 30<br>2010           | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010         | June 30<br>2009 |
| <b>INCOME STATEMENT</b>                          |                           |                  |                     |                      |                 |                         |                 |
| Net interest income                              | \$73                      | \$80             | \$71                | \$83                 | \$87            | \$153                   | \$178           |
| Noninterest income                               |                           |                  |                     |                      |                 |                         |                 |
| Loan servicing revenue                           |                           |                  |                     |                      |                 |                         |                 |
| Servicing fees                                   | 66                        | 69               | 51                  | 70                   | 42              | 135                     | 101             |
| Net MSR hedging gains                            | 66                        | 46               | 35                  | 60                   | 58              | 112                     | 260             |
| Loan sales revenue                               | 49                        | 39               | 26                  | 83                   | 151             | 88                      | 326             |
| Other  | 1                         |                  | (7)                 | (4)                  | (6)             | 1                       | (5)             |
| Total noninterest income                         | 182                       | 154              | 105                 | 209                  | 245             | 336                     | 682             |
| Total revenue                                    | 255                       | 234              | 176                 | 292                  | 332             | 489                     | 860             |
| Provision for (recoveries of) credit losses      | (8)                       | (16)             | (7)                 | 4                    | 8               | (24)                    | (1)             |
| Noninterest expense                              | 109                       | 121              | 142                 | 141                  | 176             | 230                     | 349             |
| Pretax earnings                                  | 154                       | 129              | 41                  | 147                  | 148             | 283                     | 512             |
| Income taxes                                     | 62                        | 47               | 16                  | 56                   | 56              | 109                     | 193             |
| Earnings   | \$92                      | \$82             | \$25                | \$91                 | \$92            | \$174                   | \$319           |
| <b>AVERAGE BALANCE SHEET</b>                     |                           |                  |                     |                      |                 |                         |                 |
| Portfolio loans                                  | \$2,540                   | \$2,820          | \$2,479             | \$2,071              | \$1,834         | \$2,679                 | \$1,633         |
| Loans held for sale                              | 1,148                     | 974              | 1,333               | 2,042                | 2,766           | 1,062                   | 2,730           |
| Mortgage servicing rights (MSR)                  | 1,084                     | 1,264            | 1,236               | 1,443                | 1,343           | 1,173                   | 1,254           |
| Other assets                                     | 4,041                     | 3,797            | 3,761               | 3,483                | 2,648           | 3,920                   | 2,292           |
| Total assets                                     | \$8,813                   | \$8,855          | \$8,809             | \$9,039              | \$8,591         | \$8,834                 | \$7,909         |
| Deposits   | \$3,088                   | \$3,602          | \$3,628             | \$4,076              | \$4,741         | \$3,343                 | \$4,423         |
| Borrowings and other liabilities                 | 2,817                     | 2,279            | 3,110               | 3,811                | 2,672           | 2,550                   | 2,378           |
| Capital  | 1,309                     | 1,781            | 1,471               | 1,411                | 1,282           | 1,544                   | 1,276           |
| Total liabilities and equity                     | \$7,214                   | \$7,662          | \$8,209             | \$9,298              | \$8,695         | \$7,437                 | \$8,077         |
| <b>PERFORMANCE RATIOS</b>                        |                           |                  |                     |                      |                 |                         |                 |
| Return on average capital                        | 28 %                      | 19 %             | 7 %                 | 26 %                 | 29 %            | 23 %                    | 50 %            |
| Return on average assets                         | 4.19                      | 3.76             | 1.13                | 3.99                 | 4.30            | 3.97                    | 8.13            |
| Noninterest income to total revenue              | 71                        | 66               | 60                  | 72                   | 74              | 69                      | 79              |
| Efficiency                                       | 43                        | 52               | 81                  | 48                   | 53              | 47                      | 41              |
| <b>OTHER INFORMATION</b>                         |                           |                  |                     |                      |                 |                         |                 |
| Servicing portfolio for others (in billions) (b) | \$137                     | \$141            | \$145               | \$158                | \$161           |                         |                 |
| Fixed rate                                       | 89 %                      | 89 %             | 88 %                | 88 %                 | 87 %            |                         |                 |
| Adjustable rate/balloon                          | 11 %                      | 11 %             | 12 %                | 12 %                 | 13 %            |                         |                 |
| Weighted average interest rate                   | 5.74 %                    | 5.79 %           | 5.82 %              | 5.89 %               | 5.94 %          |                         |                 |
| MSR capitalized value (in billions)              | \$1.0                     | \$1.3            | \$1.3               | \$1.3                | \$1.5           |                         |                 |
| MSR capitalization value (in basis points)       | 71                        | 90               | 91                  | 81                   | 90              |                         |                 |
| Weighted average servicing fee (in basis points) | 30                        | 30               | 30                  | 30                   | 30              |                         |                 |
| Loan origination volume (in billions)            | \$2.3                     | \$2.0            | \$2.3               | \$3.6                | \$6.4           | \$4.3                   | \$13.3          |
| Percentage of originations represented by:       |                           |                  |                     |                      |                 |                         |                 |
| Agency and government programs                   | 99 %                      | 98 %             | 96 %                | 97 %                 | 98 %            | 99 %                    | 98 %            |
| Refinance volume                                 | 58 %                      | 73 %             | 59 %                | 59 %                 | 74 %            | 65 %                    | 79 %            |
| Total nonperforming assets (b)                   | \$339                     | \$418            | \$370               | \$343                | \$285           |                         |                 |
| Impaired loans (b) (c)                           | \$168                     | \$298            | \$369               | \$412                | \$531           |                         |                 |

(a) See note (a) on page 13.

(b) As of period end.

(c) Recorded investment of purchased impaired loans related to National City, adjusted to reflect additional loan impairments effective December 31, 2008.

|   | Three months ended |                  |                     |                      |                 | Six months ended |                 |
|---|--------------------|------------------|---------------------|----------------------|-----------------|------------------|-----------------|
|   | June 30<br>2010    | March 31<br>2010 | December 31<br>2009 | September 30<br>2009 | June 30<br>2009 | June 30<br>2010  | June 30<br>2009 |
| <i>Dollars in millions, except as noted</i>   |                    |                  |                     |                      |                 |                  |                 |
| <b>INCOME STATEMENT</b>   |                    |                  |                     |                      |                 |                  |                 |
| Net interest income   | \$339              | \$338            | \$218               | \$235                | \$295           | \$677            | \$626           |
| Noninterest income  | (1)                | (1)              | 3                   | 19                   | 39              | (2)              | 52              |
| Total revenue   | 338                | 337              | 221                 | 254                  | 334             | 675              | 678             |
| Provision for credit losses   | 404                | 165              | 314                 | 168                  | 30              | 569              | 289             |
| Noninterest expense   | 65                 | 58               | 49                  | 62                   | 55              | 123              | 135             |
| Pretax earnings (loss)  | (131)              | 114              | (142)               | 24                   | 249             | (17)             | 254             |
| Income taxes (benefit)  | (45)               | 42               | (54)                | 10                   | 94              | (3)              | 96              |
| Earnings (loss)   | \$(86)             | \$72             | \$(88)              | \$14                 | \$155           | \$(14)           | \$158           |
| <b>AVERAGE BALANCE SHEET</b>  |                    |                  |                     |                      |                 |                  |                 |
| <b>Commercial lending:</b>  |                    |                  |                     |                      |                 |                  |                 |
| Commercial  | \$107              | \$115            | \$106               | \$136                | \$182           | \$111            | \$190           |
| Commercial real estate:   |                    |                  |                     |                      |                 |                  |                 |
| Real estate projects  | 2,281              | 2,404            | 2,641               | 3,007                | 3,331           | 2,343            | 3,428           |
| Commercial mortgage   | 54                 | 80               | 65                  | 117                  | 112             | 67               | 103             |
| Equipment lease financing   | 807                | 803              | 800                 | 793                  | 819             | 805              | 838             |
| Total commercial lending  | 3,249              | 3,402            | 3,612               | 4,053                | 4,444           | 3,326            | 4,559           |
| <b>Consumer lending:</b>  |                    |                  |                     |                      |                 |                  |                 |
| Consumer:   |                    |                  |                     |                      |                 |                  |                 |
| Home equity lines of credit   | 4,416              | 4,533            | 4,615               | 4,887                | 5,016           | 4,474            | 5,156           |
| Home equity installment loans   | 1,914              | 2,015            | 2,060               | 1,877                | 2,052           | 1,964            | 2,301           |
| Other consumer  | 20                 | 25               | 23                  | 13                   | 15              | 23               | 13              |
| Total consumer  | 6,350              | 6,573            | 6,698               | 6,777                | 7,083           | 6,461            | 7,470           |
| Residential real estate:  |                    |                  |                     |                      |                 |                  |                 |
| Residential mortgage  | 7,617              | 7,717            | 7,974               | 8,744                | 8,983           | 7,667            | 9,106           |
| Residential construction  | 503                | 473              | 600                 | 842                  | 1,401           | 488              | 1,471           |
| Total residential real estate   | 8,120              | 8,190            | 8,574               | 9,586                | 10,384          | 8,155            | 10,577          |
| Total consumer lending  | 14,470             | 14,763           | 15,272              | 16,363               | 17,467          | 14,616           | 18,047          |
| Total portfolio loans   | 17,719             | 18,165           | 18,884              | 20,416               | 21,911          | 17,942           | 22,606          |
| Other assets  | 797                | 1,342            | 1,633               | 1,901                | 1,867           | 1,067            | 1,689           |
| Total assets  | \$18,516           | \$19,507         | \$20,517            | \$22,317             | \$23,778        | \$19,009         | \$24,295        |
| Deposits  | \$180              | \$85             | \$29                | \$32                 | \$49            | \$133            | \$47            |
| Other liabilities   | 77                 | 55               | 70                  | 85                   | 109             | 66               | 108             |
| Capital   | 1,514              | 1,353            | 1,568               | 1,540                | 1,619           | 1,434            | 1,595           |
| Total liabilities and equity  | \$1,771            | \$1,493          | \$1,667             | \$1,657              | \$1,777         | \$1,633          | \$1,750         |
| <b>PERFORMANCE RATIOS</b>   |                    |                  |                     |                      |                 |                  |                 |
| Return on average capital   | (23) %             | 22 %             | (22) %              | 4 %                  | 38 %            | (2) %            | 20 %            |
| Return on average assets  | (1.86)             | 1.50             | (1.70)              | .25                  | 2.61            | (.15)            | 1.31            |
| <b>OTHER INFORMATION</b>  |                    |                  |                     |                      |                 |                  |                 |
| Nonperforming assets (b)  | \$1,598            | \$1,777          | \$1,787             | \$1,473              | \$1,391         |                  |                 |
| Impaired loans (b) (c)  | \$6,867            | \$7,124          | \$7,577             | \$7,803              | \$8,670         |                  |                 |
| Net charge-offs   | \$264              | \$111            | \$121               | \$175                | \$197           | \$375            | \$248           |
| Net charge-offs (for three months ended) as a percentage of period-end portfolio loans (annualized) | 6.14 %             | 2.48 %           | 2.54 %              | 3.40 %               | 3.61 %          | 4.38 %           | 2.21 %          |
| <b>LOANS (in billions) (b)</b>  |                    |                  |                     |                      |                 |                  |                 |
| Commercial:   |                    |                  |                     |                      |                 |                  |                 |
| Residential development   | \$2.3              | \$2.6            | \$2.6               | \$3.2                | \$3.6           |                  |                 |
| Cross-border leases   | .8                 | .8               | .8                  | .8                   | .8              |                  |                 |
| Consumer:   |                    |                  |                     |                      |                 |                  |                 |
| Brokered home equity  | 6.1                | 6.3              | 6.4                 | 6.6                  | 6.9             |                  |                 |
| Retail mortgages  | 4.8                | 5.1              | 5.2                 | 5.4                  | 5.8             |                  |                 |
| Non-prime mortgages   | 1.6                | 1.7              | 1.7                 | 1.7                  | 1.9             |                  |                 |
| Residential construction (d)  | 1.7                | 1.6              | 1.8                 | 2.0                  | 2.2             |                  |                 |
| Total   | \$17.3             | \$18.1           | \$18.5              | \$19.7               | \$21.2          |                  |                 |

(a) See note (a) on page 13.

(b) As of period end.

(c) Recorded investment of purchased impaired loans related to National City, adjusted to reflect additional loan impairments effective December 31, 2008.

(d) Includes former construction accounts that have converted to residential mortgages as well as active construction loans.

**Glossary of Terms**

Accretable net interest - The excess of cash flows expected to be collected on a purchased impaired loan over the carrying value of the loan. The accretable net interest is recognized into interest income over the remaining life of the loan using the constant effective yield method.

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

Annualized - Adjusted to reflect a full year of activity.

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

Basis point - One hundredth of a percentage point.

Cash recoveries - Cash recoveries used in the context of purchased impaired loans represent cash payments from customers that exceeded the recorded investment of the designated impaired loan.

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

Client-related noninterest income - Total noninterest income included on our Consolidated Income Statement less amounts for net gains (losses) on sales of securities, net other-than-temporary impairments, and other noninterest income.

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

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

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 but not limited to forward contracts, futures, options and swaps.

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

Earning assets - Assets that generate income, which include: Federal funds sold; resale agreements; trading securities; interest-earning deposits with banks; loans held for sale; loans; investment securities; and certain other assets.

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

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

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

Fair value - The price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date using the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants.

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

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

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

Investment securities - Collectively, securities available for sale and securities held to maturity.

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

LIBOR - Acronym for London InterBank Offered Rate. LIBOR is the average interest rate charged when banks in the London wholesale money market (or interbank market) borrow unsecured funds from each other. LIBOR rates are used as a benchmark for interest rates on a global basis.

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

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

Nonaccretable difference - Contractually required payments receivable on a purchased impaired loan in excess of the cash flows expected to be collected.

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

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

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

Nonperforming loans - Nonperforming loans include loans to commercial, commercial real estate, equipment lease financing, consumer, and residential mortgage customers and construction customers as well as troubled debt restructured loans. Nonperforming loans do not include loans held for sale or foreclosed and other assets. We do not accrue interest income on loans classified as nonperforming. Nonperforming loans do not include purchased impaired loans as we are currently accreting interest income over the expected life of the loans.

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

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

Other-than-temporary impairment (OTTI) - When the fair value of a security is less than its amortized cost basis, an assessment is performed to determine whether the impairment is other-than-temporary. If we intend to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, an other-than-temporary impairment is considered to have occurred. In such cases, an other-than-temporary impairment is recognized in earnings equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date. Further, if we do not expect to recover the entire amortized cost of the security, an other-than-temporary impairment is considered to have occurred. However for debt securities, if we do not intend to sell the security and it is not more likely than not that we will be required to sell the security before its recovery, the other-than-temporary loss is separated into (a) the amount representing the credit loss, and (b) the amount related to all other factors. The other-than-temporary impairment related to credit losses is recognized in earnings while the amount related to all other factors is recognized in other comprehensive income, net of tax.

Pretax, pre-provision earnings - Total revenue less noninterest expense.

Purchase accounting accretion - Accretion of the discounts and premiums on acquired assets and liabilities. The purchase accounting accretion is recognized in net interest income over the weighted average life of the financial instruments using the constant effective yield method.

Purchased impaired loans - Acquired loans determined to be credit impaired under FASB ASC 310-30 (AICPA SOP 03-3). Loans are determined to be impaired if there is evidence of credit deterioration since origination and for which it is probable that all contractually required payments will not be collected.

Recorded investment - The initial investment of a purchased impaired loan plus interest accretion and less any cash payments and writedowns to date. The recorded investment excludes any valuation allowance which is included in our allowance for loan and lease losses.

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

Residential development loans - Project-specific loans to commercial customers for the construction or development of residential real estate including land, single family homes, condominiums and other residential properties. This would exclude loans to commercial customers where proceeds are for general corporate purposes whether or not such facilities are secured.

Residential mortgage servicing rights hedge gains / (losses), net - We have elected to measure acquired or originated residential mortgage servicing rights (MSRs) at fair value under GAAP. We employ a risk management strategy designed to protect the economic value of MSRs from changes in interest rates. This strategy utilizes securities and a portfolio of derivative instruments to hedge changes in the fair value of MSRs arising from changes in interest rates. These financial instruments are expected to have changes in fair value which are negatively correlated to the change in fair value of the MSR portfolio. Net MSR hedge gains/ (losses) represent the change in the fair value of MSRs, exclusive of changes due to time decay and payoffs, combined with the change in the fair value of the associated derivative instruments.

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

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

Return on average common shareholders' equity - Annualized net income less preferred stock dividends, including preferred stock discount accretion, divided by average common shareholders' equity.

Risk-weighted assets - 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.

Servicing rights - An intangible asset or liability created by an obligation to service assets for others. Typical servicing rights include the right to receive a fee for collecting and forwarding payments on loans and related taxes and insurance premiums held in escrow.



Taxable-equivalent interest - The interest income earned on certain assets is completely or partially exempt from Federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of yields and margins for all interest-earning assets, we use interest income on a taxable-equivalent basis in calculating average yields and net interest margins by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on other taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement.

Tier 1 common capital - Tier 1 risk-based capital, less preferred equity, less trust preferred capital securities, and less noncontrolling interests.

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

Tier 1 risk-based capital - Total shareholders' equity, plus trust preferred capital securities, plus certain noncontrolling interests that are held by others; less goodwill and certain other intangible assets (net of eligible deferred taxes relating to taxable and nontaxable combinations), less equity investments in nonfinancial companies less ineligible servicing assets 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 equity - Total shareholders' equity plus noncontrolling interests.

Total risk-based capital - Tier 1 risk-based capital plus qualifying subordinated debt and trust preferred securities, other noncontrolling interest not qualified as Tier 1, eligible gains on available for sale equity securities 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 interest-bearing money market deposits, interest-bearing demand deposits, and noninterest-bearing deposits.

Troubled debt restructuring - A restructuring of a loan whereby the lender for economic or legal reasons related to the borrower's financial difficulties grants a concession to the borrower that the lender would not otherwise consider or for which the lender would not be adequately compensated.

Watchlist - A list of criticized loans, credit exposure or other assets compiled for internal monitoring purposes. We define criticized exposure for this purpose as exposure with an internal risk rating of other assets especially mentioned, substandard, doubtful or loss.

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